[Translation]

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To whom it may concern:

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Announcement of Commencement of Tender Offer for Shares in Mitsubishi Shokuhin Co., Ltd. (Securities Code: 7451)

Mitsubishi Corporation (the "**Offeror**") hereby announces that it has decided today, as described below, to acquire the shares of common stock in Mitsubishi Shokuhin Co., Ltd. (the Standard Market of the Tokyo Stock Exchange, Inc. (the "**Tokyo Stock Exchange**"), Securities Code: 7451; the "**Target Company**") (such shares, the "**Target Company Shares**") through a tender offer (the "**Tender Offer**") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**").

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1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

As of today, the Offeror holds 21,816,659 of the Target Company Shares listed on the Standard Market of the Tokyo Stock Exchange (ownership ratio (Note 1): 50.11%), and the Target Company is a consolidated subsidiary of the Offeror.

(Note 1) "Ownership ratio" means the percentage (rounded to two decimal places; the same shall apply hereinafter to all references to the ownership ratio) of the number of shares (43,535,654 shares), calculated by subtracting the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)" released by the Target Company today (the "**Target Company's Financial Results**") (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the Board Incentive Plan (BIP) Trust (the "**BIP Trust**") as of the same date from the total number of issued shares as of the same date stated in the Target Company's Financial Results (43,537,200 shares).

The Offeror has decided today to implement the Tender Offer with a purchase price of 6,340 yen per Target Company Share (the "**Tender Offer Price**") in order to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Offeror and the treasury shares held by the

Target Company) as part of a series of transactions aimed at making the Offeror the sole shareholder of the Target Company and making the Target Company a wholly-owned subsidiary of the Offeror (the "**Transactions**").

Since the Offeror intends to make the Offeror the sole shareholder of the Target Company through the Tender Offer, the Offeror has set the minimum number of shares to be purchased at 7,100,000 shares (ownership ratio: 16.31%) (Note 2), and if the total number of share certificates, etc. that are tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than such minimum number, the Offeror will not purchase any of the Tendered Share Certificates, Etc. On the other hand, since the Offeror intends to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Offeror and the treasury shares held by the Target Company) in the Tender Offer, the maximum number of shares to be purchased has not been set, and if the total number of the Tendered Share Certificates, Etc. meets or exceeds the minimum number of shares to be purchased (7,100,000 shares), the Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) The minimum number of shares to be purchased (7,100,000 shares) has been set so that the aggregate number of voting rights of the Target Company to be held by the Offeror after the completion of the Tender Offer will be equal to or more than two-thirds of the total voting rights of the Target Company and calculated by (i) taking the number of voting rights (433,749 voting rights) represented by the number of shares (43,374,930 shares), which is obtained by subtracting (a) the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the Target Company's Financial Results (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the BIP Trust as of the same date) and (b) the number of the Target Company Shares held by the BIP Trust as of the same date (160,724 shares) from the total number of issued shares as of same date stated in the Target Company's Financial Results (43,537,200 shares), (ii) multiplying such number by two-thirds (resulting in 289,166 voting rights), (iii) deducting from such number the number of voting rights (218,166 voting rights) represented by the Target Company Shares held by the Offeror (21,816,659 shares) (resulting in 71,000 voting rights) and (iv) multiplying such number by the number of shares per unit of the Target Company (100 shares). While the Transaction aims to make the Offeror the sole shareholder of the Target Company and to privatize the Target Company Shares, if the Tender Offer is completed but the Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Offeror and the treasury shares held by the Target Company) through the Tender Offer and consequently the Offeror implements the procedures for the Share Consolidation (as defined in "(II) Share Consolidation" in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" below), a special resolution at a shareholders meeting, as stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter), will be required. In order to ensure that such procedures are practicable, the minimum number of shares to be purchased has been set as above so that the Offeror will, after the Tender Offer, hold at least two-thirds of the total number of voting rights that are held by all shareholders of the Target Company (excluding the number of voting rights represented by the Target Company Shares held by the BIP Trust) and that are required for the special resolution.

In addition, as stated in the "Notice of Introduction of Performance-Linked Share-based Remuneration Plan for Directors, etc." and the "Notice of Partial Revision of the Terms of the Performance-Linked Share-based Remuneration Plan for Directors, etc." released by the

Target Company on May 26, 2022 and May 9, 2024, respectively, the Target Company has introduced the BIP Trust as a performance-linked share-based remuneration plan for its directors and executive officers; however, the Target Company Shares held by the BIP Trust are not expected to be delivered to the beneficiaries, nor to be tendered in the Tender Offer or otherwise disposed of by the record date of the Extraordinary Shareholders' Meeting scheduled to be held in or around August 2025 (as defined in "(II) Share Consolidation" in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" below). Further, the voting rights represented by the Target Company Shares held by the BIP Trust are not going to be exercised during the trust period (according to the Target Company, the trust period expires in August 2028) and there is no possibility that such voting rights will be exercised at the Extraordinary Shareholders' Meeting. Therefore, the Offeror has not added the number of the Target Company Shares held by the BIP Trust as of March 31, 2025 (160,724 shares) to the number of the Target Company Shares used as the basis for the calculation in setting the minimum number of shares to be purchased.

If the Tender Offer is completed but the Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Offeror and the treasury shares held by the Target Company) through the Tender Offer, the Offeror will implement a series of procedures to make the Offeror the sole shareholder of the Target Company (the "**Squeeze-Out Procedures**") after the completion of the Tender Offer. Please refer to "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" below.

As of today, the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange. However, as described in "(5) Possibility of Delisting and Reasons Therefor" below, depending on the results of the Tender Offer, the Target Company Shares may be delisted after performing the prescribed procedures, and if the procedures described in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" below are to be implemented after the completion of the Tender Offer, the Target Company Shares will be delisted after performing the prescribed procedures.

According to the "Notice of Opinion in Support of the Tender Offer for Shares of the Company by Mitsubishi Corporation, the Controlling Shareholder, and Recommendation to Tender" released by the Target Company today (the "**Target Company's Press Release**"), the Target Company resolved, at a meeting of its board of directors held today, to express its opinion to support the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For details of the Target Company's decision-making process, please refer to the Target Company's Press Release and "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" below.

(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer

(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer

(i) Background of the Tender Offer

The Offeror has been listed on the First Section of the Tokyo Stock Exchange since 1954 (the Offeror was listed on the First Section of the Nagoya Stock Exchange since 1961, however, delisted from that exchange in 2020, and currently lists its shares only on the Tokyo Stock Exchange).In 2022, the Offeror was transferred from the First Section to the Prime Market as a result of the market segment restructuring conducted by the Tokyo Stock Exchange. The Offeror operates its business in collaboration with its global network of offices and its 872 subsidiaries and 380 equity method affiliates (as of September 30, 2024: collectively, the "**Offeror Group Companies**," and, together with the Offeror, the "**Offeror Group**"). The Offeror believes that it demonstrates collective capabilities by fostering organic connections between "industry expertise and insight" gained through its extensive experience in trade and business management, "global intelligence" collected in a timely manner through its unique global network of offices and the Offeror Group Companies, "business portfolio transformation" in response to a changing business environment, "financial soundness" rooted in fiscal discipline; and "diverse and versatile talent pool," who are driven to pursue business innovation, and has continuously created shared value by addressing societal challenges. In addition, the Offeror has formulated "Corporate Strategy 2027: Leveraging our Integrated Strength for the Future" as its three-year midterm corporate strategy starting from FY2025 and identified "reinforcing earnings base" as one of its priorities.

The Offeror currently has an eight-business segment structure, comprising the S.L.C. Group (Smart-Life Creation Group), the Food Industry Group, the Environmental Energy Group, the Material Solutions Group, the Mineral Resources Group, the Urban Development & Infrastructure Group, the Mobility Group and the Power Solutions Group. By connecting each group across boundaries, the Offeror believes that it achieves value creation on a large scale across sectors and industries. In particular, the mission of the S.L.C. Group is to not only solve but also monetize social issues in each country and region, and to create a unique Smart-Life ecosystem that surrounds consumers by launching C2B (Note 1) business that provides better lifestyles based on consumers' demand, and organically connects them with B2B businesses in areas such as finance, digital and logistics. The S.L.C. Group focuses on businesses that have many points of contact with consumers, such as retail, food distribution and logistics, apparel and S.P.A. (Note 2) -related businesses, financial services, healthcare-related businesses and digital solutions businesses.

(Note 1) "C2B" is an abbreviation of the term "Consumer to Business," and refers to a business model in which consumers and businesses trade with each other. The Offeror has formulated a growth strategy originating from consumers' demand, based on the idea that consumers have choices in today's society full of all kinds of goods and services. To emphasize the "market-in" way of thinking to match consumers' demand, the Offeror also defines and uses "C2B" businesses for the so-called "B2C" businesses.

(Note 2) "S.P.A." is an abbreviation of the term "Speciality store retailer of Private label Apparel", which refers to a business model that integrates all functions from product planning to production and distribution of private label products.

According to the Target Company's Press Release, the Target Company was established in March 1925 under the corporate name of Hokuyo Shokai Co., Ltd. as a domestic sales company for canned marine products that were handled by the Offeror's predecessor, the former Mitsubishi Corporation. In October 1969, the corporate name was changed to Hokuyo Shoji Co., Ltd. In August 1979, the Target Company, Nodaki Shoji Co., Ltd. and Shinryo Shoji Co., Ltd. were merged into Ryoshoku Limited. In July 1995, the Target Company Shares were listed on the Second Section of the Tokyo Stock Exchange (in June 1997, the Target Company Shares were designated as Tokyo Stock Exchange First Section listed stocks) and the Target Company has been working to raise public awareness of food wholesale businesses by becoming the first in its industry to be listed on a stock exchange. In July 2011, the Target Company, a processed food wholesaler, was integrated with three other companies, Meidi-Ya Corporation, a processed foods and alcoholic beverages specialist, SAN-ESU Inc., a confectionery wholesaler, and Food Service Network Co., Ltd., a frozen and chilled distribution specialist (all three companies were subsidiaries of the Offeror at the time) (the integration was completed in April 2012, and is referred to as the "**Four-Company Integration**") to establish the current Mitsubishi Shokuhin Co., Ltd. As a result of the Tokyo Stock Exchange's review of market segments in April 2022, the Target Company Shares were transferred from the First Section to the Standard Market in the Tokyo Stock Exchange.

Since the Four-Company Integration, a corporate group, consisting of the Target Company, 14 subsidiaries and 6 affiliates (the "**Target Company Group**") (as of March 31, 2025), has achieved all-area coverage with bases nationwide and all-category coverage handling all food product categories, and operates its business activities as a comprehensive food wholesaler whose main business is the wholesale of processed, frozen, and chilled foods, alcoholic beverages, and confectioneries in Japan and overseas. In March 2025, the Target Company celebrated its 100th anniversary since its establishment, and it aims to become a sustainable company that will continue for another 100 years in order to continue supporting Japan's food infrastructure.

The Target Company believes that securing a sustainable food supply chain has become an important issue in the recent business environment surrounding the Target Company in light of the concerns of supply chain disruptions caused by the increased geopolitical risks due to a number of factors such as the prolonged invasion of Ukraine by Russia and worsening conditions in the Middle East alongside the intensification of sustainability challenges due to climate change. Furthermore, the Target Company believes that with the evolution of technologies such as generative AI and technological innovations, refining both real and digital functions has become critical to business survival. Amid concerns about a shrinking market as Japan's population enters a period of significant decline, food prices have continued to rise in recent years, leading to a growing tendency toward thriftiness and polarization in consumption patterns. The Target Company believes that these factors make it impossible to be optimistic, and constant evolution in line with the times is essential.

Under such circumstances, in May 2024, the Target Company Group added "simultaneous resolution of key sustainability issues" to its purpose (reason for existence) of "contributing to the realization of a sustainable society through the food business" and formulated "MS Vision 2030" (the "**Target Company's Medium-term Plan**") as the Target Company's ideal state to aim for, and is working on the following growth strategies:

a. Utilizing Digital Technologies

Strengthen the data utilization infrastructure and thoroughly leverage AI technology to increase earnings by (i) creating demand through the development of a new business model, (ii) improving operational efficiency and productivity, and (iii) strengthening SCM (Note 3) functions, etc.

(Note 3) "SCM (Supply Chain Management)" is a method to manage a series of processes from the procurement of raw materials, through production, processing, and distribution, to reaching consumers through sales.

b. Capturing New Demand

- Domestic market: Strengthen product development capabilities to meet increasingly diverse needs of consumers
- Overseas markets: Strengthen overseas business in response to growing demand for Japanese food culture in growth markets

c. Strengthening Human Capital (Human Resource Development)

- Clarify the human resources portfolio aligned with the business strategy, and implement the personnel strategy
- Secure and develop specialized human resources, including digital and overseas talent, which are essential for the implementation of growth strategy
- Develop an organizational culture that respects individuality, leverages abilities and aptitudes, and enables employees to thrive healthily and find satisfaction in their work

The capital relationship between the Offeror and the Target Company began in March 1925, when the former Mitsubishi Corporation established the Target Company (then, the Target Company was known as Hokuyo Shokai Co., Ltd.) as a wholly-owned subsidiary. Upon the establishment of Mitsubishi Shokuhin Co., Ltd. through the Four-Company Integration, the Offeror held 35,196,459 shares of the Target Company Shares (60.55% of the total number of issued shares at that time), however, in February 2013, the Offeror acquired an additional 220,000 shares through an off-market negotiated acquisition, increasing its holding to 35,416,459 shares (60.93% of the total number of issued shares at that time). Thereafter, the Offeror sold 13,599,800 shares by tendering to the Target Company's tender offer for its own shares in July 2021, and, as a result, holds 21,816,659 shares (ownership ratio: 50.11%) as of today.

For the Offeror, the Target Company is an important infrastructure to provide consumers with improved lifestyles by connecting retailers and food service providers with manufacturers through commercial distribution, logistics and information flow, and is a B2B operator which plays an indispensable role in the organic coordination between the businesses of the Offeror's S.L.C. Group. The Offeror believes that strengthening the food distribution business centered around the Target Company will lead to growth for the entire S.L.C. Group and will also enhance the Offeror's corporate value.

(ii) Purpose and Decision-Making Process Leading to the Decision to Conduct the Tender Offer

As stated above, the Target Company is a key subsidiary of the Offeror, and the Offeror has been working with the Target Company on post-merger integration (PMI) (Note 4) since the Four-Company Integration by seconding employees in order to build an operational structure and expand business. For example, the Offeror and the Target Company have engaged in various forms of alliances up to the present: the Offeror has transferred and provided the business foundation and know-how it has built up in the food distribution business for over 70-80 years (transfer of the trading business, such as the canned food and wine import business, and the transfer of MC FOODS LIMITED, which has fabless product development functions (Note 5), such as fruits and vegetable juice, and the establishment of MC Sales Support Co., Ltd for the purpose of making the agency trading business a joint venture), and has launched the digital marketing business and overseas business, and supported the spin-off of the logistics business (establishment of Best Logistics Partners Corporation).

(Note 4) PMI (Post-Merger Integration) refers to the integration process following the completion of a merger or acquisition.

(Note 5) "Fabless product development function" refers to the function of developing products without having a manufacturing plant of one's own.

The Offeror believes that various issues have emerged in the environment surrounding the food wholesale industry, including a chronic labor shortage due to the declining birth rate and aging population; rising logistics costs triggered by the so-called "2024 problem"; increasingly complex social demands, such as environmental responsiveness; and a growing price-consciousness among consumers in response to the inflation. In the medium-to-long term, the Offeror believes that competition will surely intensify further due to the shrinking domestic market as a result of population decline. In order to address these issues, the Offeror has concluded that it is essential for the Target Company to adopt a management structure that is more closely aligned with the Offeror and to work together to enhance the corporate value of both companies.

In view of the aforementioned market environment, the Offeror believes that it is necessary to achieve growth together with the Target Company by mutually utilizing all management resources that both companies may possess and steadily implementing the above measures to enhance corporate value. However, as the Target Company and the Offeror currently operate as independent listed companies, and as nearly half of the value and profits generated by the Target Company is attributable to its shareholders other than the Offeror due to the capital structure of the Target Company, the Offeror recognizes that there is a possibility that the Offeror's shareholders may question the appropriateness of the Offeror supporting the Target Company's growth to a greater extent than it currently does and that as a result, it may be difficult to utilize the management resources necessary to implement the measures to enhance the corporate value.

The Offeror believes that the consummation of the Transactions, whereby the Target Company will become a wholly-owned subsidiary of the Offeror and the Offeror will become the sole shareholder of the Target Company, would allow both companies to resolve the aforementioned difficulties in utilizing the management resources and make the best use of their management resources (human resources, industry knowledge, customer and business foundations, etc.) by increasing the involvement of the Offeror in the Target Company, which is currently limited by the existing capital relationship.

The Target Company formulated the Target Company's Medium-term Plan in May 2024, and aims to achieve specific targets for economic value and social and environmental value, with a growth strategy of "Utilizing Digital Technology," "Capturing New Demand," and "Strengthening Human Capital (Human Resource Development)." The Offeror believes that the Transactions will further align the interests and strategies of both companies, and, that, by allowing the unrestricted mutual use of the management resources of both companies in a manner that also ensures the rationality for the Offeror's shareholders, the Transactions will achieve inorganic growth towards the fulfillment of the Target Company's Medium-term Plan. The Offeror believes that the consummation of the Transactions, which could enhance the corporate value of the Target Company through implementation of large-scale initiatives, is the optimal option for both the Offeror and the Target Company.

The Offeror is considering the following specific measures to enhance corporate value after the Transactions: (A) further strengthening the stable revenue of the food wholesale business, (B) expanding growth businesses, and (C) promoting human resources development and personnel exchanges.

The Offeror believes that it has extensive experience and expertise in large-scale business investment and business management in a diverse portfolio both in Japan and overseas, and has also established an extensive global network. In particular, the S.L.C. Group operates businesses in a wide range of areas that affect consumers' lives, including food distribution, logistics, retail, healthcare and digital, and the Offeror believes that the S.L.C. Group has a wide range of business investments and management experience, including those of the Offeror Group Companies. The Offeror is considering implementing the following measures in (A) to (C) after the Transactions in order to enhance corporate value by utilizing the management resources of the Offeror.

(A) Further Strengthening the Solid Earnings of the Food Wholesale Business

The Target Company, in its founding business (food wholesale business), has been expanding its many functions, such as settlement, order placement, logistics and sales promotion, in response to changes in the market environment, in its relationships with numerous manufacturers and retailers/food service providers, against the backdrop of the diversity of food preferences and culture in each region of Japan, etc. The Target Company leverages its all-category products and nationwide logistics network spanning three temperature ranges (Note 6) to provide these functions on a one-stop basis. The Offeror recognizes the Target Company as an essential infrastructure supporting the entire food supply chain.

(Note 6) "Three temperature ranges" refers to the three temperature zone categories of room temperature, chilled and frozen.

The Offeror believes that after the Transactions, it will be able to further strengthen the Target Company's solid earnings by (i) maintaining and strengthening the system that enables the Target Company to operate its food wholesale business in a stable manner by providing IT and digital knowledge, etc., of the Offeror Group, and (ii) expanding the functions provided to the Target Company's business partners by cooperating with the Offeror Group Companies that have functions such as packaging materials and food ingredient supply (the "**Food-Related Companies**"). Specifically, the Offeror intends to undertake the following initiatives:

(a) Utilization of IT and Digital Knowledge to Enhance Efficiency and Information Security

The Offeror believes that the combination of the Offeror Group's knowledge and solutions based on the latest technological trends and the Target Company's transaction-related data with retailers/food service providers and manufacturers, will contribute to the improvement of supply chain efficiency, including the optimization of vehicle allocation and warehouse operations. In addition, the Offeror believes that it will be able to assist the Target Company in meeting the increasing demand for information security due to the diversification of data handled and the expansion of the scope of data coordination, by utilizing the security and digital expertise that the Offeror Group has cultivated through its extensive business management experience and the human resources that possess such expertise.

(b) Cooperation with the Food-Related Companies

The Offeror believes that promoting cooperation with the Food-Related Companies in the Offeror Group will enable the Target Company to further expand the functions it provides to retailers/food service providers and manufacturers, and to expand the business scope of the Target Company. In addition, the Offeror believes that the prompt and flexible mutual utilization of each company's resources, network, know-how and other management resources in the food-related field will lead to the expansion of the Offeror Group's overall earnings.

(B) Expanding Growth Businesses

(a) Logistics Business

The Target Company designs and implements the operation of dedicated logistics centers and the optimization of delivery routes, in addition to logistics operations such as inspection, sorting, and other warehousing operations and delivery, as functions provided to retailers, food service operators, and manufacturers. In addition, in November 2024, the Target Company established Best Logistics Partners Corporation as a wholly-owned subsidiary, and it has positioned logistics functions as a business that will drive growth of the Target Company.

The Offeror believes that the Target Company has advanced 3PL (Note 7) capabilities that could be a differentiating factor in the food distribution sector.

On the other hand, in order to achieve the Target Company's goal of creating a "consumer goods demand chain (Note 8) that goes beyond food wholesale," which the Target Company has set to expand its logistics business, the Offeror believes that it is essential for the Target Company and the Offeror to work together to promote growth by utilizing the logistics expertise (including forwarding functions (Note 9)) of the Offeror Group, including Mitsubishi Corporation LT, Inc. and the base cargos (Note 10) that the Offeror has in a wide range of industries.

In addition, the Offeror believes that it will be possible to consider entering into overseas logistics business, which is expected to expand due to the growth of the frozen and chilled food and refrigerated food market, by combining the Offeror's business knowledge and network with major overseas partners, which the Offeror has cultivated overseas for many years, with the Target Company's advanced 3PL capabilities.

Furthermore, the Offeror believes that the Offeror's S.L.C. Group has extensive business expertise in financial services and related areas, engaging in asset finance activities in Japan, Asia and the United States through collaboration and cooperation with internal and external partners. The Offeror believes that it will be able to utilize this expertise to explore ways to effectively utilize the Target Company's warehouses and other properties as financial assets.

(Note 7) "3PL (Third Party Logistics)" refers to a logistics format in which logistics operations are outsourced to third parties with specialized logistics expertise.

(Note 8) "Consumer goods demand chain" refers to a system or concept that integrates the distribution and sales systems, production plans, procurement plans, etc., of suppliers based on consumer demand.

(Note 9) "Forwarding functions" refers to functions that provide a comprehensive service for all aspects of international transportation logistics.

(Note 10) "Base cargo" refers to the primary cargo shipped in regular transactions.

(b) Overseas Business

As set forth in the Target Company's Medium-term Plan, the Target Company aims to expand and strengthen its overseas business in order to meet the growing demand for Japanese food culture in growth markets through various measures, including the investment in Japan Food Express Ltd. in the UK and the establishment of a US joint venture with EAT&HOLDINGS Co., Ltd. in the fiscal year ending March 31, 2025.

However, in the current uncertain macro-environment, including geopolitical factors, and in a business environment that is changing significantly across industries, the Offeror believes that in order to further develop the Target Company's overseas business into a substantial revenue base, it is necessary to promote both inorganic business expansion, including M&A, and the establishment of a governance structure specialized in overseas business (management control, risk management, compliance with local laws, etc.). The Offeror believes that, after the completion of the Transactions, it will be possible to achieve inorganic growth of the Target Company's overseas business by combining the Offeror's extensive overseas network and existing business base with the Target Company's strengths in food-related expertise gained from its food wholesale business. In addition, the Offeror intends to assist the Target Company in promoting its sustainable overseas business by utilizing the Offeror's personnel who are familiar with the methods of establishing governance in overseas portfolio companies that the Offeror has cultivated over many years, as well as the business practices and laws and regulations of each country.

(c) Digital Marketing Business

The Offeror has established relationships with retailers and manufacturers, including convenience stores and supermarkets, in its S.L.C. Group and Food Industry Group for many years, and has over 10 million consumer touch points (Note 11). Regarding the Target Company's digital marketing business, the Offeror has been involved in not only planning and launching the business, but also in expanding the cooperation of retail purchase data using the aforementioned network, offering indirect support to sales activities to manufacturers, inviting new business partners and assisting in the expansion of advertising materials.

(Note 11) "Consumer touch points" refers to the average number of customers per day that visit the retail stores operated by companies belonging to the Offeror's S.L.C. Group.

The Offeror recognizes that in order to achieve further growth in the future, it is necessary to focus on the following three points: (i) further expanding the number of partners with which it shares purchase data; (ii) planning and promoting a partner strategy to expand sales channels; and (iii) developing new advertising products. The Offeror believes that it will be able to support the Target Company's inorganic growth of its business by sending personnel with the vision and ability to implement the initiatives described in (i) to (iii) after the Transactions, as well as further inviting business partners through the Offeror's extensive contacts in various industries. In addition, the Offeror intends to consider the overseas development of the Target Company's digital marketing business by utilizing the Offeror's network with local overseas retailers and manufacturers and its existing business base.

(C) Promotion of Human Resource Development and Exchange

The Offeror has been seconding employees to the Target Company to work in areas such as information systems, logistics, marketing, overseas business and brand development. After the Transactions, the Offeror will discuss with the Target Company and further intensively send employees to contribute to the expansion of the Target Company's human resources, and will work with the Target Company to establish a solid revenue base for the Target Company's growing businesses.

In addition, the Offeror believes that it will be able to support the human resource development of the Target Company by creating opportunities for employees to acquire new knowledge and experience that were not available prior to the Transactions by promoting further personnel exchanges between the Target Company and the Offeror Group. In particular, the Offeror expects to be able to provide further opportunities for employees to gain overseas experience in the offices of the Offeror Group and to acquire business management and consolidated management know-how in the corporate departments.

Through the above initiatives, the Offeror intends to promote the mutual exchange of knowledge and experience between the human resources of both companies, thereby facilitating the smooth circulation of human resources.

If the Transactions are successfully completed, the Target Company Shares will be delisted, and, as general disadvantages associated with delisting, the Target Company will not be able to procure funds from the capital market and will not be able to enjoy the advantages of being a listed company such as gaining social credibility from the outside, including from business partners, and maintaining name recognition. However, in terms of financing, the Offeror believes that there will be no impact, as the Offeror Group is working to reduce financing costs and risks through a variety of financing methods, and in addition, the Offeror may make loans to its subsidiaries using group financing. In addition, the Target Company believes that since the sufficient relationship of trust between the Target Company and its business partners has already been established and the possibility of losing existing business relationships due to delisting is considered to be extremely limited, the delisting will not result in the loss of the social trust and name recognition accumulated by the Target Company through its previous business operations, but rather such social trust and name recognition is expected to be maintained or even enhanced both in Japan and overseas by becoming a wholly-owned subsidiary of the Offeror, thereby further enhancing the Target Company's corporate value.

In light of the above background, objectives and synergies expected from corporate value enhancement measures, around September 2024, the Offeror commenced an initial review of the privatization of the Target Company Shares based on the view that, in order to further enhance the corporate value of the Target Company and the Offeror Group, it would be best to establish a structure that enables the Target Company and the Offeror to align their interests at an even higher level and to utilize each other's management resources promptly and flexibly by privatizing the Target Company Shares and making the Target Company a wholly-owned subsidiary.

In late October 2024, the Offeror appointed Nomura Securities Co., Ltd. (“**Nomura Securities**”) as the Offeror’s financial advisor and third-party appraiser independent of the Offeror and the Target Company, and Nagashima Ohno & Tsunematsu as its legal advisor, and established a structure for discussions and negotiations regarding the privatization of the Target Company Shares. On February 3, 2025, the Offeror submitted to the Target Company a non-legally binding initial proposal (the “**Letter of Intent**”) describing the background and purpose of the Transactions, the expected measures to enhance the corporate value and the assumed structure of the Transactions i.e., that the Offeror intends to conduct a cash tender offer and then make the Target Company a wholly-owned subsidiary via a squeeze-out procedure for the minority shareholders of the Target Company.

On February 25, 2025, the Offeror received a written notification from the Target Company regarding the Letter of Intent, stating that a special committee had been established by a resolution of the Target Company’s board of directors on the same date (the “**Special Committee**”), and that the Target Company had established its internal organizational framework to handle the proposed transaction, which framework included the appointment of a financial advisor, a third-party evaluation institution and a legal advisor. Subsequently, during the period from early March 2025 until the middle April of the same year, the Offeror conducted due diligence on the Target Company for the purpose of examining the feasibility of the Transactions, and, in parallel, based on a multi-faceted and comprehensive analysis of the Target Company’s businesses, finances, and future plans, held several discussions with the Target Company and the Special Committee regarding the significance and purpose of the Transactions, the synergies expected to be created through the Transactions, the management structure and business policies after the Transactions and industry prospects. Specifically, on March 5, 2025, the Offeror received written questions from the Target Company and the Special Committee regarding the purpose and reason for implementation of the Transactions and the management policy, governance after the Transactions, etc., based on the Letter of Intent. On March 11, 2025, the Offeror provided a written response to the questions, and at the Special Committee meeting held on March 12, 2025, the Offeror provided responses to the questions and held a question-and-answer session and discussion. Furthermore, on March 14, the Offeror received additional written questions from the Target Company and the Special Committee regarding the purpose and reasons for the Transactions, the procedures and the conditions of the Transactions, etc. On March 18, the Offeror received additional written questions mainly regarding business synergies and the governance structure and human resource allocation after the Transactions, etc. The Offeror provided written responses to these questions on March 20 and March 24, respectively, and, at the Special Committee meeting held on March 25, the Offeror provided answers to the questions and held a question-and-answer session and discussion.

In addition, since April 2, 2025, the Offeror has held several negotiations with the Target Company and the Special Committee regarding the Tender Offer Price. Specifically, the Offeror comprehensively considered, among other things, the information obtained through the due diligence conducted by the Offeror on the Target Company, the share value analysis of the value of the Target Company Shares conducted by Nomura Securities, the Offeror’s third-party appraiser, the trends in the market price of the Target Company Shares, the expected volume of the tenders under the Tender Offer and the results of the share value analysis of the Target Company Shares conducted by the Offeror, and, on April 2, 2025, the Offeror made a proposal regarding the Transactions (the "**First Proposal**"), which proposed, among other things, that the Tender Offer Price be set at 5,200 yen (which is the amount obtained by adding the following premiums: (i) a premium of 3.79% (rounded to the second decimal place; the same shall apply hereinafter to the calculation of the rates of premiums (%)) on 5,010 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 3.88% on 5,006 yen (rounded to the nearest whole number; the same shall apply hereinafter to the calculation of the simple average of the closing prices), which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 6.38% on 4,888 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 5.69% on 4,920 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 3, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Tender Offer Price in the First Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders.

In response, on April 10, 2025, the Offeror made a revised proposal (the "**Second Proposal**"), which proposed that the Tender Offer Price be set at 5,400 yen (which is the amount obtained by adding the following premiums: (i) a premium of 14.04% on 4,735 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 8.91% on 4,958 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 10.66% on 4,880 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 10.25% on 4,898 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 11, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Tender Offer Price even in the Second Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders.

In response, on April 14, 2025, the Offeror made a revised proposal (the "**Third Proposal**"), which proposed that the Tender Offer Price be set at 5,600 yen (which is the amount obtained by adding the following premiums: (i) a premium of 14.29% on 4,900 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 13.04% on 4,954 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 14.66% on 4,884 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 14.43% on 4,894 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 15, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Third Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on April 18, 2025, the Offeror made a revised proposal (the "**Fourth Proposal**"), which proposed that the Tender Offer Price be set at 5,800 yen (which is the amount obtained by adding the following premiums: (i) a premium of 13.50% on 5,110 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 16.77% on 4,967 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 18.29% on 4,903 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 18.54% on 4,893 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 20, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Fourth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on April 22, 2025, the Offeror made a revised proposal (the "**Fifth Proposal**"), which proposed that the Tender Offer Price be set at 5,900 yen (which is the amount obtained by adding the following premiums: (i) a premium of 13.24% on 5,210 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 18.55% on 4,977 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 20.02% on 4,916 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 20.51% on 4,896 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 24, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Fifth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on April 25, 2025, the Offeror made a revised proposal (the "**Sixth Proposal**"), which proposed that the Tender Offer Price be set at 6,020 yen (which is the amount obtained by adding the following premiums: (i) a premium of 14.67% on 5,250 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 20.18% on 5,009 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 21.96% on 4,936 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 22.71% on 4,906 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on April 26, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Sixth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on April 28, 2025, the Offeror made a revised proposal (the "**Seventh Proposal**"), which proposed that the Tender Offer Price be set at 6,150 yen (which is the amount obtained by adding the following premiums: (i) a premium of 18.50% on 5,190 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 22.63% on 5,015 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 24.49% on 4,940 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 25.28% on 4,909 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on the same date, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Seventh Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on May 1, 2025, the Offeror made a revised proposal (the "**Eighth Proposal**"), which proposed that the Tender Offer Price be set at 6,200 yen (which is the amount obtained by adding the following premiums: (i) a premium of 16.10% on 5,340 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 23.16% on 5,034 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 25.18% on 4,953 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 26.09% on 4,917 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on May 2, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Eighth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on May 4, 2025, the Offeror made a revised proposal (the "**Ninth Proposal**"), which proposed that the Tender Offer Price be set at 6,240 yen (which is the amount obtained by adding the following premiums: (i) a premium of 16.64% on 5,350 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 22.96% on 5,075 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 25.68% on 4,965 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 26.70%

on 4,925 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). In response, on May 5, 2025, the Offeror was requested by the Target Company and the Special Committee to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believe that the Tender Offer Price even in the Ninth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

In response, on May 6, 2025, the Offeror made a revised proposal (the "**Tenth Proposal**"), which proposed that the Tender Offer Price be set at 6,250 yen (which is the amount obtained by adding the following premiums: (i) a premium of 16.82% on 5,350 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 23.15% on 5,075 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 25.88% on 4,965 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 26.90% on 4,925 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). Subsequent to making the Tenth Proposal, the Offeror and the Target Company and the Special Committee held an in-person meeting on May 7, 2025 per the request of the Offeror. At the meeting, the Offeror was requested by the Target Company and the Special Committee to further raise the Tender Offer Price. In response, the Offeror made a revised proposal (the "**Eleventh Proposa**l"), which proposed that the Tender Offer Price be set at 6,270 yen (which is the amount obtained by adding the following premiums: (i) a premium of 17.20% on 5,350 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 23.55% on 5,075 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 26.28% on 4,965 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 27.31% on 4,925 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). However, the Target Company and the Special Committee once again requested a further increase in the Tender Offer Price, stating that they remained unable to express their support for the Tender Offer or recommend that shareholders tender their shares. In response, the Offeror made a further revised proposal (the "**Twelfth Proposal**"), which proposed that the Tender Offer Price be set at 6,340 yen (which is the amount obtained by adding the following premiums: (i) a premium of 18.50% on 5,350 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the business day immediately preceding the same date; (ii) a premium of 24.93% on 5,075 yen, which was the simple average of the closing prices for the past one-month period ending on the same date; (iii) a premium of 24.93% on 5,075 yen, which was the simple average of the closing prices for the past three-month period ending on the same date; and (iv) a premium of 27.69% on 4,965 yen, which was the simple average of the closing prices for the past six-month period ending on the same date). Following its review, the Special Committee delivered a response to the Offeror indicating its acceptance of the Tender Offer Price of 6,340 yen, and the parties reached an agreement.

After these rounds of discussions and negotiations, the Offeror, on the condition that the Target Company will not pay any dividends with a record date of September 30, 2025 or March 31, 2026, decided today to implement the Tender Offer as part of the Transaction, setting the Tender Offer Price at 6,340 yen.

(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer

(i) Background of the Establishment of the Framework for Consideration

According to the Target Company's Press Release, on February 3, 2025, the Target Company received the Letter of Intent for the Transactions from the Offeror, which contemplates the commencement of the Tender Offer in early May of the same year, as part of the important measures to achieve medium-to-long-term and sustainable growth of the Target Company and maximize its corporate value and shareholder value. In response to this, in considering the Transactions and discussing and negotiating with the Offeror regarding the Transactions, the Offeror immediately commenced establishing a framework to consider, negotiate and make a decision regarding the Transactions from a standpoint independent from the Offeror and from the standpoint of enhancing the corporate value of the Target Company and ensuring the interests of the Target Company's minority shareholders, in order to address the issues arisen from the facts that the Offeror is the controlling shareholder (parent company) of the Target Company, that the Transactions constitute material transactions, etc. with a controlling shareholder, and that the Transactions fall under a category of transactions in which there typically exist issues related to structural conflicts of interest and asymmetric information and to ensure the fairness of the Tender Offer.

Specifically, as stated in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below, from early February, the Target Company proceeded with preparation for the establishment of a special committee and, by resolution of its board of directors dated February 25, established the Special Committee, consisting of five members, Mr. Masahiro Yoshikawa (an independent outside director of the Target Company), Ms. Tamaki Kakizaki (an independent outside director of the Target Company, a professor in the Department of Law, Meiji University, an outside director of Keikyu Corporation, an outside director of The Akita Bank, Ltd. and an outside director of Japan Airport Terminal Co., Ltd. (a member of Audit and Supervisory Committee)), Ms. Kimiko Kunimasa (an independent outside director of the Target Company and an outside director of Alfresa Holdings Corporation), Ms. Hiroko Kawasaki (an independent outside director of the Target Company, member of the Labor Policy Council of the Ministry of Health, Labor and Welfare, an outside director of ENEOS Holdings, Inc. (a chair of the board of directors) and an outside director of THK CO., LTD.) and Mr. Yoshiharu Ojima (an independent outside audit & supervisory board member and an attorney-at-law at IKEDA & SOMEYA), who are all members of the Group Transactions Committee of the Target Group. For the composition of the Special Committee, the authority it was granted, and the process of its consideration and the details of its decisions, please refer to "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer"

In addition, according to the Target Company, by the resolution of its Board of Directors on February 25, 2025, the Target Company appointed SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**") as its financial advisor and third-party appraiser independent of the Offeror and the Target Company, and Shimada Hamba & Osajima as its legal advisor. As stated in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below, the Special Committee approved the appointment of SMBC Nikko Securities as the Target Company's financial advisor and third-party appraiser, and Shimada Hamba & Osajima as the Target Company's legal advisor, after confirming that there is no problem with their independence and expertise.

Furthermore, as stated in "(vii) Establishment by the Target Company of Independent Internal Framework" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below, the Target Company, by a resolution of its board of directors dated February 25, established an internal organizational framework for consideration, negotiation and decision-making in respect of the Transactions (including the scope of officers and employees of the Target Company involved in consideration, negotiation and decision-making concerning the Transactions, and their duties), and obtained the Special Committee's confirmation that there is no problem with such internal framework from the perspective of independence and fairness.

(ii) Background of Consideration and Negotiations

After establishing the framework for consideration as described in "(i) Background of the Establishment of the Framework for Consideration" above, the Target Company received a report from SMBC Nikko Securities regarding the results of the valuation of the Target Company Shares, advice regarding the negotiation policy with the Offeror and other advice from a financial perspective, as well as guidance and other legal advice from Shimada Hamba & Osajima regarding measures to ensure the fairness of the procedures in the Transactions. Based on the above, and, while respecting to the maximum extent possible the contents of the Special Committee's opinion, the Target Company carefully discussed and considered whether or not the Transactions should be implemented and the appropriateness of the terms and conditions of the Transactions.

In addition, since the establishment of the Special Committee by the resolution of the Board of Directors on February 25, 2025, the Target Company continuously discussed and negotiated the terms and conditions of the Transactions (including the Tender Offer Price).

Specifically, on March 5, 2025, the Target Company and the Special Committee (i) sent written questions to the Offeror regarding the purpose and reason for implementation of the Transactions, the advantages and disadvantages expected to arise from the Transactions, the management policy and governance after the Transactions, the details of the structure and the timing of the Transactions, etc., and (ii) requested a response and explanation at the Special Committee meeting. The Target Company and the Special Committee received a written response to those questions from the Offeror on March 11, 2025, and, at the Special Committee meeting held on March 12, 2025, the Target Company and the Special Committee received responses to and explanations for the questions and held a question-and-answer and discussion session. Subsequently, based on the discussion with the Offeror, for the purpose of deepening the understanding on the significance of the Transactions, the Special Committee conducted an interview on March 13, 17 and 21 with Mr. Yutaka Kyoya (the President and Representative Director of the Target Company), Mr. Koichi Enomoto (a director of the Target Company), Mr. Koji Tamura (a director of the Target Company) and Mr. Hirohide Hosoda (a director of the Target Company), who are not involved in the Transactions in their capacity as officers of the Target Company. Furthermore, based on the discussions with the Offeror and the interview with Mr. Yutaka Kyoya (the President and Representative Director of the Target Company), Mr. Koichi Enomoto (a director of the Target Company), Mr. Koji Tamura (a director of the Target Company) and Mr. Hirohide Hosoda (a director of the Target Company) on March 14, the Target Company and the Special Committee provided additional written questions to the Offeror regarding the purpose and reasons for the Transactions, the procedures and the conditions of the Transactions, etc. On March 18, the Target Company and the Special Committee provided additional written questions mainly regarding business synergies and the governance structure and human resource allocation after the Transactions, etc. The Target Company and the Special Committee received written responses to these questions on March 20 and March 24, respectively, and at the Special Committee meeting held on March 25, the Target Company and the Special Committee held a question-and-answer session and discussion in response to the answers to the questions.

In addition, since April 2, 2025, the Target Company and the Special Committee have held several negotiations with the Offeror regarding the Tender Offer Price. Specifically, on April 2, 2025, the Target Company and the Special Committee received from the Offeror the First Proposal with the Tender Offer Price of 5,200 yen, for which the Offeror comprehensively considered, among other things, the information obtained through the due diligence conducted by the Offeror on the Target Company, the share value analysis of the value of the Target Company Shares conducted by Nomura Securities, the Offeror's third-party appraiser, the trends in the market price of the Target Company Shares, the expected volume of the tenders under the Tender Offer and the results of the share value analysis of the Target Company Shares conducted by the Special Committee, and, the Special Committee made a proposal regarding the Transactions. In response, on April 3, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Tender Offer Price in the First Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders.

On April 10, 2025, the Target Company and the Special Committee received from the Offeror the Second Proposal with the Tender Offer Price of 5,400 yen. However, on April 11, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Tender Offer Price even in the Second Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders.

On April 14, 2025, the Target Company and the Special Committee received from the Offeror the Third Proposal with the Tender Offer Price of 5,600 yen. However, on April 15, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believed that the Tender Offer Price even in the Third Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

On April 18, 2025, the Target Company and the Special Committee received from the Offeror the Fourth Proposal with the Tender Offer Price of 5,800 yen. However, on April 20, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believed that the Tender Offer Price even in the Fourth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

On April 22, 2025, the Target Company and the Special Committee received from the Offeror the Fifth Proposal with the Tender Offer Price of 5,900 yen. However, on April 24, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believed that the Tender Offer Price even in the Fifth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

On April 25, 2025, the Target Company and the Special Committee received from the Offeror the Sixth Proposal with the Tender Offer Price of 6,020 yen. However, on April 26, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believed that the Tender Offer Price even in the Sixth Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

On April 28, 2025, the Target Company and the Special Committee received from the Offeror the Seventh Proposal with the Tender Offer Price of 6,150 yen. However, on the same date, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Target Company and the Special Committee believed that the Tender Offer Price even in the Seventh Proposal did not fully reflect the Target Company's intrinsic value and was far from a standard that takes into account the interests of the Target Company's minority shareholders, and the Target Company and the Special Committee were not able to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

On May 1, 2025, the Target Company and the Special Committee received from the Offeror the Eighth Proposal, which proposed a Tender Offer Price of 6,200 yen. However, on May 2, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Tender Offer Price in the Eighth Proposal still did not fully reflect the intrinsic value of the Target Company and was far from being acceptable from the perspective of the interests of the Target Company's minority shareholders. Accordingly, the Target Company and the Special Committee were unable to express an opinion in support of the Tender Offer or recommend that shareholders tender their shares.

On May 4, 2025, the Target Company and the Special Committee received from the Offeror the Nineth Proposal, which proposed a Tender Offer Price of 6,240 yen. However, on May 5, 2025, the Target Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price on the grounds that the Tender Offer Price in the Nineth Proposal still did not fully reflect the intrinsic value of the Target Company and was far from a standard that takes into account the interests of the Target Company's minority shareholders. Accordingly, the Target Company and the Special Committee were unable to express an opinion in support of the Tender Offer or recommend that shareholders tender their shares.

On May 6,2025, the Target Company and the Special Committee received from the Offeror the Tenth Proposal, which proposed a Tender Offer Price of 6,250 yen. At the Offeror's request, the Target Company and the Special Committee held an in-person meeting with the Offeror on May 7, 2025. In the course of this meeting, the Target Company and the Special Committee requested the Offeror to further raise the Tender Offer Price, and received from the Offeror the Eleventh Proposal, which proposed a Tender Offer Price of 6,270 yen. However, the Target Company and the Special Committee once again stated that they were unable to express an opinion in support of the Tender Offer or recommend that shareholders tender their shares, and requested a further increase in the Tender Offer Price.

In response, the Target Company and the Special Committee received from the Offeror the Twelfth Proposal, which proposed a Tender Offer Price of 6,340 yen, and after reviewing the proposal, the Special Committee responded to the Offeror indicating its acceptance of the Tender Offer Price of 6,340 yen, and the parties reached an agreement.

(iii) Details of Resolution by the Board of Directors of the Target Company

Under the above circumstances, the Target Company carefully discussed and deliberated at a meeting of its board of directors held today on whether the Transactions will contribute to the improvement of the corporate value of the Target Company and whether the terms and conditions of the Transactions (including the Tender Offer Price) are appropriate based on legal advice received from Shimada Hamba & Osajima, advice from a financial perspective from SMBC Nikko Securities and the contents of the share valuation report regarding the Target Company Shares submitted by SMBC Nikko Securities as of May 7, 2025 (the "**Target Company's Share Valuation Report (SMBC Nikko Securities**")), while respecting to the maximum extent possible the content of the decision by the Special Committee shown in a report submitted by the Special Committee as of May 8, 2025 (the "**Report**").

The Target Company believes that, in order to continue to have a presence in the distribution industry in the future and realize a sustainable society through the food business even though the industries that deal with food products are said to be less susceptible to economic trends, it is important to fully utilize the Offeror Group's management resources and to speedily evolve and reform the Target Company's management.

However, as the Target Company and the Offeror currently operate as independent listed companies and there are structural conflicts of interest, the Target Company received explanations from the Offeror indicating that there is a possibility that the Offeror's shareholders may question the appropriateness of the Offeror supporting the Target Company's growth to a greater extent than it currently does. Further, the Target Company also believes that maintaining the current capital relationship, which involves conflicts of interest between the Offeror and the Target Company's minority shareholders, could make it difficult for the Target Company to protect the interests of the Target Company's minority shareholders and become a constraint, which may cause making decisions and adjusting interests to take time when advancing the business relationship between both companies, including mutual utilization of management resources.

Based on the business environment surrounding the Target Company, the Target Company believes that the Offeror making the Target Company a wholly-owned subsidiary through the Transactions, eliminating the structural conflicts of interest between the Offeror and the Target Company's minority shareholders and enabling the Offeror to further invest management resources in the Target Company will contribute to the early achievement of the quantitative targets set forth in the Target Company's Medium-term Plan and the creation of the synergies described below.

a. Further Expansion of Earnings in the Food Wholesale Business through Utilization of Digital Technologies and Cooperation

According to the Target Company, it launched a project to reform its core IT systems (MILAI) and strengthened its overall food wholesale operations, aiming to create new value by building an ecosystem that promotes the utilization of data and applications that transcend organizational barriers. The Target Company believes that it will realize further improvement of supply chain efficiency and the optimization of delivery and warehouse operations by utilizing knowledge of up-to-date technologies held by the Offeror Group for the data obtainable from transactions between the Target Company and retailers, food service operators, and manufacturers. In addition, the Target Company believes that it will be able to utilize the security and digital expertise held by the Offeror Group in handling the increasing information security risks due to the diversification of data and the expansion of the scope of data coordination. Moreover, the Target Company believes that it will be able to refine the marketing functions that it provides by promoting strategic partnerships with leading-edge technology companies by utilizing the Offeror Group's network, which will lead to differential advantage.

In addition, the Target Company believes that cooperation with the Food-Related Companies in the Offeror Group, such as food manufacturers and packaging material manufacturers will lead to the expansion of its ability to develop and propose retail store PB (Note 1). Furthermore, as a unique initiative between the retailers in which the Offeror invested and the Offeror Group Companies, it will be possible to (i) collaborate in marketing fields, such as product planning and sales promotion planning, (ii) improve efficiency in logistics, such as delivery time and frequency and site policies, and (iii) reduce back-office operations through data linkage.

The Target Company believes that such initiative will further strengthen its relationship with retailers and enable it to increase its market share, which will lead to further expansion of earnings in the food wholesale business.

(Note 1) "Retail store PB" refers to private brand products that are planned, developed and sold independently by retailers.

b. Capturing Steady Achievement of Growth Businesses

(i) Logistics Business

In November 2024, the Target Company established Best Logistics Partners Corporation and promoted the logistics business as a new pillar of its business through attempting to create a sustainable "consumer goods demand chain that goes beyond food wholesale" which leads to the solution of social issues by combining the operational know-how and on-site management capabilities in logistics that the Target Company has cultivated over many years with digital technologies that it has been focusing on introducing in recent years, and by further developing its business in areas other than food products. By utilizing the network of the Offeror Group in addition to this, the Target Company believes that business expansion such as collaborating in logistics with non-food companies and taking in upstream logistics can be speedily achieved by utilizing the Offeror Group's network. Further, the Target Company believes that utilization of the Target Company's advanced 3PL capabilities and cold chain management technology and the Offeror Group's global network will enable them to develop their overseas frozen and chilled distribution business, the market for which is expanding in line with the increase in consumption of frozen and chilled foods.

(ii) Functional Development Business (DD Marketing, Overseas)

In the Target Company's Medium-term Plan, the functional development business is viewed as an important growth driver. In the DD (Data x Digital) marketing business, which is one of these businesses, the Target Company expects to promote cooperation with major advertising agencies and leading retail media companies, and expand its sales channels by utilizing the Offeror Group's network, and also believes that it will be possible to speedily promote M&As of retail tech companies by accepting the dispatch of personnel with the vision and ability to implement the initiatives from the Offeror.

In its overseas business, based on the concept of "exporting Japanese food culture to the world," the Target Company is promoting the establishment of its business mainly in the U.S., Europe and ASEAN regions from the perspective of the characteristics of each country's markets and its growth potential, targeting the food supply chain as a whole without limiting business areas, such as the manufacturing, wholesale, retail and food service .

In the uncertain macro-environment in overseas markets, including geopolitical factors, and in a business environment that is yielding inorganic change across industries, the Target Company believes that, in addition to its food-related expertise, etc., it will contribute to the promotion of smooth capture of demand in overseas markets to utilize the Offeror Group's business base overseas, knowledge gained from the business development overseas including M&A, global network and personnel who are familiar with the methods for establishing governance in overseas portfolio companies, and the business practices and laws and regulations of each country.

(iii) Brand Development Business

The Target Company believes that it will be able to expand the original domestic products developed by the Target Company by strengthening cooperation with the Food-Related Companies of the Offeror Group, to expand the lineup of imported overseas product brands by utilizing the Offeror Group's global network more than ever before and thereby to sell products with higher profit margins than ever before.

c. Strengthening Human Capital (Development of Human Resources)

The Target Company believes that in order to implement the growth strategy set forth in the Target Company's Medium-term Plan it is essential to secure and develop human resources with expertise in digital and overseas businesses, legal and tax matters related to the promotion of new businesses, business management and consolidated management. According to the Target Company, it has conducted personnel exchanges with the Offeror Group in areas such as information systems, logistics, marketing, overseas business and brand development so far;

however, such personnel exchanges will be operated to a limited extent from the standpoint of the independence of the Target Company and the necessity to consider the interests of the minority shareholders, in light of the fact that the Target Company and the Offeror are listed companies. The Target Company believes that if the Target Company becomes a wholly-owned subsidiary of the Offeror through the Transactions, further personnel exchanges will be possible, which will enable the Target Company to receive personnel dispatches from the Offeror in areas where the Target Company's employees lack experience and will provide them with opportunities to gain overseas experience or expertise in business management, M&A, digital technologies, etc. of the Offeror Group. The Target Company also believes that this will facilitate the skill enhancement of its employees, secure and develop specialized personnel essential for the implementation of its growth strategies and ultimately enhance its collective capabilities.

On the other hand, as there were concerns about the negative impact on its business partners and other stakeholders and the possibility of a decline in employee motivation due to the decline in its brand power as a listed company as a result of its privatization through the Transactions, the Target Company asked the Offeror to explain its response and received an explanation from the Offeror to the effect that the Offeror believes that since sufficient relationships of trust between the Target Company and its business partners have already been established and the possibility of losing existing business relationships due to delisting is considered to be extremely limited, the delisting will not result in the loss of social trust and name recognition accumulated by the Target Company through its previous business operations, but rather such social trust and name recognition is expected to be maintained or even enhanced both in Japan and overseas by becoming a wholly-owned subsidiary of the Offeror, thereby further enhancing the Target Company's corporate value.

In addition, the Target Company received an explanation from the Offeror regarding its management policy after the Tender Offer, as described in "(III) Management Policy after the Tender Offer" below.

Based on the above explanations, the Target Company believes that, assuming that the business of the Target Company will be operated after the Transactions based on the Offeror's explanations, the Target Company's privatization as a result of the Transactions will be acceptable to the Target Company business partners, employees and other stakeholders as the negative impact on its business partners and other stakeholders and the possibility of a decline in employee motivation due to the decline in its brand power as a listed company is limited.

The Target Company concluded that the Tender Offer Price secures the interests to be enjoyed by the Target Company's minority shareholders and provides the Target Company's minority shareholders with a reasonable opportunity to sell the Target Company Shares on reasonable terms and conditions for the following reasons.

a. Measures to ensure the fairness of the terms and conditions of the Transactions (including the Tender Offer Price) described in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below have been fully taken, and the Tender Offer Price is a price agreed upon through sincere negotiations with the Offeror under the substantial involvement of the Special Committee.

b. The Tender Offer Price is, out of the results of the valuation of the Target Company Shares calculated by SMBC Nikko Securities, in excess of the upper limit of the calculation results using the average market price method and the comparable listed company method and within the range of the calculation results using the discounted cash flow method (the "**DCF method**") as described in "(ii) Obtainment by the Target Company of Share Valuation Report from Independent Financial Adviser and Third-Party Appraiser" and "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below.

c. The Tender Offer Price is, out of the results of the valuation of the Target Company Shares calculated by PLUTUS CONSULTING Co., Ltd ("**Plutus**"), in excess of the upper limit of the calculation results using the average market price method and the comparable listed company method, and within the range of the calculation results using the DCF method as described in "(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser" and "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below. In addition, the Special Committee obtained a fairness opinion from Plutus stating that the Tender Offer Price of 6.340 yen per share is fair to the minority shareholders of the Target Company from a financial point of view as described in in "(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser" and "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below.

d. With respect to the Tender Offer Price, it is determined that the appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price) is secured in the Report obtained from the Special Committee as described in "(C) Details of the Decision" in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below.

e. The Tender Offer Price of 6,340 yen has been set by adding a premium of (i) 17.19% on 5,410 yen, which was the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 7, 2025, the business day immediately preceding the announcement date of the Tender Offer (i.e., today), (ii) 23.37% on 5,139 yen, which was the simple average of the closing prices for the most recent one-month period, (iii) 27.18% on 4.985 yen, which was the simple average of the closing prices for the most recent three-month period, and (iv) 28.55% on 4,932 yen, which was the simple average of the closing prices for the most recent six-month period.

   While the level of premium in this Tender Offer cannot be considered high compared to the average premium levels observed in 16 precedent tender offers (the "**Comparable Transactions**") that were announced between June 28, 2019 (the date of the publication of the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines") and March 31, 2025, in which a parent company of a listed subsidiary with a market capitalization of 100 billion yen or more and a PBR of 1.0 or more aimed to acquire all shares of the subsidiary, it is not deemed unreasonable either. Specifically, the average premiums observed in the Comparable Transactions were: 29.39% on the closing price of the business day immediately preceding the announcement date, 32.41% on the simple average of the closing prices for the past one-month period, 33.72% for the past three-month period, and 33.60% for the past six-month period; and the respective medians were 28.10%, 34.55%, 35.73%, and 29.11%.

Furthermore, when examining the distribution of premium rates in the Comparable Transactions in 10-percentage-point intervals, it is observed that the most frequently occurring premium range was in the 20% range for the simple average closing prices over the past one-month (5 cases), three-month (5 cases), and six-month (6 cases) periods. In addition, there were two cases in which the premium on the closing price of the day immediately preceding the announcement date was in the 10% range. Based on the above, the premium level offered in the Tender Offer is not considered to be unreasonably low when compared to the Comparable Transactions.

It should also be noted that the Tender Offer Price significantly exceeds the highest share price of the Target Company Shares (5,730 yen) observed since the launch of its new management structure following the integration of the four companies in April 2012.

Given the above, the Target Company has determined that the Transactions will contribute to the enhancement of the Target Company's corporate value, and that the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate, and the Target Company resolved at the meeting of its board of directors held today to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For the details of the decision-making process of the board of directors of the Target Company, please refer to "(viii) Approval of All Disinterested Directors and Non-dissenting Opinions of All Disinterested Audit & Supervisory Board Members of the Target Company" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" below.

(III) Management Policy after the Tender Offer

The Offeror will aim to steadily realize the synergies through the implementation of the initiatives described in "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" above, and enhance the corporate value of the Target Company and the Offeror. On the premise that its personnel with deep expertise of the wholesale business will continue to play a central role, the Offeror plans for the Target Company to benefit from the Offeror's support in relation to promoting business collaboration with the Food-Related Companies of the Offeror Group, expanding functions for the provision of services for retailers, food service operators, and manufacturers and improving operational efficiency through the promotion of digital transformation initiatives. In the Target Company's logistics, overseas and digital marketing businesses, the Offeror plans for the Target Company to utilize the Offeror's resources, such as the business creation of the Offeror, M&A human resources and global network, to an even greater extent than before in the Target Company's growing businesses, and to contribute to the inorganic business growth and the establishment of earnings base through such utilization.

With respect to the management policy of the Target Company after the completion of the Tender Offer, the Offeror intends to maintain and respect the Target Company's management autonomy as a basic principle, and the specific details of such policy will be determined through discussions with the Target Company after the completion of the Tender Offer. Although the management structure of the Target Company has not yet been determined as of today, the Offeror intends to consult with the Target Company, based on the above policy, to consider establishing an optimal structure to implement the above initiatives, further strengthen the Target Company's management foundation, and maintain and enhance the soundness of its operations.

Furthermore, following the completion of the Tender Offer, the employment of the Target Company's employees will, in principle, be maintained, and their current employment conditions will not be changed to their disadvantage. The Offeror does not currently plan to make any significant changes to the Target Company's personnel structure, human resource development plans, promotion policies, or recruitment policy. The Target Company understands that its personnel with deep expertise in the industry will continue to play a central role, while the Target Company will also consider utilizing the Offeror's human resources as necessary. In addition, in order to maintain and enhance employees' motivation, the Offeror plans to discuss with the Target Company to consider personnel systems that will further promote the active engagement of the Target Company's employees. The Offeror is not contemplating changing the Target Company's name after the completion of the Tender Offer at this point.

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

In light of the facts that the Offeror is the controlling shareholder (parent company) of the Target Company, with an ownership ratio of 50.11% of the Target Company Shares, that the Transactions including the Tender Offer, constitute material transactions, etc. with a controlling shareholder, and that the Transactions fall under a category of transactions in which there typically exist issues related to structural conflicts of interest and asymmetric information, the Offeror and the Target Company have taken each of the following measures to address these issues and ensure the fairness of the Tender Offer.

Further, the Offeror holds 21,816,659 Target Company Shares (ownership ratio: 50.11%) as of today as described in "(1) Outline of the Tender Offer" above, so the Offeror believes that, if a minimum number of shares to be purchased in the Tender Offer is set for the so-called "Majority of Minority," it would make a successful completion of the Tender Offer uncertain and, as a result, would not contribute to the interests of minority shareholders of the Target Company who wish to tender their shares in the Tender Offer. Therefore, the Offeror has not set a minimum number of shares to be purchased in the Tender Offer for the so-called "Majority of Minority." However, the Offeror and the Target Company believe that since the following measures have been taken to ensure the fairness of the Tender Offer, the interests of minority shareholders of the Target Company have been fully considered. In addition, in the Report, the Special Committee evaluated that, although a "majority of minority" condition has not been established, sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures, as other enhanced measures to ensure fairness have been implemented.

The following descriptions of the measures taken by the Target Company are based on Target Company's Press Release and the explanations received from the Target Company.

(i) Obtainment by the Offeror of Share Valuation Report from Independent Third-Party Appraiser
(ii) Obtainment by the Target Company of Share Valuation Report from Independent Financial Adviser and Third-Party Appraiser
(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee
(iv) Obtainment by the Special Committee of Advice from Independent Legal Adviser
(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser
(vi) Obtainment by the Target Company of Advice from Independent Legal Adviser
(vii) Establishment by the Target Company of Independent Internal Framework
(viii) Approval of All Disinterested Directors and Non-dissenting Opinions of All Disinterested Audit & Supervisory Board Members of the Target Company
(ix) Nonexistence of Deal Protection Provisions
(x) Measures to Ensure that the Target Company's Shareholders have the Opportunity to Appropriately Decide Whether or not to Tender in the Tender Offer

For the details of the above, please refer to "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" of "(4) Basis for the Valuation of the Price of the Tender Offer" of "2. Outline of the Tender Offer" below.

(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)

As described in "(1) Outline of the Tender Offer" above, if the Offeror fails to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Offeror and the treasury shares held by the Target Company) through the Tender Offer, the Offeror plans to implement the following Squeeze-Out Procedures after the completion of the Tender Offer:

(I) Demand for Share Cash-Out

In the event that the Offeror comes to hold 90% or more of the voting rights of all shareholders of the Target Company as a result of the completion of the Tender Offer and the Offeror becomes a special controlling shareholder as defined in Article 179, Paragraph 1 of the Companies Act, the Offeror plans to demand that all shareholders of the Target Company (excluding the Offeror and the Target Company) (the "**Shareholders Subject to Cash-Out**") sell all of their Target Company Shares ("**Demand for Share Cash-Out**") promptly after the completion of the settlement of the Tender Offer in accordance with the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act. With respect to the Demand for Share Cash-Out, the Offeror plans to provide the Shareholders Subject to Cash-Out with a cash amount equal to the Tender Offer Price as consideration for each Target Company Share. In such case, the Offeror will notify the Target Company of such fact and request that the Target Company approve the Demand for Share Cash-Out. If the Target Company approves the Demand for Share Cash-Out by resolution of its board of directors, the Offeror will acquire all of the Target Company Shares held by the Shareholders Subject to Cash-Out on the acquisition date designated in the Demand for Share Cash-Out, in accordance with the procedures prescribed by the relevant laws and regulations, without the need for the individual approval of the Shareholders Subject to Cash-Out. The Offeror plans to deliver to each Shareholder Subject to Cash-Out a cash amount equal to the Tender Offer Price per Target Company Share as consideration for the Target Company Shares held by the Shareholders Subject to Cash-Out. According to the Target

Company’s Press Releases, if the Target Company receives a notice from the Offeror stating that it intends to make the Demand for Share Cash-Out and stating the matters set forth in each Item of Article 179-2, Paragraph 1 of the Companies Act, the Target Company’s board of directors plans to approve the Demand for Share Cash-Out by the Offeror. As a procedure under the Companies Act for the purpose of protecting the rights of minority shareholders in connection with the above procedures, it is provided that, if the Demand for Share Cash-Out is made, the Shareholders Subject to Cash-Out may file a petition with the court for a determination in respect of the purchase price of their Target Company Shares in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. The court will make the final determination as to the purchase price of the Target Company Shares in the event that such a petition is filed.

(II) Share Consolidation

If the total number of voting rights of the Target Company held by the Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the Tender Offer is completed, the Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, that the Target Company hold an extraordinary meeting of shareholders (the “**Extraordinary Shareholders’ Meeting**”) around August 2025, at which the agenda items will include a proposal for a consolidation of the Target Company Shares (the “**Share Consolidation**”) and a partial amendment to the Target Company’s articles of incorporation to abolish the provisions on share units subject to the effectiveness of the Share Consolidation. According to the Target Company’s Press Releases, the Target Company intends to hold the Extraordinary Shareholders’ Meeting at the request of the Offeror. In addition, the Offeror will vote in support of such proposal at the Extraordinary Shareholders’ Meeting.

In the event that the proposed Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Target Company will, as of the date the Share Consolidation takes effect, hold a proportionate number of the Target Company Shares in accordance with the Share Consolidation ratio that was approved at the Extraordinary Shareholders’ Meeting. The shareholders of the Target Company will be paid for the fractional shares that they will be allocated as a result of the Share Consolidation, if any, with the cash to be paid for the sale of the Target Company Shares to the Target Company or the Offeror in a number equivalent to the total number of such fractional shares (any fractions of the total number will be rounded down; the same applies hereinafter) in accordance with the procedure prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With regard to the sale price of the Target Company Shares corresponding to the total number of such fractional shares, the Offeror plans to request that the Target Company file a petition with the court to permit a voluntary sale, after determining the amount to be paid to the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company), at the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each such shareholder. According to the Target Company, the Target Company intends to file a petition with the court at the request of the Offeror if the Tender Offer is completed.

While the ratio of the Share Consolidation has not yet been determined as of today, the Offeror plans to request the Target Company that the ratio be set so that the number of the Target Company Shares to be held by the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company) will be less than one share to ensure that only the Offeror will hold all of the Target Company Shares (excluding the treasury shares held by the Target Company) after the Share Consolidation. According to the Target Company, the Target Company intends to respond to such request of the Offeror if the Tender Offer is completed.

The Companies Act has a provision that is intended to protect the rights of minority shareholders relating to the Share Consolidation. Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations provide that, in the event of the Share Consolidation, if there are any fractional shares resulting from the Share Consolidation, the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company) may demand that the Target Company purchase all of their fractional shares at fair prices and may file a petition with the court to determine the fair price of the Target Company Shares. If such a petition is filed, the purchase price of the Target Company Shares will be ultimately determined by the court.

Depending on the relevant matters, such as the revision and enforcement of the relevant laws and regulations and their interpretation by the authorities, the above procedures may require a longer time or there may be changes in the implementation method. However, even in such cases, if the Tender Offer is completed, the Offeror intends to take measures to eventually pay cash to shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company). In such case, the amount of cash to be paid to each shareholder of the Target Company is planned to be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Target Company Shares that each shareholder of the Target Company holds. The specific procedures and the schedule thereof in the above cases shall be determined upon consultation between the Offeror and the Target Company and announced by the Target Company promptly after they are determined.

Please note that the Tender Offer is not at all intended to solicit votes or support from the shareholders of the Target Company for the proposals in the Extraordinary Shareholders' Meeting. In addition, the shareholders of the Target Company are advised to consult with their certified tax accountants and other experts on their own responsibility regarding the tax treatment in respect of the Tender Offer or any of the above procedures.

(5) Possibility of Delisting and Reasons Therefor

Although the Target Company Shares are presently listed on the Standard Market of the Tokyo Stock Exchange as of the date hereof, the Offeror has not set the maximum number of shares to be purchased through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the Target Company Shares may be delisted after the prescribed procedures are completed in accordance with the delisting criteria of the Tokyo Stock Exchange. Even if the requirements of the delisting criteria are not met as of the time of completion of the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures after the completion of the Tender Offer as stated in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" above. If such procedures are implemented, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. The Target Company Shares cannot be traded on the Standard Market of the Tokyo Stock Exchange after they are delisted.

(6) Matters concerning Material Agreements Related to the Tender Offer

Not applicable.

2. Outline of the Tender Offer

(1) Outline of the Target Company

(I)	Name	Mitsubishi Shokuhin Co., Ltd.
(II)	Address	1-1, Koishikawa 1-chome, Bunkyo-ku, Tokyo
(III)	Title and Name of Representative	Yutaka Kyoya, President and Representative Director
(IV)	Description of Business	Wholesale of processed foods, frozen and chilled foods, alcoholic beverages and confectioneries as well as other business activities, including distribution and other services
(V)	Capital	10,630 million yen (as of September 30, 2024)
(VI)	Date of Establishment	March 13, 1925
(VII)	Major Shareholders and Shareholding Ratios (as of September 30, 2024)	Mitsubishi Corporation 50.11% The Master Trust Bank of Japan, Ltd. (Trust Account) 8.14% Custody Bank of Japan, Ltd. (Trust Account) 2.77% Nichirei Corporation 1.60% Maruha Nichiro Corporation 1.57% Suntory Spirits Limited 1.53% STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) 1.45% House Foods Group Inc. 1.40% TableMark Co., Ltd. 1.37% STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) 1.28%
(VIII)	Relationship between Offeror and Listed Company	
	Capital Relationship	As of today, the Offeror holds 21,816,659 of the Target Company Shares (ownership ratio: 50.11%), and the Target Company is a consolidated subsidiary of the Offeror.
	Personnel Relationship	As of today, three of the ten directors of the Target Company are from the Offeror, one has a position as an executive officer of the Offeror and one has a position as an employee of the Offeror. In addition, one of the four audit & supervisory board members of the Target Company is from the Offeror and has a position as an employee of the Offeror. In addition, as of March 31, 2025, 34 employees of the Offeror are seconded to the Target Company and 2 employees of the Target Company are seconded to the Offeror.
	Business Relationship	There are transactions between the Offeror Group and the Target Company Group relating to the purchase and sale of goods and the lending of funds.
	Status as Related Party	The Target Company is a consolidated subsidiary of the Offeror and is a related party of the Offeror.

(Note) The information in the "Major Shareholders and Shareholding Ratios (as of September 30, 2024)" is based on the "Status of Major Shareholders" stated in the Semi-annual

Securities Report for the fiscal year 2024 filed by the Target Company on November 14, 2024 (the "**Target Company's Semi-annual Securities Report**").

(2) Schedule, etc.

(I) Schedule

Date of the decision to implement the Tender Offer	May 8, 2025 (Thursday)
Date of the public notice of the commencement of the Tender Offer	May 9, 2025 (Friday) An electronic public notice will be made, and notice to that effect will be published in the *Nihon Keizai Shimbun*. (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Filing date of the Tender Offer Registration Statement	May 9, 2025 (Friday)

(II) Initially Registered Offering Period

From May 9, 2025 (Friday) to June 19, 2025 (Thursday) (30 business days)

(III) Possibility of Extension at Request of Target Company

Not applicable.

(3) Price of the Tender Offer

6,340 yen per share of common stock

(4) Basis for the Valuation of the Price of the Tender Offer

(I) Basis for Valuation

In order to ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Offeror requested that its financial adviser, Nomura Securities, calculate the Target Company's share value as a third-party appraiser independent of the Offeror and the Target Company.

Nomura Securities considered it appropriate to calculate the Target Company's share value from multiple perspectives after examining the Target Company's financial situation, trends in the market price of the Target Company Shares and other factors, considered the valuation method to be adopted when calculating the value of the Target Company Shares from among various share value calculation methods, and carried out the calculation of the value of the Target Company Shares by using the average market price method, given that there is a market price for the Target Company Shares, the comparable company method, given that there are listed companies comparable to the Target Company making it possible to analogize the share value of the Target Company Shares by comparable company analysis, and the DCF method in order to reflect the future business activities in the valuation. The Offeror received the share valuation report (the "**Offeror's Share Valuation Report**") from Nomura Securities today. Nomura Securities is not a related party of the Offeror or the Target Company and has no material interest in the Tender Offer. The Offeror did not obtain an opinion with regard to the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities since the Offeror comprehensively considered the various factors set out in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer

Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" below and believes that the interests of the Target Company's minority shareholders are adequately considered.

The ranges of the value per share of the Target Company Shares, which were calculated by each of the above-mentioned analysis methods by Nomura Securities, are as follows:

Average market price method:	From 4,932 yen to 5,410 yen
Comparable company method:	From 4,721 yen to 7,539 yen
DCF method:	From 4,232 yen to 9,318 yen

Under the average market price method, using May 7, 2025, as the valuation reference date, the value per share of the Target Company Shares was calculated to range from 4,932 yen to 5,410 yen based on the closing price of the valuation reference date (5,410 yen), the simple average closing price for the most recent five business days (5,348 yen), the simple average closing prices for the most recent one month (5,139 yen), the simple average closing prices for the most recent three months (4,985 yen), and the simple average closing prices for the most recent six months (4,932 yen) of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange.

Under the comparable company method, the value per share of the Target Company Shares was calculated to range from 4,721 yen to 7,539 yen by comparing the market prices and financial indicators showing profitability, etc. of some listed companies engaged in business that is similar to the Target Company's business.

Under the DCF method, the value per share of the Target Company Shares was calculated to range from 4,232 yen to 9,318 yen, after analyzing and evaluating the enterprise value and the share value of the Target Company by discounting the free cash flow that the Target Company is expected to generate in the future to the current value at a certain discount rate, based on the Target Company's future earnings forecasts from and after the fourth quarter of the fiscal year ending March 31, 2025, taking into account various factors, including the Target Company's estimated future earnings, and the investment plan stated in the financial forecast for the four fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2028, which were obtained from the Target Company (free cash flow was not included in the business plan obtained from the Target Company) and provided to Nomura Securities after the confirmation by the Offeror, as well as the Target Company's recent performance trends and publicly disclosed information. The financial forecast of the Target Company that was the assumption for the DCF method does not include any fiscal year in which a significant increase or decrease in profit is expected, however, it does include fiscal years in which a significant increase or decrease in free cash flow is expected. Specifically, in the fiscal year ending March 31, 2025, free cash flow is expected to decrease significantly due to an increase in working capital, and, in the fiscal year ending March 31, 2026, a significant increase in free cash flow is expected, compared to the fiscal year ending March 31, 2025, due to a smaller increase in working capital. In addition, the financial forecast is not premised on the execution of the Transactions, and the financial forecast does not reflect the synergies expected from the realization of the Transactions because it is difficult to specifically estimate those synergies at present.

Based on the results of discussions and negotiations with the Target Company, the Offeror ultimately determined today that the Tender Offer Price should be 6,340 yen, comprehensively taking into account: (i) the valuation results in respect of the Target Company Shares as stated in the Offeror's Share Valuation Report obtained from Nomura Securities; (ii) the results of the due diligence on the Target Company that was carried out during the period from early March 2025 to mid-April 2025;

(iii) whether the board of directors of the Target Company would support the Tender Offer; and (iv) expected levels of tendering in the Tender Offer.

The Tender Offer Price of 6,340 yen represents (i) a premium of 17.19% on the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 7, 2025, which is the business day immediately preceding the day of the Offeror's public announcement of the implementation of the Tender Offer (today) (5,410 yen), (ii) a premium of 23.37% on the simple average closing prices for the most recent one month (5,139 yen), (iii) a premium of 27.18% on the simple average closing prices for the most recent three months (4,985 yen), and (iv) a premium of 28.55% on the simple average closing prices for the most recent six months (4,932 yen).

(Note) In calculating the value of the Target Company Shares, Nomura Securities assumed that the existing public information and all information provided to Nomura Securities were accurate and complete, and did not independently verify the accuracy and completeness of such information. Nomura Securities did not independently evaluate, appraise or assess the assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company or any of its affiliates, including any analysis or evaluation of their individual assets and liabilities, nor did it make any request to a third-party institution to perform any valuation for appraisal or assessment of such assets or liabilities. Nomura Securities assumed that the management of the Offeror reasonably reviewed or prepared information regarding the financial forecasts (including profit planning and other information) of the Target Company, based on the estimates and judgments that were the best currently available and were sincere. The calculation by Nomura Securities reflected information and economic conditions obtained by Nomura Securities by May 7, 2025. The sole purpose of the calculation by Nomura Securities is to serve as a reference for the board of directors of the Offeror in its consideration of the value of the Target Company Shares.

(II) Background of Valuation

(Background Leading to the Determination of the Tender Offer Price)

Please refer to "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.

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

In light of the facts that the Offeror is the controlling shareholder (parent company) of the Target Company, with an ownership ratio of 50.11% of the Target Company Shares, that the Transactions, including the Tender Offer, constitute material transactions, etc., with a controlling shareholder, and that the Transactions fall under a category of transactions in which there typically exist issues related to structural conflicts of interest and asymmetric information, the Offeror and the Target Company have taken each of the following measures to address these issues and ensure the fairness of the Tender Offer.

Further, since the Offeror holds 21,816,659 Target Company Shares (ownership ratio: 50.11%) as of today as described in "(1) Outline of the Tender Offer" in "1. Purpose of the Tender Offer" above, the Offeror believes that, if a minimum number of shares to be purchased in the Tender Offer is set for the so-called "Majority of Minority," that would make uncertain a successful completion of the Tender Offer and, as a result, would not contribute to the interests of minority shareholders of the Target Company who wish to tender their shares in the Tender Offer. Therefore, the Offeror has not set a minimum number of shares to be purchased in the Tender Offer for the so-called "Majority of Minority." However, the Offeror and the Target Company believe that, since the following measures have been taken to ensure the fairness of the Tender Offer, the interests of minority shareholders of the Target Company have been fully considered. In addition, in the Report, the Special Committee evaluated that, although majority of minority condition has not been established, sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures, as other enhanced measures to ensure fairness have been implemented.

The following statements of the measures taken by the Target Company are based on the explanations received from the Target Company.

(i) Obtainment by the Offeror of Share Valuation Report from Independent Third-Party Appraiser

The Offeror received the Offeror's Share Valuation Report from Nomura Securities today regarding the results of the calculation of the value of the Target Company Shares. For details, please see "(I) Basis for Valuation" above.

(ii) Obtainment by the Target Company of Share Valuation Report from Independent Financial Adviser and Third-Party Appraiser

(A) Name of the Appraiser and Relationship with the Offeror and the Target Company

In expressing its opinion on the Tender Offer, the Target Company requested that SMBC Nikko Securities, a financial adviser and third-party appraiser independent of the Offeror and the Target Company, calculate the share value of the Target Company Shares, and received the Target Company's Share Valuation Report (SMBC Nikko Securities) on May 7, 2025. The Target Company did not obtain an opinion with regard to the fairness of the Tender Offer Price (a fairness opinion) from SMBC Nikko Securities, as it has implemented measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

SMBC Nikko Securities is not a related party of the Offeror or the Target Company and has no material interest in the Transactions that should be noted.

In addition, although SMBC Nikko Securities is one of the group companies of Sumitomo Mitsui Financial Group, Inc., which include Sumitomo Mitsui Banking Corporation, a company which conducts lending and other banking transactions with the Offeror and the Target Company as part of its regular banking transactions, measures have been taken to block information between the department that evaluates the share value of the Target Company Shares in SMBC Nikko Securities and other departments therein and Sumitomo Mitsui Banking Corporation in accordance with the internal rules as preventive measures against adverse effects. The Target Company appointed SMBC Nikko Securities as its financial advisor and third-party appraiser based on the fact that the Target Company and SMBC Nikko Securities conduct transactions on the same terms and conditions as general business partners, as well as the track records of SMBC Nikko Securities as a third-party appraiser, in addition to the above measures. Although the fee to be paid to SMBC Nikko Securities includes contingency fees payable subject to the completion of the Transactions or other conditions, the Target Company determined, taking into account the normal business practices in similar transactions, that the inclusion of the contingency fees subject to the completion of the Transactions or other conditions would not negate the independence of SMBC Nikko Securities, and appointed SMBC Nikko Securities as its financial advisor and third-party appraiser under the above fee system. In addition, it is confirmed by the Special Committee that there is no problem with the independence of SMBC Nikko Securities.

(B) Summary of Valuation

SMBC Nikko Securities considered the valuation method to be adopted when calculating the value of the Target Company Shares from among various calculation methods, and based on its assumption that the Target Company is a going concern and its belief that it would be appropriate to calculate the value of the Target Company Shares from multiple perspectives, SMBC Nikko Securities carried out the analysis of the value per share of the Target Company Shares by using the market price method, given that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange, the comparable listed company method, given that there are listed companies comparable to the Target Company making it possible to analogize the share value of the Target Company Shares by using a comparable listed company analysis, and the DCF method in order to reflect the future business activities in the valuation. The Target Company received the Target Company's Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities on May 7, 2025.

The ranges of the value per share of the Target Company Shares, which were calculated by each of the above-mentioned analysis methods, are as follows:

Market price method:	From 4,932 yen to 5,139 yen
Comparable listed company method:	From 5,500 yen to 6,225 yen
DCF method:	From 5,571 yen to 9,565 yen

Under the market price method, using May 7, 2025, as the valuation reference date, the value per share of the Target Company Shares was calculated to range from 4,932 yen to 5,139 yen based on the simple average closing prices for the most recent one month (5,139 yen), the simple average closing prices for the most recent three months (4,985 yen), and the simple average closing prices for the most recent six months (4,932 yen) of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange.

Under the comparable listed company method, after selecting KATO SANGYO CO., LTD. and ITOCHU-SHOKUHIN Co., Ltd. as comparable listed companies that are considered to be similar to the Target Company, the value per share of the Target Company Shares was calculated to range from 5,500 yen to 6,225 yen by referencing EBITDA multiple to enterprise value.

Under the DCF method, the value per share of the Target Company Shares was calculated to range from 5,571 yen to 9,565 yen, after analyzing the enterprise value and the share value of the Target Company by discounting the free cash flow that the Target Company is expected to generate in the future to the current value at a certain discount rate, assuming various factors including the Target Company's future earnings forecasts from and after the fiscal year ending March 31, 2026, and the investment plan stated in the business plan for the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, based on the business plan prepared by the Target Company (the "**Business Plan**"). The discount rate used was the weighted average cost of capital (WACC), ranging from 8.2% to 10.0%. For the calculation of the going-concern value, the perpetual growth rate method was used with a perpetual growth rate, ranging from minus 0.25% to 0.25%, and the multiple method was used with EBITDA multiple, ranging from 2.8 times to 3.5 times. In addition, the Business Plan that was used by SMBC Nikko Securities for the DCF method does not include any fiscal year in which a significant increase or decrease in profit is expected. On the other hand, while the amount of planned investments in several companies was taken into account during the period of the Business Plan, the amount of planned investments in the fiscal year ending March 31, 2027 is expected to decrease compared to the fiscal years ending March 31, 2026 and March 31, 2028. Accordingly, free cash flow for the fiscal year ending March 31, 2027 is expected to increase approximately 142% and 167% compared to the fiscal years ending March 31, 2026 and March 31, 2028, respectively.

In the Business Plan that was used by SMBC Nikko Securities for the analysis by the DCF method, the synergies expected from the realization of the Transactions are not taken into account in the above calculation because it is difficult to specifically estimate those synergies at present.

The figures in the Business Plan assumed in the DCF method are as follows. The financial forecasts in the Business Plan (the "**Financial Forecast (Target Company)**") differ from those in the Target Company's Medium-term Plan due to certain adjustments made in consideration of the environment surrounding the Target Company, as a certain period of time has elapsed since the Target Company's Medium-term Plan was formulated. However, the reasonableness of the content, material assumptions and preparation process of the Target Company's business plan, including such difference, were confirmed and approved by the Special Committee.

(Millions of yen)

	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028
Net sales	2,150,224	2,200,897	2,254,585
Operating profit	32,394	33,721	35,684
EBITDA	46,154	48,497	50,820
Free cash flows	17,369	24,672	14,749

(Note) In preparing the Target Company's Share Valuation Report (SMBC Nikko Securities), SMBC Nikko Securities assumed that all of the materials and information on which it was based were accurate and complete, did not independently verify the accuracy and completeness thereof, and was not obligated or responsible to do so, and further assumed that the Target Company was not aware of any facts or circumstances indicating that the information provided was inaccurate or misleading. In addition, SMBC Nikko Securities did not independently evaluate, appraise or assess the assets or liabilities of the Target Company or any of its affiliates, nor did it make any request to a third-party institution to perform any evaluation, appraisal or assessment of such assets or liabilities. If any problem is identified regarding the accuracy or completeness of these materials and information, the valuation results may differ significantly. Furthermore, SMBC Nikko Securities assumed that there are no claims or obligations relating to undisclosed litigation, disputes, environmental issues, tax or other matters, other contingent liabilities or off-balance sheet liabilities or other facts with respect to the Target Company or any of its affiliates that would have a material effect on the

Target Company's Share Valuation Report (SMBC Nikko Securities). SMBC Nikko Securities assumed that the Business Plan, etc., that was used by it in the Target Company's Share Valuation Report (SMBC Nikko Securities) was prepared by the Target Company in accordance with reasonable and appropriate procedures based on the best estimates and judgments as of the valuation reference date. In addition, when SMBC Nikko Securities conducted an analysis using the assumptions provided to it based on the materials and information provided to it in the Target Company's Share Valuation Report (SMBC Nikko Securities), SMBC Nikko Securities assumed that the materials, information and assumptions provided to it were accurate and reasonable. SMBC Nikko Securities did not independently verify, and was not obligated or responsible for verifying, the accuracy, validity and feasibility of these assumptions. SMBC Nikko Securities' calculation results were submitted to the Target Company at the Target Company's request solely for the purpose of assisting the Target Company's board of directors in considering the Tender Offer Price, and such calculation results do not express SMBC Nikko Securities' opinion as to the fairness of the Tender Offer Price.

(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee

(A) Background of Establishment

As stated in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company, at the meeting of its board of directors held on February 25, 2025, after confirming that the outside directors and outside audit & supervisory board member of the Target Company to be nominated as Special Committee members have no interest in the Offeror or the Target Company, have no significant interest in the success or failure of the Transactions that is different from that of the minority shareholders, and are qualified to serve as Special Committee members, established a Special Committee consisting of five members, Mr. Masahiro Yoshikawa (an independent outside director of the Target Company), Ms. Tamaki Kakizaki (an independent outside director of the Target Company), Ms. Kimiko Kunimasa (an independent outside director of the Target Company), Ms. Hiroko Kawasaki (an independent outside director of the Target Company) and Mr. Yoshiharu Ojima (an independent outside audit & supervisory board member) (the Special Committee members have not changed since its establishment). In addition, the Special Committee elected Mr. Masahiro Yoshikawa as the chairperson of the Special Committee from among its members. The fee to be paid to each Special Committee member is a fixed fee payable regardless of the success or failure of the Transactions and does not include any contingency fee payable subject to the announcement or completion of the Transactions or other conditions.

The Target Company's board of directors, at its meeting held on February 25, 2025, requested the Special Committee to consider (i) the legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions will contribute to the improvement of the corporate value of the Target Company), (ii) the fairness and appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price in the Transactions), (iii) the fairness of the procedures for the Transactions, (iv) whether the Transactions are not considered detrimental to the minority shareholders of the Target Company assuming (i) through (iii) above and other matters, and (v) whether or not the Target Company's board of directors should express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer (collectively, the "**Consultation Matters**"). In addition, the Target Company resolved at the above meeting of the board of directors that (i) the Target Company's board of directors shall make its decisions regarding the Transactions with the highest degree of respect to the contents of the decisions of the Special Committee, and (ii) if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the Target Company's board of directors shall not support the Transactions under those terms and conditions, and further resolved that it will authorize the Special Committee (i) to appoint its financial advisors, third-party appraisers and legal advisors (the "**Advisors**"), or nominate or approve (including ex post facto approval) the Target Company's Advisors, (ii) to approve (including ex post facto approval) the Target Company's internal frameworks, (iii) to request any officer or employee of the Target Company or the Target Company's Advisors involved in the Transactions to attend the Special Committee meetings and to provide explanations or information on necessary matters, and (iv) to be substantially involved in the negotiation process regarding the terms and conditions of the Transactions by confirming in advance the policy regarding the Target Company's negotiations regarding the terms and conditions of the Transactions, receiving timely reports on the status of such negotiations and providing its opinions, instructions and requests in critical situations and, if necessary, to directly conduct the negotiations itself.

(B) Process of Consideration

The Special Committee held a total of 18 meetings during the period from March 3, 2025 to May 7, 2025, and also performed its duties regarding the Consultation Matters, including reporting, sharing information, deliberating and making decisions through frequent e-mails between such meetings.

Specifically, the Special Committee first decided on March 3, 2025 to appoint Mori Hamada & Matsumoto Foreign Law Joint Enterprise ("**Mori Hamada & Matsumoto**") as its own legal advisor independent of the Offeror and the Target Company. In addition, the Special Committee decided on March 12, 2025, after deliberating on matters such as the independence, expertise, track records and other matters of several candidates for financial advisors and third-party appraisers, to appoint Plutus as its own financial advisor and third-party appraiser independent of the Offeror and the Target Company. The Special Committee confirmed that each of Mori Hamada & Matsumoto and Plutus is not a related party of the Offeror or the Target Company and has no significant interest in relation to the Transactions, including the Tender Offer, and that there is no other problem with the independence in the Transactions.

In addition, the Special Committee approved the appointment of SMBC Nikko Securities as the Target Company's financial advisor and third-party appraiser, and Shimada Hamba & Osajima as the Target Company's legal advisor, after confirming that there is no problem with their independence and expertise.

Furthermore, the Special Committee approved, after confirming that there is no problem, from the perspective of independence and fairness, with the internal framework established by the Target Company for consideration, negotiation and decision-making in respect of the Transactions (including the scope of officers and employees of the Target Company involved in consideration, negotiation and decision-making concerning the Transactions, and their duties).

The Special Committee then deliberated on measures that need to be taken to ensure the fairness of the procedures in the Transactions, taking into account the legal advice received from Mori Hamada & Matsumoto and the opinions heard from Shimada Hamba & Osajima.

The Special Committee sent written questions to the Offeror regarding the purpose and reason for implementing the Transactions, the advantages and disadvantages expected from the Transactions, the management policy and governance of the Target Company after the Transactions, the structure and timing of the Transactions, the procedures and terms and conditions of the Transactions and other matters, and received replies and explanations directly from, and held question-and-answer and discussions sessions with, the Offeror on these matters at the Special Committee meetings.

The Special Committee also requested the attendance of Mr. Yutaka Kyoya (the President and Representative Director of the Target Company), Mr. Koichi Enomoto (a director of the Target Company), Mr. Koji Tamura (a director of the Target Company) and Mr. Hirohide Hosoda (a director of the Target Company) at a Special Committee meeting, and heard the opinion of the Target Company's management and related information about the significance of the Transactions, the timing and method of the Transactions, the management policy and governance of the Target Company after the Transactions, the Target Company's view of the value of its shares, and other matters, and held a question-and-answer session on these matters.

In addition, the Special Committee confirmed the reasonableness of matters such as the contents, material conditions precedent, the preparation progress of the Financial Forecast (Target Company) prepared by the Target Company for the Transactions, taking into account the advice from a financial perspective received from Plutus, and approved it. Thereafter, as stated in "(ii) Obtainment by the Target Company of Share Valuation Report from Independent Financial Adviser and Third-Party Appraiser" above and "(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser" below, Plutus and SMBC Nikko Securities conducted valuations of the Target Company Shares based on the Financial Forecast (Target Company), and the Special Committee received explanations from Plutus and SMBC Nikko Securities about the calculation methods, the reasons for using such calculation methods, the details of the calculation using each of such calculation methods, and material conditions precedent for the valuation of the Target Company Shares conducted by them (including the basis for calculating the discount rate in the DCF analysis and the reasons for selecting comparable listed companies in the comparable listed company analysis), and confirmed the reasonableness of these matters after holding question-and-answer sessions, discussions and deliberation. In addition, as stated in "(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser" below, the Special Committee received the Target Company's Fairness Opinion (as defined in "(C) Details of the Decision" below) from Plutus on May 7, 2025. Upon the receipt, the Special Committee received explanations from Plutus about the details of and material conditions precedent for the Target Company's Fairness Opinion and confirmed these matters.

The Special Committee also determined the policy for negotiations with the Offeror after deliberations and discussions, taking into account the advice received from Plutus and Mori Hamada & Matsumoto and the opinions heard from SMBC Nikko Securities and Shimada Hamba & Osajima. In addition, since the receipt of the First Proposal from the Offeror on April 2, 2025, which included the Tender Offer Price of 5,200 yen per share, each time the Target Company received a Tender Offer Price proposal from the Offeror, the Special Committee immediately received a report on the details of the proposal, deliberated and considered the proposal taking into account the advice received from Plutus and Mori Hamada & Matsumoto and the opinions heard from SMBC Nikko Securities and Shimada Hamba & Osajima. Specifically, as described in "(ii) Background of Consideration and Negotiations" in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Special Committee received from the Offeror a proposal that included a Tender Offer Price of 5,400 yen per share on April 10, 2025, and subsequently a proposal that included a Tender Offer Price of 5,600 yen per share on April 14, 2025, a proposal that included a Tender Offer Price of 5,800 yen per share on April 18, 2025, a proposal that included a Tender Offer Price of 5,900 yen per share on April 22, 2025, a proposal that included a Tender Offer Price of 6,020 yen per share on April 25, 2025, a proposal that included a Tender Offer Price of 6,150 yen per share on April 28, 2025, a proposal that included a Tender Offer Price of 6,200 yen per share on May 1, 2025, a proposal that included a Tender Offer Price of 6,240 yen per share on May 4, 2025, a proposal that included a Tender Offer Price of 6,250 yen per share on May 6, 2025 and a proposal that included a Tender Offer Price at 6,270 yen per share on May 7, 2025. In response to both of these proposals, the Special Committee was involved in a central position in the discussion and negotiation process between the Target Company and the Offeror regarding the Tender Offer Price, such as requesting the Offeror to reconsider the Tender Offer Price on the grounds that the Tender Offer Price did not represent a fair price, after consideration taking into account the advice received from Plutus and Mori Hamada & Matsumoto and the opinions heard from SMBC Nikko Securities and Shimada Hamba & Osajima. As a result, the Target Company received from the Offeror a proposal that included a Tender Offer Price of 6,340 yen per share on May 7, 2025, thus increasing the Tender Offer Price 12 times and by 22% from the First Proposal.

Furthermore, the Special Committee received explanations from Shimada Hamba & Osajima on several occasions about the details of the draft press releases and statement of opinion regarding the Tender Offer to be published or filed by the Target Company and the draft Tender Offer Registration Statement regarding the Tender Offer to be filed by the Offeror, and confirmed, while receiving advice from Mori Hamada & Matsumoto, that the information will be fully disclosed.

(C) Details of the Decision

Under the above circumstances, after careful and repeated discussions and deliberations on the Consultation Matters, taking into account the contents of the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective received from Plutus, and the share valuation report regarding the Target Company Shares (the "**Target Company's Share Valuation Report (Plutus)**") and the fairness opinion (the "**Target Company's Fairness Opinion**") received from Plutus on May 7, 2025, the Special Committee, with the unanimous consent of its members, submitted the Report dated May 8, 2025 to the Target Company's board of directors on the same date, which mainly stated the matters set out below.

(a) Contents of the Report

i. It is recognized that the Transactions will contribute to the improvement of the corporate value of the Target Company and that the purpose of the Transactions is legitimate and reasonable.

ii. It is recognized that the terms and conditions of the Transactions (including the tender offer price in the Transactions) are fair and appropriate.

iii. It is recognized that the interests of the Target Company's minority shareholders are fully considered in the Transactions through fair procedures.

iv. It is recognized that the decision of the Target Company's board of directors to implement the Transactions (including the Squeeze-Out Procedures) is not detrimental to the minority shareholders of the Target Company.

v. The Target Company's board of directors should resolve to express an opinion in support of the Tender Offer. With respect to whether or not the Target Company's shareholders tender their shares in the Tender Offer, the Target Company's board of directors should resolve to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

(b) Reasons for the Report

i. Whether the Transactions Will Contribute to the Improvement of the Corporate Value of the Target Company

- The Special Committee has no objections to the Target Company's view on the Target Company's management environment, management issues, etc. stated in "(i) Background of the Tender Offer" in "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above. With respect to the measures to enhance the corporate value of the Target Company after the Transactions proposed by the Offeror, i.e., "further strengthening the stable revenue of the food wholesale business," "expanding growth businesses" and "promoting human resources development and personnel exchanges," and the synergies of the Transactions stated in "(ii) Purpose and Decision-Making Process Leading to the Decision to Conduct the Tender Offer" in "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Special Committee recognizes that they are reasonable as they do not differ significantly from the synergies of the Transactions considered by the Target Company stated in "(iii) Details of Resolution by the Board of Directors of the Target Company" in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.
- As described in "(III) Management Policy after the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Offeror intends to maintain and respect the Target Company's management autonomy as a basic principle and to determine the Target Company's management policy through discussions with the Target Company. Through discussions, the potential for dis-synergies can be reduced, and it is expected that synergies that exceed dis-synergies will be created, as described in "(iii) Details of

Resolution by the Board of Directors of the Target Company" in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above. In particular, as described in "(III) Management Policy after the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Offeror intends to respect the independence and autonomy of the Target Company in relation to the management policy of the Target Company after the completion of the Transactions. Accordingly, the Target Company can expect to further enhance its corporate value by conducting autonomous management, including the food wholesale business, which is its founding business, based on the support of the Offeror Group and by utilizing the resources and global network of the Offeror Group. In addition, in order to maintain and enhance the motivation of the Target Company's employees, the Offeror plans to discuss with the Target Company and to consider personnel systems that will further promote the active engagement of the Target Company's employees, and the success of the Target Company's employees is expected to increase after the Transactions.

- Based on the above, the Special Committee recognizes that the Transactions will contribute to the improvement of the corporate value of the Target Company and that the purpose of the Transactions is legitimate and reasonable.

ii. Fairness and Appropriateness of the Terms and Conditions of the Transactions

A. Appropriateness of the Tender Offer Price

a. Formulation Procedures and Details of the Business Plan

- The Target Company obtained the Target Company's Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities, its third-party appraiser independent of the Offeror and the Target Company, and the Special Committee obtained the Target Company's Share Valuation Report (Plutus) from Plutus, its third-party appraiser independent of the Tender Offeror and the Target Company. In the Target Company's Share Valuation Report (SMBC Nikko Securities) and the Target Company's Share Valuation Report (Plutus), the Business Plan was used as a premise for the calculation (the Business Plan is not premised on the execution of the Transactions). The Business Plan that was used by SMBC Nikko Securities and Plutus for the DCF method does not include any fiscal year in which a significant increase or decrease in profit is expected. On the other hand, while the amount of planned investments in several companies was taken into account during the period of the Business Plan, the amount of planned investments in the fiscal year ending March 31, 2027 is expected to decrease compared to the fiscal years ending March 31, 2026 and March 31, 2028. Accordingly, free cash flow for the fiscal year ending March 31, 2027 is expected to increase compared to the fiscal years ending March 31, 2026 and March 31, 2028.
- The target of 50 billion yen in ordinary income for fiscal year 2030 set in the Target Company's Medium-term Plan is a highly uncertain target value based on the assumption of large-scale M&A, etc., taking into account the past growth rate. Therefore, in the Business Plan, the period up to fiscal year 2027 was adopted as the period that the Target Company can reasonably forecast. Although the financial

forecasts in the Business Plan differ to a certain extent from those in the Target Company's Medium-term Plan, such differences are reasonable in light of changes in internal allocation standards, changes in the external environment, and events that occurred in the recent past.

- The Business Plan was formulated by the Target Company's independent team based on the Target Company's Medium-term Plan formulated in May 2024, prior to the consideration of the Transactions, and no person who currently serves or has served concurrently as an officer or employee of the Offeror was involved in the formulation of the Business Plan. It should be noted that the current business plan was revised on April 11, 2025. The revision was made to refine the plan by upwardly adjusting the projected figures for fiscal years from 2025 onward, in light of the confirmation that the actual results for fiscal year 2024 are expected to exceed the previous projections, and is considered to be reasonable.
- There are no circumstances that make the fairness of the process for formulating the Business Plan questionable, and there is nothing unreasonable in the content of the Business Plan.

b. Results of the Calculations by SMBC Nikko Securities

- SMBC Nikko Securities considered the valuation methods to be adopted when calculating the value of the Target Company Shares from among various calculation methods, and based on its assumption that the Target Company is a going concern and its belief that it would be appropriate to calculate the value of the Target Company Shares from multiple perspectives, SMBC Nikko Securities carried out the analysis of the value per share of the Target Company Shares by using the market price method, given that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange, the comparable listed company method, given that there are listed companies comparable to the Target Company making it possible to analogize the share value of the Target Company Shares by using a comparable listed company analysis, and the DCF method in order to reflect the future business activities in the valuation. These methods adopted by SMBC Nikko Securities are methods that are commonly used in share valuations for transactions similar to the Transactions, and there is nothing unreasonable in the reasons for the use of these calculation methods by SMBC Nikko Securities.
- Using May 7, 2025 as the valuation reference date, SMBC Nikko Securities calculated the value per share of the Target Company Shares to range from 4,932 yen to 5,139 yen based on the simple average closing prices for the most recent one month (5,139 yen), the simple average closing prices for the most recent three months (4,985 yen) and the simple average closing prices for the most recent six months (4,932 yen) of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange. It is common practice to calculate the value based on these values in the market price analysis, and there is nothing unreasonable in performing the calculations by using the market price analysis.
- After selecting KATO SANGYO CO., LTD. and ITOCHU-SHOKUHIN Co., Ltd. as comparable listed companies that are considered to be similar to the Target Company, SMBC Nikko Securities calculated the value per share of the Target Company Shares

to range from 5,500 yen to 6,225 yen by referencing EBITDA multiple to enterprise value. There is nothing particularly unreasonable with this calculation method.

- SMBC Nikko Securities calculated the value per share of the Target Company Shares to range from 5,571 yen to 9,565 yen, after analyzing the enterprise value and the share value of the Target Company by discounting the free cash flow that the Target Company is expected to generate in the future to the current value at a certain discount rate and assuming various factors, including the Target Company's future earnings forecasts from and after the fiscal year ending March 31, 2026, and the investment plan stated in the business plan for the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, based on the Business Plan. The discount rate used by SMBC Nikko Securities was the weighted average cost of capital (WACC), which is the weighted average of the cost of equity capital and the cost of debt calculated based on CAPM theories commonly used in share valuation practices, ranging from 8.2% to 10.0%. There is nothing particularly unreasonable in SMBC Nikko Securities' explanation in respect of the basis and method to calculate the figures. In addition, to calculate the going-concern value, the perpetual growth rate method was used with a perpetual growth rate ranging from minus 0.25% to 0.25%, and the multiple method was used with EBITDA multiple, ranging from 2.8 times to 3.5 times. There is nothing particularly unreasonable in SMBC Nikko Securities' explanation in respect of the basis and method used to calculate the figures.

c. Results of Calculation by Plutus

- Plutus considered the valuation method to be adopted when calculating the value of the Target Company Shares from among various calculation methods, and based on its assumption that the Target Company is a going concern and its belief that it would be appropriate to calculate the value of the Target Company Shares from multiple perspectives, Plutus carried out the calculation of the value per share of the Target Company Shares by using the market price method, given that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange, the comparable listed company method, given that there are listed companies comparable to the Target Company making it possible to analogize the share value of the Target Company Shares by using a comparable listed company analysis, and the DCF method in order to reflect the future business activities in the valuation. These methods adopted by Plutus are methods that are commonly used in share valuations for transactions similar to the Transactions, and there is nothing unreasonable in the reasons for the use of these calculation methods by Plutus.
- Using May 7, 2025 as the valuation reference date, Plutus calculated the value per share of the Target Company Shares to range from 4,932 yen to 5,410 yen based on the closing price on the valuation reference date (5,410 yen), the simple average closing prices for the most recent one month (5,139 yen), the simple average closing prices for the most recent three months (4,985 yen) and the simple average closing prices for the most recent six months (4,932 yen) of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange. It is common practice to calculate the value based on these values in the market price analysis, and there is nothing unreasonable in performing the calculations by using the market price analysis.
- After selecting KATO SANGYO CO., LTD. and ITOCHU-SHOKUHIN Co., Ltd. as comparable listed companies that are considered to be similar to the Target Company,

Plutus calculated the value per share of the Target Company Shares to range from 4,857 yen to 6,132 yen by referencing EBIT and EBITDA multiples to enterprise value. There is nothing particularly unreasonable with this calculation method.

- Plutus calculated the value per share of the Target Company Shares to range from 6,063 yen to 8,719 yen, after calculating the enterprise value and the share value of the Target Company by discounting the free cash flow that the Target Company is expected to generate in the future to the current value at a certain discount rate, assuming various factors including the Target Company's future earnings forecasts from and after the fiscal year ending March 31, 2026, and the investment plan stated in the business plan for the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, based on the Business Plan. The discount rate used by Plutus was the weighted average cost of capital (WACC), which is the weighted average of the cost of equity capital and the cost of debt calculated based on CAPM theories commonly used in share valuation practices, ranging from 8.3% to 9.4%. There is nothing particularly unreasonable in Plutus' explanation in respect of the basis and method used to calculate the figures. In addition, to calculate the going-concern value, the perpetual growth rate method was used with a perpetual growth rate of 0%, and the multiple method was used with EBIT and EBITDA multiples, ranging from 5.1 times to 6.4 times and 4.1 times to 4.8 times, respectively. There is nothing particularly unreasonable in Plutus' explanation in respect of the basis and method used to calculate the figures.

d. Summary of the Target Company's Fairness Opinion

- The Special Committee obtained the Target Company's Fairness Opinion, in which Plutus states its opinion that the Tender Offer Price is fair to the minority shareholders of the Target Company from a financial point of view.
- The Target Company's Fairness Opinion was issued by Plutus, which has a high degree of financial expertise, from a standpoint that is independent of the Offeror and the Target Company and is based on the result of the valuation of the Target Company Shares calculated after receiving disclosures of information from the Target Company such as the current state of the Target Company's business and the future business plan and explanations thereof; after holding question-and-answer sessions with the Target Company concerning the outline, background and purpose of the Tender Offer; after considering factors such as the Target Company's business environment, the economy, markets and the financial landscape to the extent deemed necessary by Plutus; and after the review procedures were carried out by an examination committee independent of the engagement team in Plutus. There is nothing unreasonable about this opinion. In addition, as stated above, there is nothing unreasonable about the method used for and the content of the share valuation by Plutus, which was used as a reference for the Target Company's Fairness Opinion submitted.
- Therefore, the Special Committee believes that there is nothing unreasonable with respect to the procedures for the issuance of the Target Company's Fairness Opinion or the content thereof.

e. Premium Analysis

- The Tender Offer Price is set with a premium of 17.19% over the closing price of the Target Company Shares on May 7, 2025, which was the business day immediately preceding the announcement date; 23.37% over the simple average of the closing prices for the past one-month period ending May 7, 2025; 27.18% for the three-month period; and 28.55% for the six-month period.

- The average premium rates observed in the 16 Comparable Transactions were 29.39% on the closing price of the business day immediately prior to the announcement date, 32.41% on the simple average of closing prices for the prior one-month period, 33.72% for the prior three-month period, and 33.60% for the prior six-month period. The respective medians were 28.10%, 34.55%, 35.73%, and 29.11%. Based on the foregoing, the premium offered in the Tender Offer cannot be evaluated as high compared to the Comparable Transactions. That said, when examining the distribution of premium levels in 10-percentage-point increments, premiums in the 20% range were the most frequently observed for the one-month, three-month, and six-month simple average prices (5 cases for the one-month period, 5 cases for the three-month period, and 6 cases for the six-month period), and there were also 2 cases in which the premium on the closing price of the business day immediately preceding the announcement was in the 10% range. Accordingly, the premium offered in the Tender Offer is not considered to be at an unreasonable level compared to the Comparable Transactions. In addition, the Tender Offer Price significantly exceeds the highest share price of the Target Company Shares (5,730 yen) observed since the launch of the new management structure following the Four-Company Integration in April 2012.

f. Summary

- As stated above, there are no circumstances that make the fairness of the process for formulating the Business Plan questionable, which is the premise of the calculations in the Target Company's Share Valuation Report (SMBC Nikko Securities) and the Target Company's Share Valuation Report (Plutus), and there is nothing unreasonable in the content of the Business Plan.
- The calculation methods used by SMBC Nikko Securities and Plutus are methods commonly used in share valuations for transactions similar to the Transactions, and there is nothing unreasonable in the reasons for the use of these calculation methods by SMBC Nikko Securities and Plutus. In addition, there is nothing particularly unreasonable in the content of the calculations made by SMBC Nikko Securities and Plutus by using the market price analysis, comparable company analysis and DCF analysis.
- The Tender Offer Price is considered appropriate in light of the following factors: it exceeds the upper end of the range in the market price analysis and the comparable companies analysis in the Target Company's Share Valuation Report (SMBC Nikko Securities) and the Target Company's Share Valuation Report (Plutus), and also falls within the ranges of the DCF analysis, has been evaluated as fair from a financial perspective for minority shareholders in the Target Company's Fairness Opinion issued by Plutus, is not considered unreasonable compared to comparable transactions from the perspective of its premium, and was agreed upon through good faith negotiations under circumstances substantially equivalent to an arm's length transaction.
- Given that the Tender Offer Price is considered appropriate, it is recognized that the consideration to be paid to the Target Company's shareholders in the Squeeze-Out Procedures, which is set at the same amount, is also appropriate.

B. Appropriateness of Other Terms and Conditions

- As described in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" in "1. Purpose of the Tender Offer" above, the Transactions are expected to be implemented in the form of a two-step acquisition through the Tender Offer and subsequent Squeeze-Out Procedures (the Demand for Share Cash-Out or the Share Consolidation). The method of conducting a tender offer as the first step, followed by a demand for share cash-out or share consolidation as the second step, is a method that is commonly used in transactions to make a target company a wholly-owned subsidiary, and it is possible to petition a court for a price determination. In addition, as described in iii. below, consideration is also given to coerciveness.
- Therefore, there is nothing unreasonable about the method used for the Transactions, and such method is considered appropriate.

Based on the above, the Special Committee recognizes that the terms and conditions of the Transactions (including the Tender Offer Price in the Transactions) are fair and reasonable.

iii. Fairness of the Procedures for the Transactions

- As described in "(A) Background of Establishment" above, the Special Committee is a committee consisting of five independent outside directors who are independent of the Offeror and the Target Company, and all of the members are considered to be qualified to consider and make decisions on the Consultation Matters given that each member has considerable knowledge of the Target Company's business as an outside officer of the Target Company. The Special Committee approved the appointment of SMBC Nikko Securities and Shimada Hamba & Osajima as the Target Company's financial advisor and legal advisor, respectively, after confirming that there is no problem with their independence from the Offeror and the Target Company and their expertise. The Special Committee approved the internal framework established by the Target Company for consideration of the Transactions after confirming that there is no problem from the perspective of independence. The Special Committee appointed Plutus and Mori Hamada & Matsumoto as the Special Committee's independent financial advisor and legal advisor, respectively, after confirming that there is no problem with their independence from the Offeror and the Target Company and their expertise. Based on the advice from Mori Hamada & Matsumoto, the Special Committee reviewed the details of the measures to ensure fairness in the Transactions and confirmed that appropriate measures to ensure fairness were taken and are effectively functioning in the Transactions. Then, the Special Committee (i) reviewed each of the materials and documents submitted by the Offeror and the Target Company and (ii) reviewed the replies to the Special Committee's written questions to and question-and-answer sessions with the Offeror and the Target Company. The Special Committee has been substantially involved in the negotiation process with the Offeror by holding meetings of the Special Committee to discuss the policies, etc. of the Offeror in the discussions and negotiations and by expressing its opinions on several occasions after receiving timely reports from the Target Company and its advisors on the development and details of the discussions and negotiations regarding the Transactions between the Offeror and the Target Company. The Special Committee also had direct discussions with the Offeror regarding the Tender Offer Price to the extent that the Special Committee deemed necessary. Therefore, it can be assessed that a mechanism for the Target

Company's board of directors to make decisions that take into account the Special Committee's decisions to the maximum extent possible is ensured and the Special Committee was granted the authority, etc. necessary for it to function effectively, and therefore the Special Committee is deemed to have functioned effectively.

- As described in "(iv) Obtainment by the Special Committee of Advice from Independent Legal Adviser" below, the Special Committee appointed Mori Hamada & Matsumoto as its legal advisor, and is receiving legal advice, including advice on the measures to be taken to ensure fairness in the procedures for the Transactions and the consideration and deliberation of the Consultation Matters at the meetings of the Special Committee.
- As described in "(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser" below, the Special Committee obtained the Target Company's Share Valuation Report (Plutus) from Plutus, its financial advisor and third-party appraiser independent of the Offeror and Target Company. The Special Committee also obtained the Target Company's Fairness Opinion from Plutus on May 7, 2025.
- As described in "(vi) Obtainment by the Target Company of Advice from Independent Legal Adviser" below, in order to obtain professional advice on the fairness and appropriateness of the decision-making process of the Target Company's board of directors regarding the Tender Offer, the Target Company appointed Shimada Hamba & Osajima as its legal advisor independent of the Offeror and the Target Company, and is receiving legal advice from it on the methods and processes of the decision-making by the Target Company's board of directors, including various procedures regarding the Tender Offer, and other points to be noted.
- As described in "(ii) Obtainment by the Target Company of Share Valuation Report from Independent Financial Adviser and Third-Party Appraiser" above, in order to obtain professional advice on negotiations and other matters relating to the Transactions, the Target Company appointed SMBC Nikko Securities as its financial advisor and third-party appraiser independent of the Offeror and the Target Company, is receiving advice from SMBC Nikko Securities on the negotiation policy and other matters relating to the Transactions and obtained the Target Company's Share Valuation Report (SMBC Nikko Securities).
- As described in "(vii) Establishment by the Target Company of Independent Internal Framework" below, with a view to eliminating the issues related to structural conflicts of interest and asymmetric information, the Target Company established an organizational framework within the Target Company for consideration, negotiation and decision-making in respect of the Transactions from a standpoint independent of the Offeror and from the viewpoint of enhancing the corporate value of the Target Company and securing the interests of the minority shareholders of the Target Company. It is recognized that the Target Company established a framework that enables it to exclude officers and employees, etc. with an interest in the Transactions from the consideration and negotiation process of the Transactions and to consider and negotiate the Transactions from a standpoint independent of the Offeror.
- As described in "(ix) Nonexistence of Deal Protection Provisions" below, the Offeror and the Target Company did not enter into any agreement that includes deal protection

provisions prohibiting the Target Company from having contact with any counter-offeror or that would otherwise restrict any counter-offeror from having contact with the Target Company. Thus, an environment in which other potential acquirers can make counter-offers is secured, and it is recognized that a so-called indirect market check is in place, which ensures the appropriateness of the Tender Offer Price.

- As described in "(x) Measures to Ensure that the Target Company's Shareholders have the Opportunity to Appropriately Decide Whether or not to Tender in the Tender Offer" below, regarding the Squeeze-Out Procedures, the Offeror plans to adopt a method of ultimately delivering money to the Target Company's shareholders who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company). In that case, the amount of money paid to each of such shareholders of the Target Company will be calculated so as to be equal to the Tender Offer Price multiplied by the number of the Target Company Shares held by such shareholders of Target Company. Thus, the Offeror ensured that the Target Company's shareholders have the opportunity to appropriately decide whether or not to tender their shares in the Tender Offer, thereby giving consideration so as not to cause coercion. In addition, while the minimum period for a tender offer is 20 business days as prescribed by laws and regulations, the Offeror set a tender offer period for the Tender Offer (the "**Tender Offer Period**") at 30 business days. By setting the Tender Offer Period for a period longer than the minimum period required by laws and regulations, the Offeror ensures that the Target Company's shareholders have the opportunity to carefully consider the merits and demerits of the Transactions and the appropriateness of the Tender Offer Price and to appropriately decide whether to tender their shares in the Tender Offer. Accordingly, it is recognized that the practical measures recommended in the "Fair M&A Guidelines" were implemented in the Transactions and coercion is eliminated.
- The Offeror did not set a minimum number of shares to be purchased in the Tender Offer for the "majority of minority" condition. As the Offeror's ownership ratio is 50.11%, the minimum number of shares satisfying the "majority of minority" condition is the number of shares representing 24.95% of the voting rights. Therefore, if the concept of the "majority of minority" condition had been adopted in the Transactions, the minimum number of shares that would have been set is expected to be 75.06% or more of the ownership ratio. Setting such a high minimum number could hinder the completion of the Transactions, which transactions are expected to contribute to the enhancement of the corporate value of the Target Company Group and therefore may be considered to be contrary to the interests of the minority shareholders. Accordingly, it is recognized that the Offeror's explanation to the same effect is also reasonable. In addition, since sufficient measures to ensure fairness were taken in the Transactions and the interests of the Target Company's shareholders are fully considered through fair procedures, it can be understood that there is no need to interpret the absence of the so-called "majority of minority" condition as a lack of an adequate opportunity for the shareholders to make decisions.
- The information regarding the Special Committee, including (a) the background of the Special Committee's deliberations and (b) the basis and reasons for the Special Committee's decision regarding the merits and demerits of the Transactions, the appropriateness of the terms and conditions of the Transactions and the fairness of the procedures, will be disclosed in a comprehensive manner. In addition, (c) the process

that led to the implementation of the Transactions, (d) the specific details of the interests of the Target Company's directors, etc. in the Transactions and whether or not the relevant directors, etc. were involved in the process of forming the terms and conditions of the Transactions and the nature of their involvement and (e) the matters regarding the share valuation reports and fairness opinions obtained by the Target Company's board of directors and the Special Committee will also be disclosed in a comprehensive manner. Therefore, it can be understood that sufficient information will be disclosed in connection with the Transactions to assist the minority shareholders in making their decisions.

- Based on the above, given that sufficient measures to ensure fairness were taken in the Transactions, the Special Committee recognizes that the interests of the Target Company's minority shareholders are fully considered in the Transactions through fair procedures.

iv. It is recognized that the Transactions will contribute to the improvement of the corporate value of the Target Company and the purpose of the Transactions is legitimate and reasonable as stated in i. above, that the terms and conditions of the Transactions are fair and appropriate as stated in ii. above and that the interests of the Target Company's minority shareholders are fully considered in the Transactions through fair procedures as stated in iii. above. Accordingly, it is recognized that the decision of the Target Company's board of directors to implement the Transactions (including the Squeeze-Out Procedures) is not detrimental to the minority shareholders of the Target Company.

v. Therefore, the Target Company's board of directors should resolve to express an opinion in support of the Tender Offer. With respect to whether or not the Target Company's shareholders tender their shares in the Tender Offer, the Target Company's board of directors should resolve to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

(iv) Obtainment by the Special Committee of Advice from Independent Legal Adviser

As described in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" above, the Special Committee appointed Mori Hamada & Matsumoto as its legal advisor independent of the Offeror and the Target Company, and is receiving legal advice, including advice on the measures to be taken to ensure fairness in the procedures for the Transactions, and the methods and processes, etc., of the discussion on the Special Committee concerning the Transactions.

Mori Hamada & Matsumoto is not a related party of the Offeror and the Target Company, and has no material interest in the Transactions, including the Tender Offer. For further details of the independence of Mori Hamada & Matsumoto, please see "(B) Process of Consideration" in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" above. The remuneration for Mori Hamada & Matsumoto is only an hourly fee to be paid regardless of the success or failure of the Transactions and does not include any contingency fee payable subject to the completion of the Transactions or other conditions.

(v) Obtainment by the Special Committee of Share Valuation Report and Fairness Opinion from Independent Financial Adviser and Third-Party Appraiser

(A) Name of the Third-Party Appraiser and Relationship with the Offeror and the Target Company

The Special Committee appointed Plutus as its financial adviser and third-party appraiser independent of the Offeror and the Target Company, and requested that Plutus calculate the share value of the Target Company Shares, provide advice from a financial perspective including advice on the negotiation policy with the Offeror, and express an opinion with regard to the fairness of the Tender Offer Price (a fairness opinion), and received the Target Company's Share Valuation Report (Plutus) and the Target Company's Fairness Opinion on May 7, 2025.

Upon receiving the Report from the Special Committee, the Target Company's board of directors also received the Target Company's Share Valuation Report (Plutus) and the Target Company's Fairness Opinion and based on the contents thereof, the Target Company's board of directors today passed the resolution described in "(viii) Approval of All Disinterested Directors and Non-dissenting Opinions of All Disinterested Audit & Supervisory Board Members of the Target Company" below.

Plutus is not a related party of the Offeror or the Target Company and has no material interest in the Transactions that should be noted. The Special Committee appointed Plutus as its independent financial advisor and third-party appraiser after considering the independence, expertise, and track records and other matters of several candidates for the financial advisor and third-party appraiser. The fee to be paid to Plutus for the Transacitons is only a fixed fee payable regardless of the success or failure of the Transactions and does not include any contingency fee payable subject to the announcement or completion of the Transactions or other conditions.

Plutus is not a related party of the Offeror or the Target Company and does not have any material interests in the Transactions that should be disclosed. The Special Committee appointed Plutus as its sole financial advisor and third-party valuation institution after considering the independence, expertise, and track record of multiple candidates for financial advisors and third-party valuation institutions. The remuneration to Plutus for the Transactions is a fixed fee that will be paid regardless of the success or failure of the Transactions and does not include any success fee payable upon the completion of the Transactions.

(B) Summary of Valuation

Plutus considered the valuation methods to be adopted when calculating the value of the Target Company Shares from among various calculation methods, and based on its assumption that the Target Company is a going concern and its belief that it is appropriate to calculate the value of the Target Company Shares from multiple perspectives, carried out the calculation of the value per share of the Target Company Shares by using the market price method, given that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange, the comparable listed company method, given that there are listed companies comparable to the Target Company making it possible to analogize the share value of the Target Company Shares by comparable listed company analysis, and the DCF method in order to reflect the future business activities in the valuation. The Target Company received the Target Company's Share Valuation Report (Plutus) from Plutus on May 7, 2025.

The ranges of the value per share of the Target Company Shares, which were calculated by each of the above-mentioned analysis methods, are as follows:

Market price method:	From 4,932 yen to 5,410 yen
Comparable listed company method:	From 4,857 yen to 6,132 yen
DCF method:	From 6,063 yen to 8,719 yen

Under the market price method, using May 7, 2025, as the valuation reference date, the value per share of the Target Company Shares was calculated to range from 4,932 yen to 5,410 yen based on the closing price of the valuation reference date (5,410 yen), the simple average closing prices for the most recent one month (5,139 yen), the simple average closing prices for the most recent three months (4,985 yen), and the simple average closing prices for the most recent six months (4,932 yen) of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange.

Under the comparable listed company method, after selecting KATO SANGYO CO., LTD. and ITOCHU-SHOKUHIN Co., Ltd. as comparable listed companies that are considered to be similar to the Target Company, the value per share of the Target Company Shares was calculated to range from 4,857 yen to 6,132 yen by referencing EBIT and EBITDA multiples to enterprise value.

Under the DCF method, the value per share of the Target Company Shares was calculated to range from 6,063 yen to 8,719 yen, after calculating the enterprise value and the share value of the Target Company by discounting the free cash flow that the Target Company is expected to generate in the future to the current value at a certain discount rate, assuming various factors including the Target Company's future earnings forecasts from and after the fiscal year ending March 31, 2026, and the investment plan stated in the business plan for the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, based on the Business Plan prepared by the Target Company. The discount rate used was the weighted average cost of capital (WACC), ranging from 8.3% to 9.4%. For the calculation of the going-concern value, the perpetual growth rate method was used with a perpetual growth rate of 0%, and the multiple method was used with EBIT and EBITDA multiples, ranging from 5.1 times to 6.4 times and 4.1 times to 4.8 times, respectively.

The financial forecasts based on the Business Plan used by Plutus for the calculation by the DCF method are as follows. The Business Plan that was used by Plutus for the DCF method does not include any fiscal year in which a significant increase or decrease in profit is expected. On the other hand, while the amount of planned investments in several companies was taken into account during the period of the Business Plan, the amount of planned investments in the fiscal year ending March 31, 2027 is expected to decrease compared to the fiscal years ending March 31, 2026 and March 31, 2028. Accordingly, free cash flow for the fiscal year ending March 31, 2027 is expected to increase compared to the fiscal years ending March 31, 2026 and March 31, 2028.

In the Business Plan that was used by Plutus for the calculation by the DCF method, the synergies expected from the realization of the Transactions are not taken into account in the above calculation because it is difficult to specifically estimate those synergies at present.

(Millions of yen)

	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028
Net sales	2,150,224	2,200,897	2,254,585

Operating profit	32,394	33,721	35,684
EBITDA	47,661	50,166	52,649
Free cash flows	17,020	24,038	14,484

(C) Summary of the Target Company's Fairness Opinion

On May 7, 2025, the Special Committee obtained the Target Company's Fairness Opinion from Plutus stating that the Tender Offer Price of 6,340 yen per share is fair to the minority shareholders of the Target Company from a financial point of view. The Target Company's Fairness Opinion expressed the opinion that the Tender Offer Price of 6,340 yen per share is fair to the minority shareholders of the Target Company from a financial point of view in light of factors such as the calculated share value based on the Business Plan. The Target Company's Fairness Opinion was issued by Plutus based on the result of the Target Company's share valuation calculated after receiving disclosures of information, such as the current state of the Target Company's business and the future business plan from the Target Company, and explanations thereof, and holding question-and-answer sessions with the Target Company concerning the outline, background, and purpose of the Tender Offer, considerations of factors such as the Target Company's business environment, the economy, markets, and financial landscape conducted to the extent deemed necessary by Plutus, and the review procedures carried out by an examination committee independent of the engagement team in Plutus.

(Note) In preparing the Target Company's Fairness Opinion, Plutus assumes that the base materials provided by the Target Company, the publicly available materials and the information obtained by the Target Company are accurate and complete. Plutus did not independently investigate or verify the accuracy or completeness of such materials or information, and it was not obligated to do so. Accordingly, Plutus will not bear any liability arising out of any incompleteness of such materials or the non-disclosure of any material facts.

Plutus assumes that the business plan and other materials used as base materials for the Target Company's Fairness Opinion have been reasonably prepared based on the best forecasts and judgements obtained at the time of preparation of such materials. The above business plan was prepared at the initiative of the persons related to the Target Company who are independent of the Offeror and there is no indication that the Offeror was involved in the preparation process. When the Target Company prepared such business plan for the Transactions, the Special Committee received an explanation of the details of the draft business plan, important preconditions and other relevant matters, and the Special Committee confirmed the reasonableness of the details, important preconditions, the background of the preparation and other relevant matters of the finalized business plan. Plutus does not guarantee the feasibility thereof and does not express any view regarding any analysis or forecast that is the basis of the preparation of those materials or any premises that serve as grounds for those materials.

Plutus is not an expert on legal, accounting, or taxation matters. Accordingly, Plutus does not state an opinion on any legal, accounting, or taxation issues related to the Tender Offer and is not obligated to state such an opinion.

Plutus has not conducted any independent evaluation or appraisal of the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company or any of its affiliates, including assessments and evaluations of individual assets and liabilities, and it has not received any submitted written evaluation or appraisal of any such assets or liabilities. Accordingly, Plutus has not evaluated the ability of the Target Company or any of its affiliates to make payments.

The Target Company's Fairness Opinion states an opinion on the fairness of the Tender Offer Price from a financial perspective, which is to be used when the Target Company expresses its opinions on the Tender Offer. Accordingly, the Target Company's Fairness Opinion does not state any opinion on the advantages or disadvantages of the Tender Offer as compared to transactions that could serve as alternatives to the Tender Offer, on the benefits that could be achieved by the implementation of the Tender Offer, or on whether the Tender Offer should be implemented.

The Target Company's Fairness Opinion does not provide an opinion to holders of securities issued by the Target Company, creditors, or other persons related to the Target Company. Accordingly, Plutus does not owe any obligation to shareholders or third parties who have relied on the Target Company's Fairness Opinion.

Plutus is not soliciting investments in the Target Company and is not authorized to make any such solicitation. Accordingly, the Target Company's Fairness Opinion does not make any recommendation to the shareholders of the Target Company with respect to tendering their shares in the Tender Offer or on any other activities relating to the Tender Offer.

The Target Company's Fairness Opinion states an opinion, as of the submission date thereof, on whether the Tender Offer Price is fair to the minority shareholders of the Target Company from a financial perspective based on financial and capital markets, economic conditions, and other circumstances as of the submission date of the Target Company's Fairness Opinion and based on information provided to or obtained by Plutus up to that submission date. Plutus does not owe any obligation to revise, amend, or supplement its opinion, even if the assumptions on which such opinion is based change due to a subsequent change in conditions.

The Target Company's Fairness Opinion does not infer or imply any opinion with respect to any matter not expressly stated in the Target Company's Fairness Opinion or with respect to any matter occurring on or after the submission date of the Target Company's Fairness Opinion.

(vi) Obtainment by the Target Company of Advice from Independent Legal Adviser

As described in "(iii) Establishment by the Target Company of an Independent Special Committee and Obtainment of Report from the Special Committee" above, the Target Company appointed Shimada Hamba & Osajima as its legal advisor independent of the Offeror and the Target Company, and received legal advice, including advice on the measures to be taken to ensure fairness in the procedures for the Transactions, various procedures in the Transactions, and the methods and processes, etc., of the decision-making by the Target Company concerning the Transactions.

Shimada Hamba & Osajima is not a related party of the Offeror and the Target Company, and has no material interest in the Transactions, including the Tender Offer. The remuneration for Shimada

Hamba & Osajima does not include any contingency fee payable subject to the completion of the Transactions or other conditions.

(vii) Establishment by the Target Company of Independent Internal Framework

As described in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company has established a framework within the Target Company for consideration, negotiation and decision-making in respect of the Transactions from a standpoint independent of the Offeror, from the viewpoint of enhancing the corporate value of the Target Company and securing the interests of the minority shareholders of the Target Company. Specifically, the Target Company has decided that matters for which there is a high necessity to eliminate the influence of structural conflicts of interest, such as the negotiation of the Tender Offer Price with the Offeror and the formulation of the business plan, will be handled by an independent team consisting solely of the officers and employees independent of the Offeror, while matters for which it is deemed that there is no high necessity to eliminate the influence of structural conflicts of interest, such as responses to due diligence by the Offeror, will be handled by a deal team, which includes officers and employees other than those mentioned above (officer: Mr. Koichi Enomoto, Director). As a result, the Target Company has prohibited not only officers and employees of the Target Company who currently serve as officers and employees of any company in the Offeror Group (officers: Mr. Hiroshi Kawamoto, Director and Managing Executive Officer, Mr. Kazuo Ito, Director, and Mr. Eiji Yoshikawa, Audit & Supervisory Board Member), but also the officers and employees of the Target Company who have in the past served as officers and employees of any company in the Offeror Group (officers: Mr. Yutaka Kyoya, President and Representative Director, Mr. Koji Tamura, Director and Managing Executive Officer, and Mr. Eiji Unakami, Audit & Supervisory Board Member), from being involved in matters with respect to which it is highly necessary to eliminate the influence of structural conflicts of interest, such as the negotiation of the Tender Offer Price with the Offeror and the formulation of the business plan, and such treatment continues in the present. The Target Company has obtained the acknowledgment of the Special Committee that there is no problem, from the perspective of independence and fairness, in the internal framework for the Transactions (including the scope of officers and employees of the Target Company involved in the consideration, negotiation and decision-making concerning the Transactions, and their duties) that has been established within the Target Company.

(viii) Approval of All Disinterested Directors and Non-dissenting Opinions of All Disinterested Audit & Supervisory Board Members of the Target Company

As described in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company carefully discussed and deliberated on whether the Transactions will contribute to the improvement of the corporate value of the Target Company and whether the terms and conditions of the Transactions are appropriate based on (a) legal advice received from Shimada Hamba & Osajima, (b) advice from a financial perspective from SMBC Nikko Securities, (c) the contents of the Target Company's Share Valuation Report (SMBC Nikko Securities), and (d) the Target Company's Share Valuation Report (Plutus) and the

Target Company's Fairness Opinion submitted to the Target Company through the Special Committee, while respecting to the maximum extent possible the content of the decision by the Special Committee shown in the Report.

Consequently, as described in "(II) Decision Making Process and Reasons of the Target Company for Supporting the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company has determined (i) that the Transactions, including the Tender Offer, will contribute to the enhancement of the Target Company's corporate value, and (ii) that the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate to secure the interests to be enjoyed by the Target Company's minority shareholders, and the Tender Offer provides the Target Company's minority shareholders with a reasonable opportunity to sell the Target Company Shares at a price representing an appropriate premium; and the Target Company resolved at the meeting of its board of directors held today, with the unanimous consent of all directors participating in the deliberation and resolution, to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

At the above meeting of the board of directors of the Target Company, of the ten directors of the Target Company, six directors were present, excluding Mr. Yutaka Kyoya, President and Representative Director; Mr. Koji Tamura, Director and Managing Executive Officer; Mr. Hiroshi Kawamoto, Director and Managing Executive Officer; and Mr. Kazuo Ito, Director; and five of these directors, excluding Mr. Koichi Enomoto, Director, deliberated and passed the above resolution unanimously.

Further, of the four audit & supervisory board members of the Target Company, two audit & supervisory board members (including one outside audit & supervisory board member), excluding Mr. Eiji Unakami and Mr. Eiji Yoshikawa, attended the above meeting of the board of directors, and all of the attending audit & supervisory board members expressed that they had no objection to the above resolution.

In view of the fact that the Offeror previously employed Mr. Yutaka Kyoya, President and Representative Director; Mr. Koji Tamura, Director and Managing Executive Officer; and Mr. Eiji Unakami, Audit & Supervisory Board Member; and that the Offeror currently employs Mr. Hiroshi Kawamoto, Director and Managing Executive Officer, Mr. Kazuo Ito, Director, and Mr. Eiji Yoshikawa, Audit & Supervisory Board Member: from the perspective of eliminating the possibility of being affected by issues related to structural conflicts of interest and asymmetric information in the Transactions, they did not participate in the deliberations and resolutions (or, in the case of the audit and supervisory board members, in the deliberations) of the meetings of the board of directors related to the Transactions, including the above meeting, nor did they participate in the deliberation on the Transactions or in the discussions and negotiations with the Offeror on behalf of the Target Company. Although Mr. Koichi Enomoto, Director, was employed by the Offeror in the past, more than three years have elapsed since his transfer, and he is not in a position to receive instructions from the Offeror after his transfer, and he has not been involved in the Offeror's deliberation process regarding the Transactions, and is not in a position to do so, he attended the above meeting of the board of directors as a formality in order to satisfy the quorum for the adoption of resolutions. However, from the perspective of further ensuring fairness, he did not participate in the deliberations and resolutions of the meetings of the board of directors related to the Transactions, including the above meeting, nor did he participate in the discussions and negotiations with the Offeror on behalf of the Target Company.

(ix) Nonexistence of Deal Protection Provisions

The Offeror and the Target Company have not entered into any agreement that includes deal protection provisions prohibiting the Target Company from having contact with any counter-offeror or that would otherwise restrict any counter-offeror from having contact with the Target Company; thereby, the Offeror and the Target Company have given consideration to ensuring the fairness of the Tender Offer by not impeding the opportunity for a counter-offer.

(x) Measures to Ensure that the Target Company's Shareholders have the Opportunity to Appropriately Decide Whether or not to Tender in the Tender Offer

As described in "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" in "1. Purpose of the Tender Offer" above, as regards the Squeeze-Out Procedures, the Offeror plans to adopt a method of ultimately delivering money to the Target Company's shareholders who do not tender their shares in the Tender Offer (excluding the Offeror and the Target Company). In that case, the amount of money paid to each such shareholder of the Target Company will be calculated so as to be equal to the Tender Offer Price multiplied by the number of the Target Company Shares held by such Target Company's shareholders. Thus, the Offeror has ensured that the Target Company's shareholders have the opportunity to appropriately decide whether or not to tender their shares in the Tender Offer, thereby giving consideration so as not to cause coercion. In addition, while the minimum period for a tender offer as prescribed by laws and regulations is 20 business days, the Offeror has set the Tender Offer Period at 30 business days. By setting the Tender Offer Period at longer than the minimum period required by laws and regulations, the Offeror ensures that the Target Company's shareholders have the opportunity to carefully consider the merits and demerits of the Transactions and the appropriateness of the Tender Offer Price and to appropriately decide whether to tender their shares in the Tender Offer.

(III) Relationship with Appraiser

The Offeror's financial adviser (appraiser), Nomura Securities, is not a related party of the Offeror or the Target Company and does not have any material interest in the Tender Offer.

(5) Number of Share Certificates, Etc. to be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
21,718,995 shares	7,100,000 shares	- shares

(Note 1) If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (7,100,000 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. meets or exceeds the minimum number of shares to be purchased, the Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) As the maximum number of shares to be purchased has not been set for the Tender Offer, for "Number of shares to be purchased", the maximum number of the Target Company Shares that the Offeror may acquire through the Tender Offer (21,718,995 shares) is stated. Such maximum number is calculated by subtracting (i) the number of the Target Company Shares held by the

Offeror (21,816,659 shares) from (ii) the total number of issued shares as of the same date stated in the Target Company's Financial Results (43,537,200 shares) after deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the Target Company's Financial Results (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the BIP Trust as of the same date) (43,535,654 shares).

(Note 3) Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by any shareholder in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with procedures provided in laws and regulations.

(Note 4) The Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(6) Changes in Ownership Ratio of Share Certificates, Etc. through the Tender Offer

Number of voting rights represented by share certificates, etc. held by the Offeror before the Tender Offer	218,166 voting rights	(Ownership ratio of share certificates, etc. before the Tender Offer: 50.11%)
Number of voting rights represented by share certificates, etc. held by special related parties before the Tender Offer	0 voting rights	(Ownership ratio of share certificates, etc. before the Tender Offer: 0%)
Number of voting rights represented by share certificates, etc. to be held by the Offeror after the Tender Offer	435,356 voting rights	(Ownership ratio of share certificates, etc. after the Tender Offer: 100%)
Number of voting rights represented by share certificates, etc. to be held by special related parties after the Tender Offer	0 voting rights	(Ownership ratio of share certificates, etc. after the Tender Offer: 0.00%)
Number of voting rights of all shareholders of the Target Company	434,973 voting rights	

(Note 1) The "Number of voting rights represented by share certificates, etc. held by special related parties before the Tender Offer" is indicated as the total number of voting rights represented by the share certificates, etc. held by each of the special related parties (excluding the parties that are excluded under Article 3, Paragraph 2, Item (i) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended) (the "**TOB Order**") from the special related parties in calculating the ownership ratio of share certificates, etc. under each of the Items of Article 27-2, Paragraph 1 of the Act). The Offeror plans to confirm the share certificates, etc. of the Target Company held by special related parties after today and disclose the corrected information if any correction is necessary. Since each of the share certificates, etc. held by special related parties (excluding treasury shares held by the Target Company) will also be subject to the Tender Offer, the "Number of voting rights represented by share certificates, etc. to be held by special related parties after the Tender Offer" is indicated as 0 voting rights.

(Note 2) The "Number of voting rights represented by share certificates, etc. to be held by the Offeror after the Tender Offer" is indicated as the number of voting rights represented by the number of shares (43,535,654 shares), calculated by subtracting the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the Target Company's Financial Results (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the BIP Trust as of the same date) from the total number of issued shares as of the same date stated in the Target Company's Financial Results (43,537,200 shares).

(Note 3) The "Number of voting rights of all shareholders of the Target Company" represents the total number of voting rights of all shareholders as of September 30, 2024 as stated in the Target Company's Semi-annual Securities Report (stated on the basis that one unit consists of 100 shares). However, as shares less than one unit will also be subject to the Tender Offer, in calculating the "Ownership ratio of share certificates, etc. before the Tender Offer" and the "Ownership ratio of share certificates, etc. after the Tender Offer," the number of voting rights (435,356 voting rights) represented by the number of shares (43,535,654 shares), calculated by subtracting the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the Target Company's Financial Results (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the BIP Trust as of the same date) from the total number of issued shares as of the same date stated in the Target Company's Financial Results (43,537,200 shares), is used as the denominator.

(Note 4) "Ownership ratio of share certificates, etc. before the Tender Offer" and "Ownership ratio of share certificates, etc. after the Tender Offer" have been rounded to two decimal places.

(7) Purchase Price

137,698 million yen

(Note) The purchase price is the amount obtained by multiplying the number of shares to be purchased (21,718,995 shares) by the purchase price per share (6,340 yen).

(8) Method of Settlement

(I) Name and Address of Head Office of Financial Instruments Business Operator/Bank, etc., in Charge of Settlement of Tender Offer

Nomura Securities Co., Ltd. 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

(II) Commencement Date of Settlement

June 26, 2025 (Thursday)

(III) Method of Settlement

Promptly after the expiration of the Tender Offer Period, a written notice of the purchase through the Tender Offer will be mailed to the address of the shareholders who have accepted the offer for the purchase of share certificates, etc. or applied for the sale of share certificates, etc. through the Tender Offer (the "**Tendering Shareholders**") (or the standing proxy in the case of shareholders who reside outside Japan and do not hold active accounts with the Tender Offer Agent (including corporate shareholders)).

The purchase will be settled in cash. The Tendering Shareholders will, in accordance with the instructions given by them and without delay on or after the commencement date of settlement, receive the purchase price for the Tender Offer. (Remittance fees may be incurred.)

(IV) Method of Returning Share Certificates, Etc.

If none of the Tendered Share Certificates, Etc. are to be purchased in accordance with the conditions described in "(I) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and the Details Thereof" and "(II) Conditions of Withdrawal, etc. of the Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc." in "(9) Other Conditions and Methods for Purchase" below, the share certificates, etc. that must be returned will be returned to the Tendering Shareholders promptly on or after the date falling two business days after the last day of the Tender Offer Period (in the case of withdrawal of the Tender Offer, the business day following the date that the Tender Offer was withdrawn) by restoring the record of such share certificates, etc. in the Tendering Shareholders' account managed by the Tender Offer Agent to the state that existed immediately prior to the relevant tender (If the Tendering Shareholders wish to have their share certificates, etc. transferred to their accounts opened with other financial instrument business operators, they will be requested to confirm with the head office or domestic branch office of the Tender Offer Agent through which the relevant tender was accepted.).

(9) Other Conditions and Methods for Purchase

(I) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and the Details Thereof

If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (7,100,000 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. meets or exceeds the minimum number of shares to be purchased (7,100,000 shares), the Offeror will purchase all of the Tendered Share Certificates, Etc.

(II) Conditions of Withdrawal, etc. of the Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

Upon the occurrence of any circumstance specified in Article 14, Paragraph 1, Item (i), Sub-items (a) through (j) and (m) through (t), Item (iii), Sub-items (a) through (h) and (j), and Article 14, Paragraph 2, Items (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**"), the Offeror may withdraw or otherwise cancel the Tender Offer. In addition, (i) if the Target Company determines, through its organization that has the decision-making authority regarding its business operations, to distribute dividends (except where the amount of money or other assets to be delivered to shareholders is expected to be less than the amount equivalent to 10% of the book value of the net assets on the balance sheet of the Target Company as of the end of its fiscal year ended March 31, 2024 (19,964.8 million yen (Note))) with a record date prior to the commencement date of the settlement for the Tender Offer, or (ii) if the Target Company determines, through its organization that has the decision-making authority regarding its business operations, to acquire treasury shares (except where the amount of money or other assets to be delivered in exchange for the acquisition of shares is expected to be less than the amount equivalent to 10% of the book value of the net assets on the balance sheet of the Target Company as of the end of its fiscal year ended March 31, 2024 (19,964.8 million yen)), the Offeror may also withdraw or otherwise cancel the Tender Offer since the outflow of the Target Company's corporate assets to outside parties would significantly hinder the achievement of the purpose of the Tender Offer and therefore such case would fall under the category of "facts equivalent to those set forth in Sub-items (a) through (s)" prescribed in Article 14, Paragraph 1, Item (i), Sub-item (t) of the Enforcement Order. Moreover, the "facts equivalent to those set forth in Sub-items (a) through (i)" prescribed in Article 14, Paragraph 1, Item (iii), Sub-item (j) of the Enforcement Order refers to cases where (i) it is discovered that there is a false statement about a material matter or an omission of a statement about a material matter that is required to be stated in any statutory disclosure documents submitted by the Target Company in the past, but the Offeror was neither aware of such false statement, etc. nor could have become aware of such false statement, etc. even with reasonable care or (ii) the fact listed in Sub-items (a) through (g) of the same item arises with respect to a material subsidiary of the Target Company. If the Offeror decides to withdraw or otherwise cancel the Tender Offer, the Offeror will give public notice electronically and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will make an announcement by the means prescribed in Article 20 of the TOB Order and give public notice immediately thereafter.

(Note) If there is no change in the total number of issued shares and the number of treasury shares, the dividend per share will be 459 yen (specifically, such amount was calculated by dividing 19,964.8 million yen, which is the amount equivalent to 10% of 199,648 million yen, the net assets in the non-consolidated financial results of the Target Company as of March 31, 2024 stated in the Annual Securities Report filed by the Target Company on June 25, 2024, by the number of shares (43,535,654 shares), calculated by subtracting the number of the treasury shares owned by the Target Company as of March 31, 2025 stated in the Target Company's Financial Results (1,546 shares; the number of such treasury shares does not include 160,724 shares of the Target Company Shares held by the BIP Trust as of the same date) from the total number of issued shares as of the same date stated in the Target Company's Financial Results (43,537,200 shares), and by rounding up any fractions of less than one yen).

(III) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

If the Target Company conducts any act prescribed in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, pursuant to the provisions of Article 27-6, Paragraph 1, Item (i) of the Act, the purchase price may be reduced in accordance with the standards prescribed in Article 19, Paragraph 1 of the TOB Order. If the Offeror decides to reduce the purchase price, the Offeror will give public notice electronically and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will make an announcement by the means prescribed in Article 20 of the TOB Order and give public notice immediately thereafter. If the purchase price is reduced, the Tendered Share Certificates, Etc. that were tendered before the date of such public notice will also be purchased at the reduced purchase price.

(IV) Matters Concerning Tendering Shareholders' Right to Terminate Their Agreements

The Tendering Shareholders may cancel their agreements relating to the Tender Offer at any time during the Tender Offer Period. If an agreement is to be cancelled, by no later than 3:30 pm on the last day of the Tender Offer Period, the relevant Tendering Shareholder is to deliver or send a document stating that the agreement relating to the Tender Offer will be cancelled (the

"**Cancellation Form**") to the head office or a branch office in Japan of the entity designated below that received the application from such Tendering Shareholder. If the Cancellation Form is to be sent, it must reach the recipient no later than 3:30 p.m. on the last day of the Tender Offer Period.

A contract executed via the online service can be canceled either via the online service (https://hometrade.nomura.co.jp/) or by personally delivering or sending the Cancellation Form. To cancel a contract via the online service, the Tendering Shareholders must complete the cancellation procedures in the manner prescribed on that website by 3:30 p.m. on the last day of the Tender Offer Period. The Tendering Shareholders may not cancel, via the online service, a contract executed at the office of the Tender Offer Agent with which they have an account. To cancel a contract by personally delivering or sending the Cancellation Form, the Tendering Shareholders must request a copy of the Cancellation Form in advance from the office of the Tender Offer Agent with which they have an account and then deliver or send the filled out form to such office no later than 3:30 p.m. on the last day of the Tender Offer Period. If the Cancellation Form is to be sent, it must reach the recipient no later than 3:30 p.m. on the last day of the Tender Offer Period.

Entity authorized to receive the Cancellation Form:

Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo (and other domestic branch offices of Nomura Securities Co., Ltd.)

The Offeror will not make any claim for damage against or demand the payment of a penalty by a Tendering Shareholder if an agreement is cancelled by the Tendering Shareholder. In addition, the Offeror will bear the costs of returning the Tendered Share Certificates, Etc. If cancellation is requested, the Tendered Share Certificates, Etc. will be returned pursuant to the method described in "(IV) Method of Returning Share Certificates, Etc." in "(8) Method of Settlement" above, promptly after the completion of procedures pertaining to the request for the cancellation.

(V) Method of Disclosure if the Conditions of the Tender Offer Are Changed

The Offeror may change the conditions, etc. of the Tender Offer during the Tender Offer Period, except for any change prohibited by Article 27-6, Paragraph 1 of the Act or Article 13, Paragraph 2 of the Enforcement Order. If the Offeror intends to change any conditions, etc. of the Tender Offer, the Offeror will give public notice electronically detailing those changes and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will make an announcement by the means prescribed in Article 20 of the TOB Order and give public notice immediately thereafter. If the conditions, etc. of the Tender Offer are changed, the Tendered Share Certificates, Etc. that were tendered before the date of such public notice will also be purchased pursuant to the changed conditions, etc. of the Tender Offer.

(VI) Method of Disclosure if Amendment Statement Is Filed

If an amendment to the Tender Offer Registration Statement is filed with the Director General of the Kanto Local Finance Bureau (excluding the case prescribed in the proviso of Article 27-8, Paragraph 11 of the Act), the Offeror will immediately announce the details that are set out in that amended statement and that relate to the contents of the public notice of the commencement of the Tender Offer by the means prescribed in Article 20 of the TOB Order. The Offeror will also immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to each of the Tendering Shareholders that already received the Tender Offer Explanatory Statement. However, if the amendment is only minor in nature, the Offeror will implement the amendment by preparing a document stating the reasons for that amendment, the matters that were amended and the amended contents and by delivering that document to the Tendering Shareholders.

(VII) Method of Disclosure of Results of the Tender Offer

The Offeror will publicly announce the results of the Tender Offer on the day immediately following the last day of the Tender Offer Period in accordance with the provisions of Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order.

(VIII) Other Matters

The Tender Offer is not and will not be directly or indirectly made in or to the United States by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail and internet communication) or through any facilities of a securities exchange in the United States. No one may tender shares in the Tender Offer by any of the means or instruments above, through any of the facilities above or from the United States. In addition, the Tender Offer Registration Statement and other related documents shall not and may not be sent or delivered by the postal service or any other means in, to or from the United States. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

Upon tendering shares in the Tender Offer, each of the Tendering Shareholders (or the standing proxy in the case of foreign shareholders) may be required to represent and warrant the following to the Tender Offer Agent: (i) the Tendering Shareholder was not located in the United States at the time of tendering shares or sending the tender offer acceptance form; (ii) the Tendering Shareholder did not directly or indirectly receive or send any information regarding the Tender Offer (including copies thereof) in, to or from the United States; (iii) the Tendering Shareholder did not directly or indirectly use the U.S. postal service or any other means or instruments of interstate or foreign commerce or any facilities of a securities exchange in the United States to tender their shares or sign or deliver the tender offer acceptance form; and (iv) the Tendering Shareholder was not acting as an agent, trustee or delegate, without discretion, of another person (except for the case where the latter provided all instructions for the purchase from outside the United States).

(10) Date of the Public Notice of the Commencement of the Tender Offer

May 9, 2025 (Friday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd. 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

3. Policies After the Tender Offer and Future Prospects

For the policies after the Tender Offer, please refer to “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender

Offer," "(4) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to So-Called Two-Step Acquisition)" and "(5) Possibility of Delisting and Reasons Therefor" in "1. Purpose of the Tender Offer" above.

4. Other Matters

(1) Agreements Between the Offeror and the Target Company or Its Officers and Details of Those Agreements

(I) Support for the Tender Offer

According to the Target Company's Press Release, the Target Company resolved at the meeting of its board of directors held today to express an opinion to support the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. For details, please refer to the Target Company's Press Release and "(viii) Approval of All Disinterested Directors and Non-dissenting Opinions of All Disinterested Audit & Supervisory Board Members of the Target Company" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" above.

(II) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer

Please refer to "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.

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

Please refer to "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(II) Background of Valuation" in "(4) Basis for the Valuation of the Price of the Tender Offer" in "2. Outline of the Tender Offer" above.

(2) Other Information Required by Investors When Considering Whether to Tender

(I) Release of "Notice of Dividend of Surplus (No Dividend)"

According to the "Notice of Dividend of Surplus (No Dividend)" released by the Target Company today, the Target Company resolved, at the meeting of its board of directors held on the same day, not to pay dividends of surplus with a record date of September 30, 2025 (end of the second quarter) and dividends of surplus with a record date of March 31, 2026 (end of the fiscal year). Please see the release itself for details.

(II) Release of "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)"

The Target Company released the Target Company's Financial Results today. The status of the Target Company's profit and loss for the relevant period based on such release is as follows. The following outline of the release is an excerpt from the release of the Target Company and the Offeror has not independently verified the accuracy and truthfulness thereof. Please see the release itself for details.

A. Profit and Loss (consolidated)

Fiscal Period	Fiscal year ended March 2025
Net sales	2,120,847 million yen
Operating profit	31,575 million yen
Ordinary profit	33,308 million yen
Profit attributable to owners of parent	23,174 million yen

B. Per Share Information (consolidated)

Fiscal Period	Fiscal year ended March 2025
Net assets per share	5,027.18 yen
Earnings per share	533.94 yen

End

[Solicitation Regulations]
This press release is intended to announce the Tender Offer to the public and was not prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the tender offer explanation statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release is not and does not constitute a part of an offer or a solicitation to sell or a solicitation to offer to purchase any securities, and this press release (or any part of this press release) or its distribution shall not be interpreted to constitute the basis of any agreement in relation to the Tender Offer and may not be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]
This press release contains the prospect of business development based on the opinions of the management of the Offeror in the event that the Offeror acquires the Target Company Shares. The actual results may materially differ from the expectations of the Offeror due to numerous factors.

[Restriction Related to the United States]
The Tender Offer is not and will not be directly or indirectly made in or to the United States by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail and internet communication) or through any facilities of a securities exchange in the United States. No one may tender shares in the Tender Offer by any of the means or instruments above, through any of the facilities above or from the United States. In addition, the press releases on the Tender Offer or other related documents are not and may not be sent or delivered by the postal service or any other means in, to or from the United States. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above may not be accepted.
No solicitation for the purchase of securities or their equivalents may be made to U.S. residents or in the United States, and no securities or their equivalents may be sent to the Offeror from U.S. residents or from the United States.

[Other Countries]
The announcement, issuance or distribution of this press release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restrictions. The announcement, issuance or distribution of this press release shall not be interpreted as an offer to purchase or a solicitation of an offer to sell the share certificates in connection with the Tender Offer, but simply be interpreted as a distribution of information.