



May 31, 2024

To All Concerned Parties

Company Name: Chilled & Frozen Logistics Holdings Co., Ltd.
 Representative: Representative Director, President and Executive Officer
 Hiromasa Aya
 (Code No. 9099 TSE Prime)
 Contact: Executive Officer, General Manager of Corporate
 Planning Department Takaaki Yamamiya
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**Notice Concerning Announcement of Opinion (Endorsement and Recommendation for Tender)
 as to Tender Offer for Company Shares by SG Holdings Co., Ltd.**

We, Chilled & Frozen Logistics Holdings Co., Ltd. (“we” or “the “Company”), hereby announce that, with respect to a tender offer (the “Tender Offer”) by SG Holdings Co., Ltd. (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”), the Company resolved at the meeting of its board of directors held on the date hereof to express its opinion to endorse the Tender Offer and to recommend that shareholders of the Company tender their shares in the Tender Offer.

Please note that the above-mentioned board resolution was made based on the premises that the Tender Offeror would conduct the Tender Offer as a part of the certain series of transactions conducted by the Tender Offeror for the purpose to make the Tender Offeror become the sole shareholder of the Company and that the Company Shares would be scheduled to be delisted.

In addition, the Company resolved at the above-mentioned board meeting to amend its opinion on the tender offer for the Company Shares (the "Preceding Tender Offer") conducted by AZ-COM MARUWA Holdings Co., Ltd. (the "Preceding Tender Offeror") from the reservation to the opposition. Our opinion before the amendment was announced in the "Notice Concerning Announcement of Opinion (Reservation) as to Tender Offer for Company’s Stock by AZ-COM MARUWA Holdings Co., Ltd." dated May 7, 2024. For more information on the above-mentioned resolution of the amendment, please refer to the "Notice Concerning Announcement of Opinion (Opposition) as to Tender Offer for Company Shares by AZ-COM MARUWA Holdings Co., Ltd." released on the date hereof (the “Opposition Release regarding Preceding Tender Offer”).

1. Outline of Tender Offeror

(1)	N a m e	SG Holdings Co., Ltd.	
(2)	L o c a t i o n	68 Kamitobatsunoda-cho, Minami-ku, Kyoto-shi, Kyoto, Japan	
(3)	N a m e a n d T i t l e o f R e p r e s e n t a t i v e	Hidekazu Matsumoto, President and COO	
(4)	T y p e o f B u s i n e s s e s	Group management strategies, administration, and related business	
(5)	A m o u n t o f S t a t e d C a p i t a l (A s o f D e c e m b e r 3 1, 2 0 2 3)	11,882,905,000 JPY	
(6)	D a t e o f I n c o r p o r a t i o n	March 21, 2006	
(7)	M a j o r s h a r e h o l d e r s a n d t h e i r s h a r e h o l d i n g r a t i o (a s o f	Shinsei Kosan Co., Ltd. Japan Master Trust Bank, Ltd. (trust account)	17.23% 9.12%

September 30, 2023).	SGH Culture and Sports Promotion Foundation	7.73%
	Sumitomo Life Insurance Company	4.02%
	Mitsui Sumitomo Insurance Company, Limited	4.03%
	Japan Custody Bank, Ltd. (trust account)	4.00%
	Sagawa Printing Co., Ltd.	3.64%
	Sumitomo Mitsui Banking Corporation	3.31%
	Mitsubishi UFJ Bank, Ltd.	3.31%
	Tanaka Sangyo Co., Ltd.	3.19%
(8) Relationship between the Company and the Tender Offeror		
Capital Relationship	None	
Personal Relationship	None	
Transactional Relationship	In the fiscal year ended March 31, 2024, Meito Transport Co., Ltd., which is a subsidiary of the Company, was consigned with Sagawa Express Co., Ltd. which is a subsidiary of the Tender Offeror, for a total of approximately 500 million JPY.	
Status as Related Parties Relationship	None	

(Note) The information described in “(7) Major shareholder and their shareholding ratio (as of September 30, 2023)” was quoted from the descriptions in the "Status of Major Shareholders" section of the quarterly report for the second quarter of the 18th fiscal year filed by the Tender Offeror as of November 9, 2023.'

2. Tender Offer Price

5,740-JPY per share of common stock (hereinafter referred to as the "Tender Offer Price")

3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer

(1) Details of Opinion Concerning Tender Offer

Based on the grounds and reasons set forth in “(2) Grounds and Reasons for Opinion Concerning Tender Offer” below, with respect to the Tender Offer, the Company resolved, at the board of directors’ meeting held on the date hereof, to express an opinion endorsing the Tender Offer and to recommend shareholders of the Company to tender their shares in the Tender Offer at this time.

For your information, the resolution of the board of directors’ meeting referred to above has been adopted pursuant to the method described in “⑦ Approval by all directors that have no conflicts of interest (including who are also members of audit and supervisory committee) at the Company” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

(2) Grounds and Reasons for Opinion Concerning Tender Offer

The descriptions about the Tender Offeror contained in the grounds and reasons for the opinion on the Tender Offer are based on explanations received from the Tender Offeror.

According to the Tender Offeror, the following is recognized:

① Outline of the Tender Offer

The Tender Offeror, at the meeting of the Board of Directors held on May 31, 2024, resolved to conduct the Tender Offer as part of a transaction (the “Transaction”) aimed at acquiring all of the Company Shares listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”) (excluding the treasury shares owned by the Company) and making the Tender Offeror the sole shareholder of the Company.

As of today, the Tender Offeror does not own any of the Company Shares. In the Tender Offer, the Tender

Offeror has set the Lower Limit on the Number of Expected Shares for Which Tender Offer Will be Made (Note 2) of 14,372,200 shares (Shareholding ratio (Note 1): 66.67%). If the total number of shares tendered in the Tender Offer (the “Tendered Share Certificates, etc.”) is less than 14,372,200 shares, the Tender Offeror will not make tender offer, etc. to any of the Tendered Share Certificates, etc. On the other hand, since the objective of the Tender Offer is to acquire all of the Company Shares, there is no upper limit set on the number of shares for which tender offer will be made. If the total number of Tendered Share Certificates, etc. meets or exceeds the Lower Limit on the Number of Expected Shares for Which Tender Offer Will be Made (14,372,200 shares), the Tender Offeror will make tender offer, etc. to all of the Tendered Share Certificates, etc.

Additionally, if the Tender Offer is successful, the Tender Offeror plans to implement a series of procedures (the “Squeeze-Out Procedures”) to make the Tender Offeror the sole shareholder of the Company, as described in “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)” below.

- (Note 1) “Shareholding ratio” refers to the ratio of shares (rounded to the nearest thousandth) calculated by dividing the number of shares by the total number of issued shares of the Company as of March 31, 2024 (25,690,766 shares) as stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” (the “Company Financial Results”) submitted by the Company on May 9, 2024, after deducting the number of treasury shares owned by the Company as of the same date (4,133,572 shares), resulting in a total of 21,557,194 shares. The same method applies hereafter.
- (Note 2) “Lower Limit on the Number of Expected Shares for Which Tender Offer Will be Made” is the number of shares (14,372,200 shares) obtained by the number of voting rights (143,722; rounded up to the nearest whole number) which is two-thirds or more of the number of voting rights (215,571) corresponding to the number of shares (21,557,194 shares) derived by subtracting the number of treasury shares owned by the Company as of March 31, 2024 (4,133,572 shares) from the total number of issued shares of the Company as of the same date (25,690,766 shares) as stated in the Company Financial Results multiplied by 100 shares which is the number of unit shares of the Company. The lower limit is set because while the Tender Offeror aims to make the Company a wholly-owned subsidiary through the Transaction if the Tender Offer is successful but the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer, to carry out the process of the Share Consolidation (as defined in “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)”; hereinafter the same) a special resolution at the general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same) is required. Therefore, to ensure the smooth execution of the Transaction, it is necessary for the Tender Offeror to own two-thirds or more of the total voting rights of all shareholders of the Company after the Tender Offer, thereby satisfying this requirement. Additionally, the number of shares of the lower limit of 14,372,200 shares exceeds the number corresponding to the so-called majority of the minority (10,778,598 shares), which refers to more than half of the Company Shares owned by the shareholders of the Company who are not related parties of the Tender Offeror (the total number of issued shares (25,690,766 shares) as of March 31, 2024 stated in the Financial Results minus the number of treasury shares held by the Company (4,133,572 shares) as of the same date stated in the Company Financial Results (21,557,194 shares)).

② Background, Purpose and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer

The Tender Offeror was established in 1965 as Sagawa Express Co., Ltd. (“Sagawa Express”) for the purpose of transportation business. Subsequently, based on the resolution of the extraordinary general shareholders meeting of Sagawa Express held in February 2006, the Tender Offeror transitioned to a pure holding company structure in March 2006 through a sole share transfer, making Sagawa Express a wholly-

owned subsidiary and changed its trade name to the current SG Holdings Co., Ltd.

The Tender Offeror listed its common shares on the First Section of the TSE in December 2017. In April 2022, due to the TSE's market restructuring, it transitioned from the First Section to the Prime Market. As of today, it is listed on the TSE's Prime Market.

The Tender Offeror Group (Note 1) primarily develops the following businesses, with a focus on the package delivery business:

- Delivery business centered on the package delivery service
- Logistics business centered on providing international transportation, warehousing, and distribution processing
- Real estate business centered on logistics facilities
- Other businesses to provide efficient logistics solutions

The Tender Offeror Group, under the founding spirit of “Hikyaku no Kokoro” commits to:

1. Responding to the trust of customers and society, and growing together.
2. Creating new value and contributing to the development of society.
3. Continuously challenging and pursuing all possibilities.

With these principles as the corporate philosophy, it strives to enhance its services and quality to provide customers with “safety,” “satisfaction,” and “trust.”

Additionally, the Tender Offeror Group has unveiled a long-term vision, “Grow the new Story. New logistics, nurturing a new society together.” to realize the aforementioned corporate philosophy. This vision aims for “achieving consolidated operating revenue of 2.2 trillion JPY in fiscal year 2030 by using businesses other than package delivery as growth engines” and “achieving carbon neutrality by 2050.” To achieve this long-term vision, the Tender Offeror Group has formulated the medium-term management plan "SGH Story 2024" (from fiscal 2022, to fiscal 2024), with the basic policy of “creation of next-generation competitive advantages to realize sustainable growth.”

In the medium-term management plan, the Tender Offeror Group is focusing on the following key strategies: (i) “enhancement of comprehensive logistics solutions,” (ii) “expansion of management resources leading to the creation of competitive advantages” and (iii) “further advancement of governance.”

(i) Enhancement of comprehensive logistics solutions (GOAL (Note 2))

<Promotion of services aimed at solving social and environmental issues such as decarbonization >

Awareness of global climate change issues is increasingly heightened, and within Japan, it is becoming necessary to respond to the government's raised reduction targets and the revised Corporate Governance Code's requirements for climate change disclosures.

In this environment, the Tender Offeror Group aims to contribute to building more efficient supply chains for its customers and solving social and environmental issues through the logistics solutions it provides. Additionally, by advancing the Tender Offeror Group's own initiatives, such as transitioning to electric vehicles and investing in facilities that generate renewable energy, the Tender Offeror Group will also contribute to its customers' efforts to reduce greenhouse gas emissions.

<Expansion of TMS (Note 3) /3PL (Note 4) networks and enhancement of ancillary solutions >

Against the background of the increase in e-commerce (“EC”) shipments, the domestic package delivery market is expected to see moderate growth in the medium to long term. Logistics plays a significant role in differentiating customer services, and the demand for advanced logistics solutions from transport operators is increasing.

Leveraging the customer base of the Tender Offeror Group centered around Sagawa Express and the cross-group sales team, “GOAL” as the Tender Offeror Group's strengths, it aims to expand its scope of proposal to encompass its customers' entire supply chain through TMS and 3PL solutions.

<Strengthening international and overseas services >

In international services, the Tender Offeror Group will leverage its domestic sales resources and

delivery network to strengthen the acquisition of cargo for international e-commerce, international TMS, and international express services originating from and destined for Japan. In addition, in overseas services, the Tender Offeror Group will work to increase the volume of cargo handled by increasing the wallet share of existing customers, expanding new lanes, and cultivating new customer bases centered on the forwarding (Note 5) business originating from Asia.

<Improvement of profitability through enhancement of service and improvement of efficiency in express package delivery service>

The Tender Offeror Group anticipates that the number of packages handled by its package delivery services will continue to increase due to the acceleration of EC triggered by the pandemic. However, it also expects intensified competition from the rapid growth of low-cost post-in services, the expansion of in-house delivery networks by major e-commerce platforms, and new entrants from other industries.

In this environment, the Tender Offeror Group aims for stable business growth in package delivery services by investing in capacity enhancement and accelerating DX (digital transformation) investments to improve operational efficiency, service quality, and profitability focusing on market growth. In particular, given the rising costs of energy, vehicles, and other expenses, as well as the need to review personnel-related costs such as wage levels and subcontracting fees in this inflationary environment, the Tender Offeror will further pursue efficiency improvements and continue efforts to ensure appropriate fare collection.

- (ii) Expansion of management resources leading to the creation of competitive advantages
<Strengthening domestic and overseas transportation network including alliances>

In strengthening the network towards expanding revenue beyond package delivery, the Tender Offeror aims to expand sales by providing diverse, high-quality services and strengthening its network by not only leveraging its own capabilities but also actively promoting alliances with partners.

For package delivery, in response to the increase in the number of packages handled due to market growth, the Tender Offeror Group will focus on expanding relay centers, making optimal investments in sales offices, and strengthening its capabilities by increasing the number of partner companies.

<Investment in human capital and improvement of employee engagement>

As an investment in “human resources” to create next-generation competitive advantages, the Tender Offeror Group will focus on acquiring and developing specialized human resources in areas such as global operations and digital transformation (DX). Additionally, it will try to enhance various systems and education to foster a corporate culture where employees are encouraged to take on new challenges.

<Creation of competitive advantages through investment in DX>

With the goal of contributing to the realization of a sustainable society by solving social and customer issues, the Tender Offeror Group will focus on three initiatives: “evolution of the digital infrastructure,” “operational efficiency,” and “service enhancement.” At the same time, it will pursue efforts to enhance future competitive advantages such as exploration of new business models through R&D. Furthermore, it will strengthen the training of DX (digital transformation) talent necessary to advance these initiatives.

<Creation of new value through open innovation>

The Tender Offeror Group aims to create new value by combining the innovative ideas, technologies, and IT solutions of startups and companies from other industries with the resources of the Tender Offeror Group. To achieve this, it will establish a framework for conducting proof-of-concept projects with agility and will also work on accumulating know-how within the group.

- (iii) Further advancement of governance

<Creation of governance structure that meets global standards>

The Tender Offeror Group will enhance its management system, including J-SOX compliance for EXPOLANKA HOLDINGS PLC (“Expolanka”), its major consolidated subsidiary overseas. Additionally, it will work on further strengthening the governance of its overseas subsidiaries and promoting the establishment of internal controls. Furthermore, for Expolanka, the Tender Offeror Group has initiated delisting procedures in March 2024 to establish an optimal governance structure for the international transportation business and to further strengthen group collaboration. Going forward, it will continue to execute medium- to long-term strategies that contribute to increasing corporate value.

<Ongoing advancement of compliance>

The Tender Offeror will enhance the cycle from the detection of misconduct and scandals (including harassment) to response and prevention of recurrence. In addition, it will work on further strengthening its compliance system through education aimed at raising compliance awareness.

- (Note 1) The “Tender Offeror Group” consists of the Tender Offeror, 148 consolidated subsidiaries, and 5 equity-method affiliates.
- (Note 2) “GOAL” stands for “GO Advanced Logistics” and refers to an advanced logistics project team that considers and proposes complex logistics services across the Tender Offeror Group.
- (Note 3) “TMS” refers to a system (Transportation Management System) that utilizes the logistics network and know-how of the Tender Offeror Group and provides optimal logistic services for customer businesses by utilizing the Tender Offeror Group and external transport operators.
- (Note 4) “3PL Network” refers to the comprehensive outsourcing of logistics operations (third-party logistics).
- (Note 5) “Forwarding” refers to the comprehensive operations from collecting cargo from the shipper to transportation, customs clearance, storage, and delivery to consignees.

At the same time, the Company was established in October 2015 through a joint stock transfer by Meito Transportation Co., Ltd. and Hutech norin Co., Ltd. The Company shares were listed on the First Section of the TSE. Subsequently, in April 2022, due to the TSE's market restructuring, the Company moved from the First Section to the Prime Market of the TSE.

The Company aims “to become a comprehensive logistics information company centered around low-temperature logistics, capable of handling the globally changing food logistics landscape.” To achieve this vision, on May 10, 2022, the company established the basic policy of “achieving sustainable low temperature zone logistics, meeting the needs of new cold-chains (Note 6).” The Company has formulated the Third Mid-Term Management Plan (from fiscal 2022 to fiscal 2025) including the following key strategies: (i) “building a sustainable logistics business,” (ii) “enhancing corporate value through a strategic financial structure,” (iii) “strengthening the functions and earnings base of existing businesses centered on the joint delivery business,” and (iv) “promoting investment in growing fields.” Additionally, on June 16, 2023, the Company published “Review of the Mid-Term Management Plan.” The Third Mid-Term Management Plan has been revised into a three-year plan, with fiscal 2025 as the final year.

Specifically, while there are no significant changes to the basic policy and key strategies, the Company has added the following focus initiatives, considering the diversification of distribution channels for low-temperature products and changes in the social and economic environment: (i) “As sustainability-related measures, make investments in improving productivity through development and the deployment of new technologies contributing to environmental measures, and labor-saving and workforce reduction,” (ii) “promotion of investment and acceleration of growth speed with a view to collaborations and partnerships with other companies in growth areas (overseas, e-commerce (“EC”), and pharmaceuticals, etc.),” and (iii) “further strengthen revenue power and expand businesses utilizing M&A and other means that help make the existing businesses robust.”

(Note 6) “Cold chain” refers to low-temperature logistics used to maintain the quality of frozen and refrigerated cargo.

Additionally, to achieve a stable revenue base based on the premise of business expansion and promote improvement of management efficiency, in the Third Mid-Term Management Plan, the Company has set targets for consolidated operating revenue, consolidated operating profit, ROE (return on equity), equity ratio, and payout ratio as management indicators. However, following the review of the Third Mid-term Management Plan conducted in June

2023, the Company has set new targets for the three-year period from fiscal 2024 to fiscal 2026. These targets include achieving an ROE of 8.0% or higher by the final year, an equity ratio of approximately 45%, a payout ratio of over 20% (gradually increasing to over 30%), consolidated operating revenue of 122.4 billion JPY, and consolidated operating profit of 5.7 billion JPY by the final year.

The Tender Offeror recognizes that while the current social and economic environment is gradually recovering due to the downgrading of COVID-19's legal status and the removal of various restrictions, the future remains uncertain. This is due to domestic factors such as rising prices and the depreciation of the yen, as well as fears of a slowdown in global economic growth against a background of ongoing global monetary tightening policies and increasing geopolitical risks.

In the logistics industry, in addition to this, the so-called "Logistics 2024 Problem" (the "2024 Problem"), which has been an issue for the entire industry for some time, involves a cap regulation on overtime hours in automobile driving work (application starting April 1, 2024). This regulation is expected to exacerbate concerns about a shortage of transportation capacity, marking a significant turning point for the industry.

In this environment, under the long-term vision announced on March 30, 2022 titled "Grow the new Story. New logistics, nurturing a new society together," the Tender Offeror believes that to create new value in connection with solving the issues faced by customers and society through the provision of logistics solutions, not only its own capabilities but also collaborating with customers, business partners, and partners across different industries and sectors is necessary.

Considering the above, while the Tender Offeror was searching for a partner to collaborate with, on March 21, 2024, the Tender Offeror learned through the "Notice Regarding Plans to Commence Tender Offer for the Shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Code: 9099)" dated March 21, 2024, by AZ-COM MARUWA Holdings (the "Notice of Plans of Preceding Tender Offer") that the Preceding Tender Offeror had proposed a tender offer for the common shares of the Company (the "Preceding Tender Offer") as part of a series of transactions (the "Preceding Transaction") to make the Company a wholly-owned subsidiary of the Preceding Tender Offeror (the "Preceding Proposal").

At the same time, the Tender Offeror learned from the "Notice Regarding the Establishment of a Special Committee" published by the Company on April 1, 2024, that the Company had received the Preceding Proposal and at a meeting of the Board of Directors, it had resolved to establish a special committee (the "Special Committee") to ensure the fairness and transparency of the review process and to conduct a serious examination in light of "Guidelines for Corporate Takeovers" published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Guidelines for Corporate Takeovers") for bona fide counter proposals made by any third party for the Preceding Proposal and the Preceding Transaction ("Counter Proposal(s)" and the offerors making Counter Proposals, "Counter Offerors" and a transaction related to Counter Transaction, "Counter Transaction").

As a result of the Preceding Proposal, the Tender Offeror began concrete discussions about making the Company a wholly-owned subsidiary of the Tender Offeror. On April 4, 2024, with the purpose of expanding the transaction relations described in the above "1. Outline of the Tender Offer" to the Company from the Tender Offeror and to implement a proposal to deepen personal exchange between the two groups, the Tender Offeror had the opportunity to meet with the Company and at the meeting, the Tender Offeror explained to the Company that collaboration between the Tender Offeror Group and the Company through the transaction relationship would be beneficial for both parties.

Later on April 4, 2024, the Company informed the Tender Offeror that we had begun establishing a framework to review and assess the outcome of the Preceding Tender Offer and the appropriateness and procedural fairness of its transaction terms, independently of the Preceding Tender Offeror and the Company, and the Preceding Tender Offer and specifically establishing the Special Committee and the initiation of consultations on the Consultation Matters (defined in "④ Process and reasons for the decision-making leading to the approval of the Tender Offer by the Company") Additionally, the Company informed the Tender Offeror that, in accordance with the Guidelines for Corporate Takeovers, the Tender Offeror would have the opportunity to make a bona fide Counter Proposal to the Preceding Transaction and the Counter Proposal by the Tender Offeror would be seriously examined by the Special Committee.

Therefore, on April 9, 2024, the Tender Offeror submitted a non-binding initial proposal letter related to the Transaction to the Company. On April 15, 2024, the Company invited the Tender Offeror to participate in the due diligence process aimed at considering the Counter Proposal by the Tender Offeror. After receiving the invitation, in late April 2024, the Tender Offeror appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as the financial advisor and third party appraiser and City-Yuwa Partners as the legal advisor, respectively independent from the Tender Offeror,

the Company and the Preceding Tender Offeror and established a framework to consider making the Company a wholly-owned subsidiary by the Tender Offeror through the Tender Offer and began concrete deliberations.

As a result, incorporating the Company, which has many years of knowledge and is a leading expert in Japan in the low-temperature logistics industry, as a wholly-owned subsidiary into the Tender Offeror Group would (a) organically combine the strengths, knowledge, and assets of both companies, enabling the provision of top-notch domestic cold chain solutions to major clients such as food manufacturers, wholesalers, and retailers, and (b) expand the low-temperature logistics area by mutually referring customers and complementing each other's weaker areas to offer new services. This integration would also allow the development of new areas, such as the medical sector and the export of primary industry products. Therefore, the Tender Offeror is confident that this will greatly contribute to the expansion and development of both the Tender Offeror and the Company's businesses, ultimately enhancing the overall corporate value of the Tender Offeror Group. If the Transaction is carried out, as described in "(4) Prospects and Reasons for Delisting" below, the Company shares will be delisted. However, the Tender Offeror believes that there are no particular disadvantages associated with the Company's delisting.

Regarding the anticipated increase in challenges within the low-temperature logistics industry and the response to the "2024 Problem" faced by the logistics industry, if the Company remains publicly listed, sharing highly confidential information and utilizing management resources might be hindered. However, by making the Company a wholly-owned subsidiary through the Tender Offer, it would be possible to swiftly and flexibly integrate and develop the management resources of both the Tender Offeror and the Company. This integration would enable the resolution of these challenges and the creation of the following new synergies between the Tender Offeror Group and the Company.

The approach to realizing these synergies includes ① "network collaboration" and ② "business collaboration." For ① "network collaboration," potential areas include the joint utilization of the collection and delivery network, efficient operation of the Company's low-temperature logistics warehouses, joint development of the Company's low-temperature logistics warehouses, and optimization of the last mile. For ② "business collaboration," this could involve proposal-based sales leveraging the strengths of both the Tender Offeror and the Company to their respective customers, joint sales efforts for new cold chain initiatives, providing services that combine the diverse delivery modes possessed by both companies, and proposing comprehensive solutions.

< Synergies envisioned by the Tender Offeror and efforts to realize the synergies >

(1) Utilization of the Tender Offeror Group's sales structure and customer base

As of March 31, 2024, in Japan, the Tender Offeror Group has approximately 26,000 sales drivers who, in addition to their collection and delivery duties, also act as sales representatives to understand corporate customers' needs, propose solutions, and grasp their supply chains. This allows the Tender Offeror Group to propose and provide efficient logistics systems utilizing all available resources. To promote such logistics solution proposals, the "GOAL" team was formed in the fiscal year ending 2015 March.

The Tender Offeror Group has been referring customers to the Company since August 2022. Through this transaction, not only is it expected that the Tender Offeror Group will continue referring customers to the Company, but it is also anticipated that new customers will be acquired through joint sales efforts with GOAL. This is expected to expand the service provision areas for our existing customers and enable the growth of our e-commerce-related business.

(2) Optimization of cold chain logistics

Regarding the cold chain logistics owned by the Company, by collaborating on shipping and consolidating collection and joint delivery/express delivery for large shippers by utilizing customer base and sales structure of the Tender Offeror Group mentioned above, it is considered possible to enhance and optimize the use of infrastructure for both the Tender Offeror Group and the Company, enabling the construction of new transportation and delivery schemes that respond to increased efficiency and logistics volume.

In addition, in the medium term, the Tender Offeror would like to examine building a joint distribution center for food manufacturers, wholesalers, and retail distribution, and move forward with efforts to optimize the entire low-temperature logistics market.

(3) Enhancement of international and overseas services

(ii) At SGH Global Japan Co., Ltd., a consolidated subsidiary of the Tender Offeror, the Tender Offeror Group leverages its domestic sales resources and collection and delivery network to strengthen the acquisition of cargo for international e-commerce, international TMS, and international express services originating from and destined for Japan. Additionally, through the Tender Offeror's consolidated subsidiary, EFL GLOBAL LLC, the Tender Offeror has made Trans American Customhouse Brokers, Inc., a U.S. customs broker, a subsidiary. Similarly, through EFL GLOBAL LOGISTICS (PTE.) LTD., another consolidated subsidiary of the Tender Offeror, the Tender Offeror has made Locher Evers International Inc., a Canadian logistics company primarily focused on forwarding, a subsidiary. These efforts have been undertaken to strengthen transportation both domestically and internationally. By extending these measures to the Company, the Tender Offeror believes it can also strengthen its acquisition of cargo for international shipments to and from Japan, expand wallet share with existing customers, open new lanes, and acquire new customers. This will increase the volume of international and overseas service cargo handled.

(ii) In the Socialist Republic of Vietnam ("Vietnam"), which is expected to have high growth in the future (Note 7), currently, the Tender Offeror Group is in Vietnam with comprehensive logistics licenses, export-import customs clearance, international air and sea transportation, trucking, general warehousing, CFS (Note 8) warehousing, and bonded warehousing. This allows the group to provide high-quality transportation services to its customers.

On the other hand, the Company has established a cold chain for low-temperature food products in Vietnam since 2014 through its consolidated subsidiary, MEITO VIETNAM COMPANY LIMITED. By mutually utilizing the resources of the Tender Offeror Group and the Company in Vietnam, new initiatives such as expanding food exports from Japan can be realized.

(iii) By utilizing the bonded warehouses owned by the Company, the Tender Offeror Group believes it can capture the growing demand for Japanese food exports, contributing to the government's goal of achieving 5 trillion JPY in agricultural, forestry, fishery, and food exports by 2030 (Note 9). This will enable the Tender Offeror Group to expand its market share in food export logistics (including imports).

(4) Expansion in the medical-related field

The Tender Offeror Group anticipates that Japan's domestic pharmaceutical market will see increased entry by new foreign operators in the specialty pharmaceuticals sector (Note 10), which requires strict temperature control, due to the aging population. With collaboration between the Company and the Tender Offeror Group, market share in this business area can be expanded by conducting sale activities targeting these new entrants.

Additionally, by leveraging the know-how in healthcare logistics that the Company has contracted, the Tender Offeror Group believes it can capture the logistics needs for elderly care facility meals and home-delivered meals, markets that are also expected to grow. This can be achieved by utilizing the Tender Offeror Group's customer base.

(5) Capturing in-house logistics of food processing manufacturers

With the expanding market size of the low-temperature logistics sector driven by the increasing demand for frozen foods and rising costs of labor and utilities, the Tender Offeror Group and the Company can collaborate in their sales activities. This collaboration would capture the in-house logistics operations of food processing manufacturers, which is expected to lead to further sales growth for the Company.

(Note 7) According to the "World Economic Outlook" published by the International Bank in January 2024, Vietnam's real GDP growth rate is projected to be 5.5% in 2024 and 6.0% in 2025.

(Note 8) "CFS" refers to a facility (Container Freight Station) where small shipments from multiple shippers are consolidated.

(Note 9) Referring to the government export targets of 2 trillion JPY by 2025 and 5 trillion JPY by 2030 that were set out in the "Strategy to Realize Export Expansion of Agricultural, Forestry, Fishery and Food Products," compiled in November 2020 by the Ministerial Conference on Measures to Address Regulations of

Importing Countries for Expanding Exports of Agricultural, Forestry, Fishery, and Food Products (the Ministerial Conference).

(Note 10) “Specialty pharmaceuticals” are a category of drugs that, due to their nature, require strict temperature control and traceability during distribution and storage.

The Tender Offeror proposed to the Company’s Board of Directors and the Special Committee the Tender Offeror making the Company a wholly-owned subsidiary through the Tender Offer and intended to explain the details of its proposal, including the Tender Offer to seek the correct understanding of the Tender Offeror’s proposal by the Company’s Board of Directors and the Special Committee and to gain their approval of the Tender Offer. The Company informed the Tender Offeror that, in accordance with the Guidelines for Corporate Takeovers, it would have the opportunity to make a bona fide Counter Proposal for the Preceding Transaction and ① on April 22, 2024, the Tender Offer had the opportunity to explain the non-binding initial proposal letter to the representatives of the Company and ② on May 8, 2024, the Tender Offeror had the opportunity to respond to questions from the Special Committee.

The Tender Offeror believes that the Tender Offer is a more attractive proposal for the Company and our shareholders considering that, ① the Tender Offer price per share (“Tender Offer Price”) (5,740 JPY per share) is set higher than the tender price (3,000 JPY per share) in the Preceding Tender Offer and ② the settlement of the Tender Offer is planned to be financed through a combination of borrowings from MUFG Bank, Ltd. (“MUFG Bank”) and the Tender Offeror’s own funds and the Tender Offeror has already secured a loan commitment dated May 31, 2024 from MUFG, ensuring the availability of settlement funds.

Additionally, the Tender Offeror is aware through the Notice Regarding Commencement of Tender Offer for the Shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Code: 9099) dated May 1, 2024 by the Preceding Tender Offeror that the period of tender offer, etc. in the Preceding Tender Offer is from May 2, 2024, to June 17, 2024. The commencement date for the Tender Offer is set for June 3, 2024. Furthermore, the Tender Offeror has decided to set the tender offer period (the "Tender Offer Period") for the Tender Offer at 30 business days, despite the shortest period prescribed by law being 20 business days. This is intended to provide shareholders of the Company with adequate time to make a well-considered decision regarding the tendering of the Tender Offer.

③ Management policy after the Tender Offer

The Tender Offeror and the Company plan to promote management measures to realize the synergy effects described in “② Background, Purpose and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” above. Through this, both companies intend to fully leverage their business characteristics and, through their collaboration, contribute to the further development and maximization of corporate value for both the Tender Offeror and the Company even after the Tender Offer.

Regarding the management structure of the Company post-Transaction, the Tender Offeror has not made any agreements regarding the appointment or treatment of officers at this time. After the Transaction, the details of the management structure, including the composition of the Company’s officers, will be reviewed based on the current executive structure of the Company. The Tender Offeror is considering adjustments that may include dispatching outside directors from the Tender Offeror Group, considering the management and governance structure of the Tender Offeror Group.

④ Process and Reasons for Decision-Making that led to the Company’s endorsement to the Tender Offer

(i) Proposal from Preceding Tender Offeror, Confirmation of Sincerity of Proposal, and History of Establishment of Examination System

We received from the Preceding Tender Offeror its letter of intent on March 21, 2024 regarding the Preceding Proposal, and have commenced the examination of the Preceding Proposal.

Specifically, as described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Company retained QuestHub Co., Ltd. ("QuestHub") as a financial advisor independent from all of the Preceding Tender Offeror, the Company and the success or failure of the Preceding Transaction, retained TMI Associates as a legal advisor independent from all of the Preceding Tender Offeror, the Company and the success or failure of the

Preceding Transaction, and Plutus Consulting Co., Ltd. ("Plutus") as the third-party calculation organization independent from all of the Preceding Tender Offeror, the Company and the success or failure of the Preceding Transaction, each in mid-April 2024.

Also, based on the advice by QuestHub and TMI Associates, the Company judged to recognize the Preceding Proposal made by the Tender Offeror as a "bona fide offer that is specific, rationale of purpose, and feasible" under the "Guidelines for Corporate Takeovers" published on August 31, 2023 by the Ministry of Economy, Trade and Industry (the "Guidelines for Corporate Takeovers") considering the contents of the Preceding Proposal of the Preceding Tender Offeror and the "Notice Concerning Plans to Commence Tender Offer for the Shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Code 9099)" dated March 21, 2024 by the Preceding Tender Offeror (the "Notice of Plans of Preceding Tender Offeror"), and then the Company established, upon the resolution at the board of directors' meeting dated April 1, 2024, the Special Committee, in order to conduct examinations and negotiations regarding the Preceding Transaction and the Counter-Transactions from the standpoint of being independent from all of the Preceding Tender Offeror, the Company and the success or failure of the Preceding Transaction, which committee consists of six (6) members: i.e., Mr. Nobuyuki Takagi (Chairman of the Special Committee, an independent outside director who is a member of the audit and supervisory committee), Mr. Akihiro Mizutani (an independent outside director), Mr. Takeshi Tanaka (an independent outside director), Ms. Shiho Tachi (an independent outside director who is the audit and supervisory committee member, and an attorney-at-law), Mr. Shiro Toba (an independent outside director who is the audit and supervisory committee member, and a certified public accountant) and Mr. Yoshiyuki Wada (an external expert, president of KIC Corporation and a certified public accountant). Although Mr. Yoshiyuki Wada is not a director of the Company, he is expected to supervise the market check process as well as to compare the Preceding Proposal to Counter-Proposals as part of his role as a member of the Special Committee, and is expected to contribute to the Special Committee because he has a plenty of expertise and knowledge regarding M&A, organizational restructuring, financial conditions improvement, etc. as well as because he is a certified public accountant who has served as a member of many independent investigation committees related to the corporate valuation.

The board of directors of the Company consult with, and sought for the advices of, the Special Committee on the following matters (collectively, the "Matters of Inquiry"): (a) what opinion our board of directors should express on the Preceding Tender Offer, (b) whether the Preceding Transaction should not be considered disadvantageous to our minority shareholders, (c) what opinion our board of directors should express on the Counter-Proposal in the event that any Counter-Proposal is made by a Counter Offeror, and whether the Counter-Transaction should not be considered disadvantageous to our minority shareholders. For your reference, regarding Matter (c) of the Matters of Inquiry, we included the same matter in the Matters of Inquiry because considering the fact that the proposal related to the Preceding Transaction was made to us in a form that was publicly announced via press release of the Notice of Plans of Preceding Tender Offer, we considered it necessary to prepare for the case where there would appear any third-party as a Counter Offeror after confirming the contents of the same press release.

Also, in establishing the Special Committee, our board of directors resolved

that (a) the Special Committee may, if it deems necessary, prescribe by a majority vote of the members of the Special Committee the selection of the Chairman and other matters relating to the administration of the Special Committee; that (b) the Special Committee may, at the Company's expense, conduct surveys of the Preceding Transaction and Counter-Transaction(s), including questioning and seeking explanation and advice from our officers or employees or the advisers related to the Preceding Transaction or the Counter-Transactions, on matters necessary for the consideration of these Matters of Inquiry; that (c) the Special Committee may (i) order the Company to convey any proposal or other comment or inquiry made on an ad hoc basis by the Special Committee, to the parties related to the transactions (including, but not limited to, the Preceding Tender Offeror and the Counter Offerors, and also including directors and employees related to the Preceding Transaction and the Counter Transactions and advisors related to the Preceding Transaction and the Counter Transactions. Hereinafter the same shall apply in this paragraph (c)), and (ii) order the Company to request to establish an opportunity where the

Special Committee should consult and negotiate with the parties involved in the transactions, and even if the Special Committee does not request the establishment of such an opportunity, the Company shall promptly report to the Special Committee on the content of any discussions or negotiations, if any, with any party involved in the transactions, and the Special Committee may express its views and give necessary instructions and requests on the direction of the negotiations with the parties involved in the transactions, considering such report(s); that (d) in the event that the recommendation to be set out in the recommendation report are not unanimously agreed in the Special Committee, the conclusion of the recommendation approved by a majority of the members of the Special Committee shall be the contents of the recommendation report provided, however, that any member who has any otherwise view on all or part of such contents may require that his or her view be stated in the recommendation report; that (e) for the convenience of the proceedings, even if any directors or employees of the Company or any advisors to the Company for the Preceding Transactions or the Counter-Transactions are attending to meeting of the Special Committee, the Special Committee may order such attendees to leave from time to time; that (f) if the Special Committee deems it necessary, the Special Committee may appoint its own advisors, such as attorneys, calculation organizations, certified public accountants, etc., at the Company's expense; and the Special Committee may appoint or request to change in advisors of the Company to the Preceding Transaction or the Counter-Transactions, and may give necessary instructions to such advisors.

In addition, as described in “② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee ” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Special Committee has approved the appointment by the Company of QuestHub as the financial advisor, TMI Associates as the legal advisor, and Plutus as the third-party calculation organization. Also, as described in “② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Special Committee appointed Nagashima Ohno and Tsunematsu as its own legal advisor and YAMADA Consulting Group Co., Ltd. ("Yamada-CG") as its own independent financial advisor and third-party accounting organization, based on the authority mentioned above in early April 2024.

(ii) History of Examinations and Negotiations

On April 3, 2024, we held an interview with the Preceding Tender Offeror (the "Interview on April 3") and received an explanation from the Preceding Tender Offeror concerning the contents of the Preceding Proposal (in the Interview on April 3, no explanation was given by the Preceding Tender Offeror except for the contents of the Preceding Proposal that have been publicly announced). Subsequently, as announced in our “Notice Concerning Sending the List of Inquiries as to Scheduled Commencement of Tender Offer for Company's Stock by AZ-COM MARUWA Holdings Inc.” on April 10, 2024, the board of directors of the Company consulted with the Special Committee, and sent the list of inquiries to request such information as we believe necessary for our sincere consideration as to the Preceding Proposal (the "Questionnaire dated April 10") to the Preceding Tender Offeror (in the Questionnaire dated April 10, our board of directors requested the Preceding Tender Offeror to provide information on the schedule and scheme of the Preceding Transaction, the process leading up to the implementation of the Preceding Proposal, the handling of the Company Shares held by Mr. Masaru Wasami, the representative director and president of the Preceding Tender Offeror, the specific details of the synergies and dyssynergies in the Preceding Transaction and their economic impact, as well as the Preceding Tender Offeror's financial risks and governance system after the Preceding Transaction), and received a reply to the Questionnaire dated April 10 (the "Reply dated April 12") from the Preceding Tender Offeror on April 12, 2024. In addition, as announced in the “Notice Concerning Sending the List of Additional Inquiries as to Scheduled Commencement of Tender Offer for Company's Stock by AZ-COM MARUWA Holdings Inc.” dated April 19, 2024, we, based on the contents of the Reply dated April 12, have consulted with the Special Committee, we sent to the Preceding Tender Offeror the “Second Inquiries List” to request such information as we believe necessary for our consideration, etc. as to the Preceding Proposal (hereinafter referred to as the "Question Letter dated April 19”),

by which the board of directors requested further information on the schedule/scheme/transaction terms of the Preceding Proposal, factual understanding of the circumstances of the Preceding Proposal, acquisition of the Company Shares held by Mr. Masaru Wasami, President and CEO of AZ-COM MARUWA Holdings, Inc., synergy/dyssynergy and financial risks of AZ-COM MARUWA Holdings after the Preceding Transaction. And, we have received an answer to the Question Letter dated April 19 from the Preceding Tender Offeror on April 23, 2024 (the "Reply dated April 23"). Subsequently, on April 24, 2024, the Special Committee held an interview with the Preceding Tender Offeror (the "Interview on April 24") and received an oral explanation from the Preceding Tender Offeror on matters that the Special Committee considers necessary for the consideration, etc. of the Preceding Proposal.

Following the receipt of the Proposal, because based on the fact that we have received interests in acquisition of us from a plural number of strategic buyers and investment funds including the Tender Offeror, in order to enhance our corporate value and find the best option in the common interests of our shareholders, following the "Guidelines for Corporate Takeovers," we have conducted, as market check, individual approaches to potential candidates for sounding with them about the counter-proposals against the Proposal, including those who have expressed interest in acquisition of us. As of April 12, 2024, we have received 9 preliminary letters of intent from strategic buyers (not including the Preceding Tender Offeror) and investment funds (the "Initial Offerors") as counter-proposals against the Preceding Proposal. Therefore, the Company conducted a thorough examination of the above-mentioned preliminary letters of intent submitted by the Initial Offerors from the perspectives of the terms and conditions of the transactions stated therein, the understanding of the Company as expressed in the same letter of intent, the potential of the candidate to contribute to our medium- to long- term growth, the expected synergies of the candidate becoming a partner of the Company, and the management policy after the counter-transaction, and as a result, among the Initial Offerors, the Company selected four strategic buyers and investment funds whose purchase prices per share of the Company Shares in the initial proposal were higher than that proposed by the Preceding Tender Offeror, and who were relatively highly evaluated in terms of their understanding of the Company and strategic measures for improving our corporate value in the medium- to long-term. Then, on April 15th, 2024, the Company invited such Initial Offerors to participate in the due diligence process for considering the counter-proposal. Although we informed the Tender Offeror in the Questionnaire dated April 10 that we prepared to cooperate with the due diligence by the Tender Offeror, we have not responded to the due diligence by the Tender Offeror because the Tender Offeror indicated no intention to conduct due diligence in the Reply dated April 12.

In addition, for the purpose of fully and sincerely considering the Preceding Proposal and the counter-proposals countering to the Preceding Proposal received from the Initial Offerors, the Company and the Special Committee sent a "Request Letter" to the Tender Offeror on April 24, 2024, requesting the Preceding Tender Offeror to postpone the commencement of the Preceding Tender Offer until at least the end of May 2024, as we announced in the "Notice of Submission of a Request Letter for Postponement of the Tender Offer to AZ-COM MARUWA Holdings Inc." dated April 24, 2024.

Thereafter, by May 1, 2024, we have received legally binding proposals (collectively, the "Counter Proposals") from four strategic buyers and investment funds (collectively, the "Counter Offerors"). In the course of comparing and examining the Counter Proposals and the Preceding Proposal, the Tender Offeror's proposed price, which was 5,740 JPY per share, was the highest among the Preceding Tender Offeror and the Counter Offerors. Although the Tender Offeror requested additional due diligence, we considered that the Tender Offeror was superior to the other Counter Offerors and the Preceding Tender Offeror, in terms of both probability of closing the transaction and strategic and measures for improving corporate value in the medium to long term. On May 9, 2024, we selected the Tender Offeror as a candidate for the bidder of the Company Shares, and notified the Tender Offeror to that effect and that we would provide the Tender Offeror with additional due diligence opportunity.

Since then, the Company and the Tender Offeror have held continuous discussions and negotiations for the

implementation of the Transaction. Specifically, regardless of the fact that we provided the opportunity for additional due diligence requested by the Tender Offeror in mid-May 2024, we received a notice from the Tender Offeror on 22, May 2024, stating that the proposed price of the tender offer would not be changed even after the implementation of the additional due diligence.

As seen in the above developments, the Company has carefully examined and discussed whether the Transaction, including the Tender Offer, will contribute to the improvement of our corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate.

As a result, the Company has concluded that the Transaction will contribute to enhancing our corporate value as follows:

As explaining in detail, the Company has determined that the Transaction should contribute to the medium- to long- term growth of the Company and the improvement of its corporate value. This is because, after the execution of the Transaction, by realizing and implementing the synergies and measures such as (1) utilization of the Tender Offeror's Group's sales structure and customer base; (2) improving the efficiency of cold chain logistics, (3) strengthening international and overseas services, (4) expanding medical-related fields, and (5) incorporating in-house logistics for food processing manufacturers, as set out in “② Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer” above, in addition to contributing significantly to solving the urgent management issues faced by the Company such as coping with the “2024 Problem” and improving the efficiency of logistics networks, etc., it will also contribute to achievement of the third medium-term business plan, expansion of the EC-related logistics business, overseas business, and other businesses that require low-temperature management, which we position as growth fields, and strengthening existing businesses centered on the joint delivery business. In addition, the Transaction will gain the understanding of the Company's major customers, including food wholesalers and wholesalers, and the risk of defection by the Company's major customers is considered to be extremely limited.

In addition, from the following points, because the Tender Offer Price of 5,740 JPY per share is a reasonable price that secures the benefits that should be enjoyed by the Company's ordinary shareholders and the other terms and conditions of the Tender Offer are fair, the Company has determined that the Tender Offer provides the Company's ordinary shareholders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium.

A) The said price was the highest in comparison with the tender offer price in the Preceding Tender Offer and the stock valuations and tender offer prices presented by the Counter Offerors;

B) The said price shall be the price agreed upon between the Company and the Tender Offeror, with the substantial involvement of the Special Committee after sufficient measures have been taken by the Company to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price described in "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below;

C) The said price exceeds the range of the value calculation results of the Company Shares calculated and received from Plutus (the "Share Valuation Report (Plutus)"), as stated as described in "① Procurement of a share valuation report from an independent third-party calculation organization retained by the Company" in "(3) Matters Regarding the Calculation" below. Plutus calculated them using the market price method, the method of comparison with similar companies, and the discounted cash flow method (the “DCF method”).

D) The said price is, adding a premium of 181% (rounded to the nearest whole number after the decimal point. The same applies in calculating each premium rate herein) to 2,041 JPY which was the closing price of the Company Shares on the TSE on March 21, 2024, immediately before the announcement of the Preceding Transaction by the Preceding Tender Offeror, which triggered the Company Share's price fluctuations, adding a premium of 199% of the simple average of those closing prices for the past 1 month of 1,919 JPY (rounded off to the nearest whole number. The same applies in the calculation of the simple average of closing prices herein), adding a premium of 232% to the simple average of those closing prices for the past 3 months of 1,729 JPY,

adding a premium of 267% to the simple average of those closing prices for the past 6 months of 1,565 JPY. It means that the said price should be recognized as having been given a superior premium level compared to similar transactions in the past, considering premium levels in 60 cases (median: 34% and average: 46% compared to the previous day's closing price, median: 38% and average: 48% compared to the average of those closing prices of the past 1 month of the previous day, median: 41% and average: 52% compared to the average of those closing prices of the past 3 months of the previous day, and median 45% and average 54% compare to the average of those closing prices of the past 6 months of the previous day), as a result of similar case studies which were published on or after June 28, 2019, which is the publication date of the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry, and also which were successfully completed via tender offers by May 21, 2024 (provided, however, that among such successfully completed tender offers, picking up only examples of a tender offer with the premise of going private of the TSE's listed companies by a third party, and premise where the tender offeror owned less than 20.00% on a voting rights basis before the tender offer, but excluding Tokyo Pro Market cases and also excluding cases of tender offers for treasury stock, so-called discount tender offers and management buy-out (MBO) (Note 1) transactions).

(Note 1) "Management buy-out (MBO)" means a transaction in which the tender offeror makes a tender offer based on an agreement with the target company's officers and shares common interests with the target company's officers.

In addition, the said price has a premium of 17% to the closing price of 4,900 JPY for the Company Shares on the TSE on May 30, 2024, the business day immediately before the announcement date of the implementation of the Tender Offer, a premium of 33% to the simple average of those closing prices of 4,327 JPY for the past 1 month, a premium of 76% to the simple average of those closing prices of 3,261 JPY for the past 3 months and a premium of 134% to the simple average of those closing prices of 2,452 JPY for the past 6 months, while it is reasonable to believe that the said closing price of the Company Shares as of May 30, 2024 was significantly influenced by the expectation for the Transaction due to the Notice of Plans of Preceding Tender Offer press released on March 2024 by the Preceding Tender Offeror and then the speculative report stating the Tender Offeror's showing up as a white knight by Nikkei Newspaper (Nikkei, Inc.) on May 17, 2024 and therefore, in analyzing the premium, the Company emphasized comparison with the stock price before the announcement of the Preceding Transaction by the Preceding Tender Offeror.

E) The Tender Offer Period for the Transaction is set at 30 business days, ensuring that ordinary shareholders have the opportunity to make appropriate decisions regarding applications for the Tender Offer.

F) In the Squeeze-Out Procedures, the amount of money to be delivered to shareholders will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each shareholder (excluding the Company and the Tender Offeror). Therefore, the Company will ensure that ordinary shareholders have the opportunity to make an appropriate decision on whether or not to apply for the Tender Offer, and will take care not to create coercive forces.

G) The Tender Offer Price and other terms and conditions of the Tender Offer are deemed to be appropriate in the recommendation report obtained from the Special Committee (the "Report") as described in "② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc." below.

In general, the disadvantages of going private include being unable to raise funds through equity financing from the capital markets and being unable to enjoy the benefits the company could have enjoyed as a listed company, such as improving the corporate name recognition and social credibility. In terms of financing, however, given our current financial condition and the recent low interest rate environment in indirect financing, it is possible to secure funds through our own funds and borrowing from financial institutions, and at least for the time being there

is no need to do so. Moreover, we believe that the disadvantages associated with going private in the Company will be limited because we are able to realize the improvement of name recognition and social credibility through sincere business operations.

In light of these factors, at the board of directors meeting held on May 31, 2024, the Company expressed its opinion endorsing the Tender Offer and also resolved to recommend that shareholders of the Company tender their Company Shares to the Tender Offer. On the other hand, the Preceding Tender Offer is in an alternative relationship with the Tender Offer, for which the board of directors resolved to express its endorsement and recommendation to have the Company Shares to be tender to the Tender Offer, the board of directors has also resolved to express its opinion to oppose the Preceding Tender Offer. For details of the resolution, please refer to the Opposition Release regarding the Preceding Tender Offer.

(3) Matters Regarding the Calculation

① Procurement of a share valuation report from an independent third-party calculation organization by the Company

- (i) Name of Third-Party Calculation Organization and its Relationship with the Company, the Preceding Tender Offeror and Tender Offeror

In expressing the opinion by the Company on the Preceding Tender Offer and making decisions on Counter-Transactions, the Company requested Plutus to issue its share value calculation report as a third-party calculation organization independent from the Preceding Tender Offeror, the Company and the Counter-Offerors including the Tender Offeror in order to secure the fairness of the Company's decision-making on the Preceding Tender Offer Price presented by the Preceding Tender Offeror and on the terms and conditions of the Counter-Transactions. Then, on May 31, 2024, the Company received the Share Valuation Report (Plutus). In addition, at the third meeting of the Special Committee, the Special Committee confirmed that Plutus has no problems with its independence and expertise, and that after approving it as the Company's third-party calculation organization, the Special Committee can also receive expert advice as necessary from Plutus.

In light of this request, because the Company believes that sufficient consideration has been given to the interests of the Company's minority shareholders in consideration of the Company's implementation of other measures to secure the fairness related to the Preceding Transaction and the Counter-Transaction including the Transaction and other measures to secure the avoidance of the conflict of interests (please refer to "(6) Measures to Ensure Fairness of Tender Offer Price and Measures to Avoid Conflict of Interest, etc." below for specific details), the Company has not obtained a fairness opinion from Plutus regarding the fairness of the Tender Offer Price. Note that Plutus does not fall under the category of a related party to the Company, the Preceding Tender Offeror nor the Counter Offerors including the Tender Offeror, and has no material interest in the Preceding Transaction or the Counter-Transactions, including the Transaction. In addition, the fees to paid to Plutus in connection with the Preceding Transaction and the Counter Transactions, including the Transaction, do not include any fee to be paid contingently upon the success of the Transaction, etc.

- (ii) Outline of Calculation of Company Share

Plutus considers the calculation methods to be adopted for valuating the Company Shares from among multiple calculation methods, and considered to use the market share price method because the Company Shares are listed on the Prime Market of the TSE and there is a market share price, and to use comparable listed companies method because there are multiple listed companies engaged in businesses that are relatively similar to the Company and it is possible to infer stock value by comparing such similar companies, and also to use the DCF method to evaluate the status of future business activities.

The ranges of share values per share of the Company Shares calculated by Plutus based on the above methodology are as follows, respectively:

Market share price method	:	1,565 JPY to 2,041 JPY
Comparable listed companies method:		1,142 JPY to 1,922 JPY
DCF method	:	2,492 JPY to 3,232 JPY

Under using the market share price method, in order to eliminate the effect of the publication of the Preceding Proposal on the stock price level, Plutus has calculated the range of the share value of the Company Shares per share from 1,565 JPY to 2,041 JPY, based on the facts that as setting March 21, 2024 as the reference date, which is not considered to be affected by such publication, the closing price of the Company Shares at the TSE's Prime Market on the reference date is 2,041 JPY, the simple average of those closing prices of the past 1 month before the reference date is 1,919 JPY, the simple average of those closing prices of the past 3 months is 1,729 JPY, and the simple average of those closing prices of the past 6 months is 1,565 JPY.

Under using the comparable listed companies method, the range of share values of the Company Share per share was calculated from 1,142 JPY to 1,922 JPY through comparison with market share prices and financial indices indicating profitability, etc. of similar listed companies engaged in business that is relatively similar to that of the Company.

Under using the DCF method, the value per share of the Company Shares was calculated to be in the range of 2,492 JPY to 3,232 JPY, following the calculation of corporate value and share value of the Company after the free cash flow that the Company was expected to generate in and after the third quarter ending March 2025 was discounted to the present value at a certain discount rate, based on various factors such as earnings and investment plans set out in the five fiscal years business plan from the fiscal year ending March 2025 to the fiscal year ending March 2029 (the "Business Plan") prepared by the Company and information disclosed to the general public, as well as assuming an increase in sales from large-scale new capital investments, and extending the forecast period to the fiscal year ending March 2031, which will reflect depreciation costs from the capital investments in the fiscal year ending March 2029.

The Business Plan, which Plutus used in the DCF method, does not include the fiscal year in which we expect a significant increase or decrease in earnings in comparison to the previous fiscal year; provided, however, that it includes those fiscal years in which significant increases or decreases in free cash flow are expected. Specifically, due to an increase in working capital in the fiscal year ending March 2026, free cash flow is expected to decrease to 1,534 million JPY in the fiscal year ending March 2026 (41% decrease compared to the corresponding period of the previous fiscal year). Additionally, in the fiscal year ending March 2028, free cash flow is expected to decrease to (8,707) million JPY (700% decrease compared to the corresponding period of the previous fiscal year) due to increased investment due to the acquisition of new facilities. But, because the Company plans to reduce investment in new facilities compared to the fiscal years ending March 2029 and ending March 2030, the Company expects free cash flow to increase to 3,068 million JPY in the fiscal year ending March 2029 (135% increase compared to the corresponding period of the previous fiscal year) and increase to 5,113 million JPY in the fiscal year ending March 2030. Also the synergies expected to be realized from the execution of the Transaction is not considered, because it is difficult to estimate specifically at the present time and therefore it has not been added to this Business Plan, which Plutus used in DCF method.

Plutus has used the information provided by the Company and publicly available information in calculating the Company's share value, has assumed that that information is all accurate and complete, and has not independently verified the accuracy or completeness thereof. In addition, Plutus did not evaluate nor verify independently information regarding the assets and liabilities of the Company's and its affiliates' (including off-balance liabilities and contingent liabilities) nor asked any third-party organization to appraise or evaluate such assets or liabilities. Also, Plutus assumed that information regarding the Company's financial projections have been reasonably prepared based on the Company's best projections and judgments currently available.

② Procurement of a share valuation report from an independent third-party calculation organization by the Special Committee

(i) Name of Third-Party Calculation Organization and its Relationship with the Company, the Preceding Tender Offeror and Tender Offeror

For the purpose to examine the Matters of Inquiry, the Special Committee requested Yamada-CG as a financial adviser to the Special Committee to issue its value calculation report as an independent third-party calculation organization independent from the Preceding Tender Offeror, the Company and the Counter-Offers including the Tender Offeror in order to secure the fairness of the Special Committee's decision-making on the terms and condition regarding the Preceding Transaction and the Counter-Transactions. Then, on May 31, 2024, the Special Committee received a share value calculation report regarding the results of the calculation of the Company Shares (the "Share Valuation Report (Yamad-CG)"). In light of this request, the Special Committee has not received a fairness opinion from Yamada-CG regarding the fairness of the terms and conditions of the Transaction including the Tender Offer Price. Note that Yamada-CG does not fall under the category of a related party to the Company, the Preceding Tender Offeror nor the Counter Offers including the Tender Offeror, and has no material interest in the Preceding Transaction or the Counter-Transactions, including the Transaction. At the first meeting of the Special Committee, the Special Committee confirmed that Yamada-CG has no problems with its independence and expertise, and appointed it as the Special Committee's financial adviser and third-party calculation organization. In addition, the fees to paid to Yamada-CG in connection with the Preceding Transaction and the Counter Transactions, including the Transaction, do not include any fee to be paid contingently upon the success of the Transaction, etc.

(ii) Outline of Calculation of Company Share

Yamada-CG considered the calculation methods to be adopted for valuating the Company Shares from among multiple calculation methods, and evaluates that it should be appropriate that the value of the Company Shares from multiple angles based on the assumption that the Company is a going concern. Based on such belief, Yamada-CG considered to use the market share price method because the Company Shares are listed on the Prime Market of the TSE and there is a market share price, and to use comparable listed companies method because it is possible to infer stock value by comparing companies similar to the Company, and also to use the DCF method to reflect on the valuation forecasts and evaluation of the Company's business activities and expected future businesses results. The Special Committee has obtained the Share Valuation Report (Yamada-CG) dated May 31, 2024.

The ranges of share values per share of the Company Shares calculated by Yamada-CG based on the above methodology are as follows, respectively:

Market share price method	:	1,565 JPY to 2,041 JPY
Comparable listed companies method:		2,016 JPY to 2,497 JPY
DCF method	:	2,111 JPY to 3,178 JPY

Under using the market share price method, in order to eliminate the effect of the publication of the Preceding Transaction on the stock price level, Yamada-CG has calculated the range of the share value of the Company Shares per share from 1,565 JPY to 2,041 JPY, based on the facts that as setting March 21, 2024 as the reference date, which is not considered to be affected by such publication, the closing price of the Company Shares at the TSE's Prime Market on the reference date is 2,041 JPY, the simple average of those closing prices of the past 1 month before the reference date is 1,919 JPY, the simple average of those closing prices of the past 3 months is 1,729 JPY, and the simple average of those closing prices of the past 6 months is 1,565 JPY.

Under using the comparable listed companies method, the range of share values of the Company Share per share was calculated from 2,016 JPY to 2,497 JPY through comparison with market share prices and financial indices indicating profitability, etc. of similar listed companies engaged in business that is relatively similar to that of the Company.

Under using the DCF method, the value per share of the Company Shares was calculated to be in the range of

2,111 JPY to 3,178 JPY, following the calculation of corporate value and share value of the Company after the free cash flow that the Company was expected to generate in and after the third quarter ending March 2025 was discounted to the present value at a certain discount rate, based on various factors such as earnings and investment plans set out in the "Business Plan and information disclosed to the general public.

The Business Plan, which Yamada-CG used in the DCF method, does not include the fiscal year in which we expect a significant increase or decrease in earnings in comparison to the previous fiscal year; provided, however, that it includes those fiscal years in which significant increases or decreases in free cash flow are expected. Specifically, in the fiscal year ending March 2028, due to increased investment due to the acquisition of new facilities, free cash flow is expected to decrease to (7,932) million JPY (505% decrease compared to the corresponding period of the previous fiscal year), but in the fiscal year ending March 2029, because the Company plans to reduce investment in new facilities compared to the fiscal year ending March 2028, the Company expects free cash flow to significantly increase to 3,899 million JPY (149% increase compared to the corresponding period of the previous fiscal year) in the fiscal year ending March 2029. Also the synergies expected to be realized from the execution of the Transaction is not considered, because it is difficult to estimate specifically at the present time and therefore it has not been added to this Business Plan, which Yamada-CG used in DCF method.

Yamada-CG has used the information provided by the Company and publicly available information in calculating the Company's share value, has assumed that that information is all accurate and complete, and has not independently verified the accuracy or completeness thereof. In addition, Yamada-CG did not evaluate nor verify independently information regarding the assets and liabilities of the Company's and its affiliates' (including off-balanced liabilities and contingent liabilities) nor asked any third-party organization to appraise or evaluate such assets or liabilities. Also, Yamada-CG assumed that information regarding the Company's financial projections have been reasonably prepared based on the Company's best projections and judgments currently available.

③ Procurement of a share valuation report from an independent third-party calculation organization by the Tender Offeror

According to the Tender Offeror, it is recognized as follows:

In deciding the Tender Offer, the Tender Offeror engaged Daiwa Securities, the independent third-party valuation firm and financial advisor, to evaluate the value of the Company Shares.

Daiwa Securities considered various share valuation methods to determine the value of the Company shares. Based on the premise that the Company is a going concern and considering the appropriateness of a multifaceted evaluation of the Company's share value, Daiwa Securities employed the market share price method considering the trends in the Company's market stock prices, comparable listed companies method because there are several listed companies comparable to the Company, making it possible to infer the Company share value through comparison and DCF Method reflecting the future business activities and conditions in the valuation. Based on these methods, Daiwa Securities calculated the value of the Company Shares and the Tender Offeror received a share value calculation report (the "Share Valuation Report (Daiwa Securities)") from Daiwa Securities on May 30 2024. Daiwa Securities does not fall within the category of the related party to the Tender Offeror, the Company nor the Preceding Tender Offeror, and has no material interest in the Tender Offer. However, because the Tender Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders in consideration of the Company's implementation of other measures to secure the fairness related to the Transaction and other measures to secure the avoidance of the conflict of interests, the Tender Offeror has not obtained a fairness opinion regarding the fairness of the Tender Offer Price from Daiwa Securities.

The results of the per-share valuation of the Company Shares by Daiwa Securities are as follows. It is noted that the calculated value does not include any synergy effects.

Market share price method: 2,452 JPY to 4,900 JPY

Comparable listed companies method: 1,464 JPY to 2,613 JPY

DCF method: 2,672 JPY to 6,402 JPY

Using the Market share price method, closing price on the reference date of the shares of the Company on

the Prime Market of the TSE with the reference date of May 30, 2024, the last business day before the announcement of the Tender Offer: 4,900 JPY; simple average of closing prices over the last month (from May 1, 2024, to May 30, 2024): 4,327 JPY; simple average of closing prices over the last three months (from May 1, 2024, to May 30, 2024): 3,261 JPY; and simple average of closing prices over the last six months (from December 1, 2024 to May 30, 2024): 2,452 JPY and based on these metrics, Daiwa Securities analyzed and determined the range of the per-share value of the Company Shares to be from 2,452 JPY to 4,900 JPY.

Using the comparable listed companies method, Daiwa Securities calculated the value of the Company Shares by comparing the market share prices and financial indicators, such as profitability, of listed companies that operate businesses relatively similar to the Company and analyzed and determined the range of the per-share value of the Company Shares to be from 1,464 JPY to 2,613 JPY.

Using the DCF Method, Daiwa Securities calculated the value of the Company Shares by discounting the expected free cash flows that the Company is projected to generate from the fiscal year ending March 2025 based on the business plan proposal of the Company for five fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2029 to their present value at a certain discount rate which was estimated by the Tender Offeror considering the knowledge the Tender Offeror has about our business and recent performance trends of the Company, publicly available information, the results of the due diligence conducted by the Tender Offeror on the Company, the anticipated synergies from executing the Transaction and analyzed and determined the range of the per-share value of the Company Shares to be from 2,672 JPY to 6,402 JPY.

It should be noted that the five-year business plan for the Company from the fiscal year ending March 2025 to the fiscal year ending March 2029, which was used by Daiwa Securities in the DCF Method, is based on the assumption that the Transaction will be executed and anticipates the synergy effects expected from the Transaction.

Based on the valuation content and results described in the Share Valuation Report (Daiwa Securities), the Tender Offeror comprehensively considered the Tender Offer Price in the Preceding Tender Offer, trends in the market price of the Company Shares, and other factors. The Tender Offeror concluded that it was appropriate to offer a price with a suitable premium over the market price of the Company Shares. Consequently, on May 31, 2024, the Tender Offeror decided to set the tender offer price at 5,740 JPY per share.

The Tender Offer Price of 5,740 JPY per share includes a premium of 17.14% on the closing price of 4,900 JPY of the Company Shares on the TSE's Prime Market on May 30, 2024, the last business day before the announcement of the Tender Offer. Additionally, it includes premiums of 32.66% on the simple average of the closing prices for the past month (from May 1, 2024 to May 30, 2024) of 4,327 JPY; 76.02% on the simple average of the closing prices for the past three months (from March 1, 2024 to May 30, 2024) of 3,261 JPY; and 134.09% on the simple average of the closing prices for the past six months (from December 1, 2023 to May 30, 2024) of 2,452 JPY.

Additionally, the Tender Offer Price includes a premium of 91.33% over the purchase price in the Preceding Tender Offer of 3,000 JPY per share.

(4) Prospect of delisting and the reasons therefor

The Company Shares are listed on the TSE's Prime Market as of today, but since the Tender Offeror does not set a maximum limit on the planned number of purchase in the Tender Offer, there is a possibility that the Company Shares will be delisted by going through prescribed procedures in accordance with the criteria for delisting of TSE depending on the outcome of Tender Offer.

Furthermore, even in the case where such criteria are not met as of the time of conclusion of Tender Offer, the Tender Offeror is planning to implement the Squeeze-Out Procedures as provided in "(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" above, and if implemented, the Company Shares will be delisted by going through the prescribed procedures in accordance with the criteria for delisting of TSE. After the delisting, the Company Shares cannot be traded in the TSE's Prime Market.

The purpose and reason for delisting, the impact on non-controlling shareholders and the views thereon are as provided in “④ Process of and Reasons for Decision-Making by Company to endorse Tender Offer” of “(2) Grounds and Reasons for Opinion Concerning Tender Offer” above.

(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)

According to the Tender Offeror, the following is planned:

As provided in “(2) Grounds and Reasons for Opinion Concerning Tender Offer” of “① Outline of the Tender Offer” above, in order to implement the Tender Offer as a part of transaction whose purpose is to make the Company a wholly-owned subsidiary of Tender Offeror, the Tender Offeror is planning to take the Squeeze-Out Procedures after the conclusion of Tender Offer in case the Tender Offeror could not acquire all Company Shares through the Tender Offer.

① Demand for the sale of shares

Through the conclusion of Tender Offer, the total number of voting rights in the Company to be held by the Tender Offeror will be no less than 90% of total number of voting rights in the Company and if the Tender Offeror becomes a special controlling shareholder as prescribed in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to demand all shareholders of Company (excluding Tender Offeror and Company) (the “Shareholders Subject to Cash Out”) to cash out all of the Company Shares held by them (the “Cash Out Demand”) promptly after the completion of closing of Tender Offer pursuant to PART II, Chapter II, Section 4-2 of the Companies Act. The Cash Out Demand is scheduled to state that as consideration for Company Shares per share, the amount equivalent to the Tender Offer Price will be paid to the Shareholders Subject to Cash Out. In such case, the Tender Offeror plans to notify the Company of this fact and to request the Company for approval on the Cash Out Demand. If the Company approves the Cash Out Demand through the resolution of its Board of Directors, the Tender Offeror will obtain all of Company Shares held by the Shareholders Subject to Cash Out as of the procurement date provided in the Cash Out Demand without obtaining the approval of each Shareholder Subject to Cash Out, in accordance with the procedures in the relevant laws and regulations. In such case, the Tender Offeror plans to pay each Shareholder Subject to Cash Out the amount equivalent to the Tender Offer Price as consideration for Company Shares per share held by respective Shareholders Subject to Cash Out. On an additional note, if the Company receives a notice from the Tender Offeror of Tender Offeror’s plan to demand cash out of shares, etc. and matters under the items in Article 179-2, paragraph (1) of the Companies Act, the Company plans to approve such demand for cash out of shares, etc. at its meeting of Board of Directors.

As the provision in the Companies Act whose purpose is to protect the rights of minority shareholders in connection with the Cash Out Demand, Article 179-8 of the Companies Act and other provisions in the relevant laws and regulations prescribe that the Shareholders Subject to Cash Out are entitled to petition to the court for determination of sales price of Company Shares held by them. If such petition has been made, the court will ultimately determine the sales price.

② Share Consolidation

If the total number of voting rights in the Company held by the Tender Offeror after the conclusion of Tender Offer is less than 90% of voting rights of all shareholders of Company, the Tender Offeror plans to request the Company to hold an extraordinary general meeting of shareholders of Company including a proposal to consolidate the Company Shares (the “Share Consolidation”) and a proposal to partially amend the Articles of Incorporation which will delete the provision on share unit on the condition that the Share Consolidation becomes effective (the “Extraordinary General Meeting of Shareholders”) promptly after the completion of closing of Tender Offer, pursuant to Article 180 of the Companies Act. Furthermore, the Tender Offeror is planning to agree to such proposals at the Extraordinary General Meeting of Shareholders. As of today, the Extraordinary General Meeting of Shareholders is scheduled to be held in September, 2024.

If the proposal for Share Consolidation is approved at the Extraordinary General Meeting of Shareholders, each

of shareholders of Company will hold number of Company Shares in proportion to the Share Consolidation ratio approved at the Extraordinary General Meeting of Shareholders as of the effective date of Share Consolidation. If the Share Consolidation produces any fractional share less than 1 share in the number of the shares, the shareholder of Company will receive the proceeds which are obtained through the sale, etc. of number of Company share(s) equivalent to the sum of such fractional shares (If the sum of such fractional shares includes a fractional share, such fractional share is to be rounded off; hereinafter the same.), in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sales price of number of Company Shares equivalent to the sum of such fractional shares, the Tender Offeror is planning to request the Company to petition to the court for approval of voluntary sale, upon calculating so that the amount of proceeds to be provided to the shareholders of Company who did not tender the shares in the Tender Offer (excluding Tender Offeror and Company) as a result of such sale will be same as the amount equivalent to the Tender Offer Price multiplied by the number of Company Shares held by each of such shareholders.

The Share Consolidation ratio is also to be determined as of today, but the Tender Offeror is planning to request the Company to come to a decision so that the number of Company Shares held by the shareholders of Company, who did not tender the shares in the Tender Offer (excluding Tender Offeror and Company), will become a fractional share less than 1 share so that only the Tender Offeror will hold all of the Company Shares (excluding treasury shares held by the Company). According to the Company, in case of conclusion of Tender Offer, the Company plans to accept such request from the Tender Offeror.

In the event that Share Consolidation occurs and the Share Consolidation produces any fractional share less than 1 share in the number of the shares, as the provisions in the Companies Act whose purpose is to protect the rights of minority shareholders in connection with the Share Consolidation, Articles 182-4 and 182-5 of the Companies Act and other provisions in the relevant laws and regulations prescribe that the shareholders of Company (excluding Tender Offeror and Company) are entitled to request the Company to purchase all the fractional Company Shares held by them which are less than 1 share at a fair price and to petition to the court for determination of sales price of Company Shares.

As explained above, under the Share Consolidation, the number of Company Shares to be held by the shareholders of Company, who did not tender the shares in the Tender Offer (excluding Tender Offeror and Company), is scheduled to be fractional share less than 1 share and therefore, the shareholders of Company, who will be opposed to the Share Consolidation (excluding Tender Offeror and Company), are expected to be able to make the petition mentioned above. The purchase price of Company Shares in case the petition mentioned above is made will be ultimately determined by the court.

On an additional note, the Tender Offer does not in any way solicit the approvals of all shareholders of Company at the Extraordinary General Meeting of Shareholders.

Depending on the circumstances, etc. such as amendment or effectuation of relevant laws and regulations or interpretation of relevant laws and regulations by the authorities, there is a possibility of change in method and timing of implementation of procedures under ① and ② above. However, even in such case, if the Tender Offer is concluded, the method of providing proceeds to the shareholders of Company, who did not tender the shares in the Tender Offer (excluding Tender Offeror and Company), is ultimately scheduled to be used and in such case, the amount of proceeds to be provided to each of such shareholders is scheduled to be calculated so that such amount will be same as the amount equivalent to the Tender Offer Price multiplied by the number of Company Shares held by each of such shareholders.

With regard to the specific procedures and the timing of their implementation, etc., the Tender Offeror is planning to request the Company to have discussion after the conclusion of Tender Offer and to request the Company to promptly announce them as soon as they have been decided.

With respect to the tax treatment of acceptance of Tender Offer or each of the procedures mentioned above, the shareholders of Company are requested to check with tax expert at their responsibility.

(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest

As of today, the Tender Offeror does not own any of the Company Shares and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, the Tender Offer is not a tender offer for which the Tender Offeror is an officer of the Company or a person who is conducting the Tender Offer at the request of an officer of the Company and who has a common interest with the Company's officers. The Transaction, including the Tender Offer, also does not fall under a so-called MBO transaction.

Nevertheless, given that the Tender Offeror intends to make the Company a wholly-owned subsidiary and that the Transaction, including the Tender Offer, is being made as a counter-proposal to the Preceding Proposal as a result of a market check by the Company, the Company has taken the following measures to eliminate the possibility of arbitrariness in the decision-making process of the Company's board of directors and ensure its fairness and transparency. Additionally, the measures taken by the Tender Offeror in the following description are based on the explanation received from the Tender Offeror.

① Procurement of a share value calculation report from an independent financial advisor and a third-party calculation organization by the Tender Offeror

When determining the Tender Offer Price, the Tender Offeror requested Daiwa Securities, its financial advisor, for the valuation of Company Shares as a third-party valuation firm independent from Tender Offeror, Company and Preceding Tender Offeror.

Upon considering the valuation method to be used for valuating the Company Shares from multiple share valuation methods, Daiwa Securities has valued the Company Shares by using (i) the market share price method which takes into account the movement of stock price of Company Shares in the market, (ii) the comparable listed companies method because there are listed companies comparable to the Company and inference regarding valuation of Company Shares through other similar companies is feasible and (iii) the DCF Method in order to incorporate the status of future business activities into the valuation, under the premise that the Company is going concern and based on the view that it is appropriate to value the Company Shares from multiple perspectives, and the Tender Offeror has obtained from Daiwa Securities the Share Valuation Report (Daiwa Securities) on May 30, 2024. Daiwa Securities does not fall within the category of the related party to the Tender Offeror, the Company nor the Preceding Tender Offeror, and has no material interest in the Tender Offer. On an additional note, because the Tender Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders in consideration of the Company's implementation of other measures to secure the fairness related to the Transaction and other measures to secure the avoidance of the conflict of interests, the Tender Offeror has not obtained a fairness opinion from Daiwa Securities on the fairness of the Tender Offer Price.

Please refer to "③ Procurement of a share valuation report from an independent third-party calculation organization by the Tender Offeror" in "③ Matters Regarding the Calculation" above for details of the Share Valuation Report (Daiwa Securities) acquired by the Tender Offeror from Daiwa Securities.

② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee

As mentioned in "(i) Proposal from Preceding Tender Offeror, Confirmation of Sincerity of Proposal, and History of Establishment of Examination System" of "④ Process of and Reasons for Decision-Making by Company to endorse Tender Offer" in "(2) Grounds and Reasons for Opinion Concerning Tender Offer", the Company established the Special Committee at the board of directors' meeting dated April 1, 2024. After confirming that the candidates for membership of the Special Committee are independent from the Preceding Tender Offeror and the Company, and that they do not have a material interest in the success or failure of the Preceding Transaction which interest differs from that of the ordinary shareholders, based on the results of sounding out the opinions of the five independent outside directors of the Company and approaching them for their appointment, the Company appointed Mr. Nobuyuki Takagi (Chairman of the Special Committee, an independent outside director who is a member of the audit and supervisory committee), Mr. Akihiro Mizutani (and

independent outside director), Mr. Takeshi Tanaka (an independent outside director), Ms. Shiho Tachi (an independent outside director who is the audit and supervisory committee member, and an attorney-at-law), Mr. Shiro Toba (an independent outside director who is the audit and supervisory committee member, and a certified public accountant) and Mr. Yoshiyuki Wada (an external expert, president of KIC Corporation and a certified public accountant). For your reference, the members of the Special Committee have not been changed from its establishment. And, each member of the Special Committee will be paid a fixed amount of compensation as consideration for their duties, regardless of the content of their report, and this compensation does not include a success fee that is conditional on the completion of the Transaction.

Although Mr. Yoshiyuki Wada is not a director of the Company, he is expected to supervise the market check process as well as to compare the Preceding Proposal to Counter-Proposals as part of his role as a member of the Special Committee, and is expected to contribute to the Special Committee because he has a plenty of expertise and knowledge regarding M&A, organizational restructuring, financial conditions improvement, etc. as well as because he is a certified public accountant who has served as a member of many independent investigation committees related to the corporate valuation.

In implementing the recommendation on the Matters of Inquiry, the Special Committee has conducted a total of 12 meetings between April 3, 2024 and May 31 of the same year, with attendance of all six members at each meeting. The meetings were held for a total of approximately 16 hours (rounded down to the nearest whole number). At each meeting, reporting, information sharing, deliberations, and decision-making took place. In addition, between each of the meetings, opinions were exchanged via e-mail and other means, and the Matters of Inquiry were carefully discussed and considered.

The Special Committee appointed Nagashima Ohno and Tsunematsu as its own legal advisor and Yamada-CG as its own independent financial advisor and third-party accounting organization on April 3, 2024, after confirming that they have no problems with their independence from the Preceding Tender Offeror and the Company. Subsequently no problems with their independence from the Counter-Offers were confirmed.

Based on the foregoing, the Special Committee, while receiving advice from Yamada-CG and Nagashima Ohno & Tsunematsu from time to time, examined the Matters of Inquiry by conducting reviewing each materials and documents received from the Preceding Tender Offeror, Counter-Offers including the Tender Offeror, and the Company's management, as well as having interviews with each of the Preceding Tender Offeror and the Counter-Offers, including the Tender Offeror. Additionally, the Special Committee received timely reports from the Company's management regarding the process and content of discussions and negotiations between the Company's management and the Preceding Tender Offeror and the Counter-Offers, including the Tender Offeror. At the same time, the Special Committee discussed the consultation and negotiation policies that the Company should take, expressed its opinions to the Company's management multiple times. Through such activities, the Special Committee was substantially involved in carrying out the Company's market check process and communication with the Preceding Tender Offeror.

As a result of the above-mentioned developments, the Special Committee, as a result of careful discussions and deliberations regarding the Matters of Inquiry as stated above, submitted to the board of directors of the Company, as of May 31, 2024, upon agreement with the unanimous consent of all members, a recommendation report, which is summarized as follows:

(i) Contents of Recommendation Report

The board of directors of the Company should express its opinion endorsing the Tender Offer and resolve to recommend that the Company's shareholders tender their shares to the Tender Offer. The Tender Offer is not disadvantageous to minority shareholders of the Company. (Report on Matter of Inquiry' Matter (c).)

Since the Preceding Tender Offer has an alternative relationship with the Tender Offer, which the board of directors of the Company should express its endorsement to and recommendation to tender the shares to, the board of directors of the Company has no alternative but to have the Company express its opinion of opposition and request that the Company's shareholders not tender their shares to the Preceding Tender Offer. (Report on Matters of Inquiry' Matter (a).) Regarding whether the Preceding Tender Offer is

disadvantageous to minority shareholders of the Company, since the Tender Offer is implemented which is more advantageous to minority shareholders than the Preceding Tender Offer, there is no choice but to conclude that it is disadvantageous. (Report on Matters of Inquiry' Matter (b).)

(ii) Consideration

(a) Consideration of the Tender Offer

(a) To examine whether the Transaction will contribute to the enhancement of the corporate value of the Company

The Special Committee reviewed the materials and documents submitted by the Tender Offeror and the management of the Company, and held an interview with the Tender Offeror on May 8, 2024. The Special Committee confirmed the Tender Offeror's assessment of the Company, the significance and purpose of the Transaction, the policy for realizing synergies and synergies from the Transaction, and the possibility of dyssynergies from the Transaction or damage to the Company's corporate value, as described in "② Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer " in "(2) Grounds and Reasons for Opinion Concerning Tender Offer" above.

In addition, the Special Committee examined the materials and documents submitted by our management and received reports from our management from time to time, and confirmed that our management is aware of the urgent management issues the Company is facing, the meaning and objectives of the transaction, the synergies from the transaction, and the assessment of the disadvantages and dyssynergies associated with the transaction, as described in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinions Concerning the Tender Offer" above, and that our management believes that the transaction will contribute to our medium-to long- term growth and enhancement of corporate value.

The Special Committee recognizes that the Tender Offeror has generally the same views as our management regarding the significance and purpose of the Transaction, the synergies from the Transaction, and the evaluation of the disadvantages and dyssynergies associated with the Transaction, and that there is nothing unreasonable about the views of the Tender Offeror and our management. The measures and efforts that the Tender Offeror considers to realize the synergies from the Transaction are important measures that will contribute to the creation of synergies in the Tender Offeror's Group, which we will become a member of through the Transaction, and further enhancement of our corporate value, in line with our current awareness of issues such as responding to the "2024 Problem" and improving the efficiency of our distribution network. In light of (i) the clear complementary relation between us, which has strengths mainly in the midstream of logistics, and the Tender Offeror, which has strengths in the last-mile, in improving the efficiency of cold-chain logistics, while there is little overlap in their functions, (ii) the Company and the Tender Offeror's Group have already certain trades in EC field, and such trading has been progressing smoothly, and (iii) in the interviews with the Tender Offeror conducted by the Special Committee, the Special Committee has been able to obtain specific explanations on measures that can be expected to generate short-term synergies from the Transaction. In light of these facts, the Special Committee can envision a concrete path toward the creation of large synergies through the Transaction, and the Special Committee can expect to create large synergies with a high degree of certainty, similar to the views of the Tender Offeror and our management. It is recognized that there are basically no dyssynergies or disadvantages associated with

the Transaction (if any, they are limited). The Tender Offer Price is significantly higher than the upper limit of our share value per share based on the DCF method of the Share Valuation Report (Yamada-CG). However, in light of the synergies explained by the Tender Offeror and the Tender Offer Price proposed by the Counter-Offerors other than the Tender Offeror, the Tender Offer Price can be evaluated as a reasonable price based on the positive assessment of the synergies generated by the Transaction and the allocation of the synergies to our shareholders. The Special Committee has determined that there is no specific concern about the possibility of extremely high-risk business operations after the Transaction.

In light of the above, the Special Committee finds that the Transaction contributes to the enhancement of our corporate value and its purpose is reasonable.

With regard to the Preceding Transaction and the transaction related to the Counter-Proposals from the Counter-Offerors other than the Tender Offeror, our management believes that the enhancement of our corporate value beyond the Transaction is not expected, and the Special Committee considers that our management's view is not unreasonable.

(b) To examine the validity of the terms and conditions of the Transaction

a. Best of the proposals obtained as a result of active market checks

The Company has been conducting an active market check through the process described in "(ii) History of Examinations and Negotiations" in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinion Concerning the Tender Offer" above. The Special Committee considers that this process is a fair market check conducted with the substantial involvement of the Special Committee, and that the terms and conditions of the Transaction, which are the best of the proposals obtained through the fair market check that ensures a competitive environment, can be expected to be fairly distributed between the acquirer (i.e., The Tender Offeror) and the target company's stockholders (i.e., the Company's shareholders) with respect to the increase in corporate value due to the acquisition. The prices proposed by the Preceding Tender Offeror and the Counter-Proposals by other than the Tender Offeror were inferior to the Tender Offer Price, and the terms and conditions of the Transaction were the best among those proposed.

b. Validity of the Tender Offer Price

i. Procedures and contents of formulation of Business Plans

Our management has obtained the Share Valuation Report (Plutus) from Plutus, and the Special Committee has acquired the Share Valuation Report (Yamada-CG) from Yamada-CG. These share valuation reports are based on the Business Plan prepared by our management and approved by the Special Committee. In approving the Business Plan, based on the explanation of our management to the Special Committee and the question and answer sessions with the Special Committee, the Special Committee has determined that there are no circumstances that should be questioned about the fairness of the process of formulating the Business Plan and that there are no unreasonable points in its content.

ii. Review of calculation results

Based on the explanations given by Plutus and Yamada-CG to the Special Committee on the contents of the Share Valuation Report (Plutus) and the Share Valuation Report (Yamada-CG) and the question and answer sessions with the Special

Committee, the Special Committee has concluded that (i) the methods used by Plutus and Yamada-CG to calculate the share value are commonly used in the calculation of the share value in privatization transactions, and there are no unreasonable reasons for the adoption of these methods, and (ii) there are no unreasonable reasons for the rationality of the calculations made by Plutus and Yamada-CG. Therefore, the Special Committee considers that the Share Valuation Report (Plutus) and the Share Valuation Report (Yamada-CG) can be relied upon in assessing the share value of the Company Shares.

The Tender Offer Price exceeds the range of the calculation results for both the Share Valuation Report (Plutus) and the Share Valuation Report (Yamada-CG).

iii. Premium analysis

The Tender Offer Price is, adding a premium of 181% to 2,041 JPY which was the closing price of the Company Shares on the TSE on March 21, 2024, immediately before the announcement of the Preceding Transaction by the Preceding Tender Offeror, which triggered the Company Share's price fluctuations, adding a premium of 199% of the simple average of those closing prices for the past 1 month of 1,919 JPY, adding a premium of 232% to the simple average of those closing prices for the past 3 months of 1,729 JPY, adding a premium of 267% to the simple average of those closing prices for the past 6 months of 1,565 JPY. In addition, the said price has a premium of 17% to the closing price of 4,900 JPY for the Company Shares on the TSE on May 30, 2024, the business day immediately before the announcement date of the implementation of the Tender Offer, a premium of 33% to the simple average of those closing prices of 4,327 JPY for the past 1 month, a premium of 76% to the simple average of those closing prices of 3,261 JPY for the past 3 months and a premium of 134% to the simple average of those closing prices of 2,452 JPY for the past 6 months.

This means that the Tender Offer Price should be recognized as having been given a superior premium level compared to similar transactions in the past, considering premium levels in 60 cases (median: 34% and average: 46% compared to the previous day's closing price, median: 38% and average: 48% compared to the average of those closing prices of the past 1 month of the previous day, median: 41% and average: 52% compared to the average of those closing prices of the past 3 months of the previous day, and median 45% and average 54% compare to the average of those closing prices of the past 6 months of the previous day), as a result of similar case studies which were published on or after June 28, 2019, which is the publication date of the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry, and also which were successfully completed via tender offers by May 21, 2024 (provided, however, that among the successful tender offers, picking up only examples of a tender offer with the premise of going private by a third party, and premise where the tender offeror owned less than 20.00% on a voting rights basis before the tender offer, but excluding Tokyo Pro Market cases and also excluding cases of tender offers for treasury stock, so-called discount tender offers and management buy-out (MBO) transactions).

In this regard, it should be noted that the Tender Offer Price marks the premium of 17% to the closing price on the business day prior to the preparation date of the Report. However, it is reasonable to consider that the fluctuation of the Company Shares' market price since the announcement of the commencement of the Preceding Tender Offer by the Preceding Tender Offeror has risen in an abnormal manner, mainly as a

result of trading based on the intentions of market participants, even in light of the trends in the Tokyo Stock Price Index (TOPIX), and such fluctuation does not affect the judgment of the Special Committee that the Tender Offer Price is given a superior premium compared to similar transactions in the past. In addition, the fact that the premium level based on the recent market price of the Company Shares is lower than that of similar precedents does not affect the opinion of the Special Committee. In light of these developments in the Company Shares' market price, the Special Committee emphasizes comparing the premiums with the market prices of the Company Shares prior to the launch of the Preceding Tender Offer.

iv. Summary

The Tender Offer Price exceeds the range of the results of calculating the share value of the Company Shares in either of the Share Valuation Report (Plutus) and the Share Valuation Report (Yamada-CG). Given that the Tender Offer Price is given an advantageous premium over similar transactions in the past, the Tender Offer Price is considered to be a reasonable price for which the benefits to be enjoyed by our shareholders, including minority shareholders, were secured as the tender offer price for the Tender Offer.

Because the Tender Offer Price is considered to be reasonable as the tender offer price for the Tender Offer, the Tender Offer Price is also reasonable as the consideration to be delivered to our shareholders in the Squeeze-out Procedure, which is the same amount as the Tender Offer Price.

c. Validity of the scheme

The first step adopted in the Transaction is to make a tender offer by setting the minimum number of shares that the Tender Offeror will acquire more than two-thirds of the total number of voting rights of the Company at the time of the Tender Offer, and to implement squeeze-out through the demand for sale of shares or the consolidation of shares at the time of the second step. This is a method generally adopted as a method of privatization, and shareholders of the Company who are dissatisfied with the Tender Offer Price are entitled to petition the court for a determination of the price after the demand for purchase of shares. As described in (c) vii) below, the method of the Transaction is not unreasonable and is found to be appropriate in light of the fact that the Tender Offer excludes coerciveness.

d. Summary

As described above, the terms and conditions of the Transaction are deemed to be fair and reasonable for the following reasons: (i) the Tender Offer Price and other terms and conditions of the Transaction are the best of the proposals obtained through fair market checking; (ii) the Tender Offer Price for the Tender Offer and the consideration to be delivered to our shareholders in the Squeeze-out Procedure are deemed to be reasonable from the viewpoint of comparison with the value of our shares calculated by a third-party calculation organization and comparison with premiums in similar transactions in the past; and (iii) the scheme of the Transaction is also deemed to be reasonable.

(c) Examination of the fairness of the review procedures for the Transactions

As the following measures to ensure fairness were taken when considering the Transaction, it is recognized that, when considering the Transaction, including the market check process

described above, fair procedures were implemented from the perspective of promoting the interests of our shareholders, including minority shareholders, and that sufficient consideration was given to the interests of our shareholders through fair procedures.

i) Establishment of an independent special committee (the Special Committee)

As described in "(i) Proposal from Preceding Tender Offeror, Confirmation of Sincerity of Proposal, and History of Establishment of Examination System" in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinions Concerning Tender Offer," above, the Special Committee consists of six members, mainly independent outside directors of the Company. Through the questionnaire, the Special Committee members confirmed that they were independent from the Preceding Tender Offeror and the Preceding Transaction, from the Tender Offeror and the Transaction, as well as from the Counter-Offerors other than the Tender Offeror and the Counter-Proposals by them. Based on advices, as needed, by Nagashima Ohno & Tsunematsu, the Special Committee legal advisor, a system was established in which the Special Committee members could conduct deliberations and negotiations from a fair and independent standpoint.

Each of the Special Committee's members, with the exception of Mr. Yoshiyuki Wada, are independent outside directors of the Company and the members

exchanged diverse and multifaceted opinions on behalf of us and our shareholders, including minority shareholders, in accordance with the duty of care of entrusted by the Company with duty of case of a good manager, and Mr. Yoshiyuki Wada, as special committee member entrusted by the Company with duty of case of a good manager, exchanged diverse and multifaceted opinions in favor of the Company and our shareholders, including minority shareholders, and held substantial discussions to form opinions as the Special Committee.

Thus, the Special Committee is an independent special committee for the Company and is considered to have functioned effectively in the review procedure of the Transaction.

ii) Acquisition of independent expert advice from outside experts by our management and the Special Committee

Our management appointed QuestHub, TMI Associates and Plutus, independent from the Preceding Tender Offeror and the Company, as a financial advisor, a legal advisor and third-party calculation organizations, respectively. Our management has confirmed that QuestHub, TMI Associates and Plutus do not fall under the category of related parties of the Preceding Tender Offeror nor of the Counter Offerors including the Tender Offeror, nor of the Company, and do not have any material interest in the Preceding Transaction nor of the transactions related to the Counter Proposals, including the Transaction. Our management has reviewed the Proposal while obtaining expert advice from QuestHub, TMI Associates and Plutus from time to time.

In addition, as described in (ii) above, the Special Committee appointed Yamada-CG and Nagashima Ohno & Tsunematsu as an independent financial advisor, a third-party calculation organization and a legal advisor, respectively, independent from the Preceding Tender Offeror and our management and the Counter-Offerors including the Tender Offeror. The Special Committee, from time to time, from the viewpoint of enhancing our corporate value and the common interests of our shareholders including minority shareholders, reviewed the Preceding Proposal and the Counter-Proposals including the Proposal, while obtaining expert advice from Yamada-CG and Nagashima Ohno & Tsunematsu on (i) the methods and processes of the Special Committee's decision-making regarding the

consideration of the Preceding Proposal and the Counter-Proposals, (ii) the procedures related to the Preceding Proposal and the Counter-Proposals including the Proposal, and (iii) the points to be addressed in the decision-making regarding the Preceding Proposal, the Counter-Proposals including the Proposal received from the Tender Offeror regarding the Transaction.

iii) Active market checks

We have conducted an active market check through the process described in "(ii) History of Examinations and Negotiations" in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinion Concerning Tender Offer" above, and the Tender Offeror's proposal for the Transaction was obtained through such market check. (A) The process was designed to provide opportunities for proposals to a sufficiently large number of parties who were likely to be interested in the acquisition of the Company, including those who had made proposals to us; (B) The process was designed to provide opportunities for proposals and due diligence to the maximum number of proposals and opportunities for proposals within the limited time and resources due to the announcement of the commencement of the Preceding Tender Offer in early May 2024 and the actual commencement of the Preceding Tender Offer on May 2 of the same month; (C) The process was designed to provide opportunities for proposals and due diligence to the maximum number of proposals and opportunities for due diligence to the maximum number of proposals; (D) The process was designed to provide opportunities for due diligence to the Preceding Tender Offeror in light of such circumstances as the fair treatment of the proposers; and (E) the Company could receive legally binding proposals from four Counter-Offerors other than the Preceding Tender Offeror. Given such circumstances, etc., the process can be evaluated as implemented fairly and effectively with ensuring a competitive environment.

iv) Enhancement of information provision to our shareholders and transparency of the process

The Company received the Preceding Proposal from the Preceding Tender Offeror on March 21, 2024, and since the Preceding Tender Offeror gave notice of the commencement of the Preceding Tender Offer, the Company has been holding press releases each time for inquiries and responses to the Preceding Proposal.

We also issued press releases on the progress of the market checking process as needed, to the extent that it does not interfere with the smooth progress of the process and the consideration of the Preceding Proposal and Counter Proposals. Through the disclosure of these press releases by the Company, information was provided to our shareholders, including minority shareholders, regarding the progress of examination of the Preceding Proposal and the Counter Proposals. It can be deemed that the transparency of the above process has been ensured, to the extent that there was no impediment to the consideration of the Preceding Proposal and the Counter Proposals, and that the Company should avoid the disclosure of uncertain information which might cause unnecessary confusion to our shareholders.

In addition, at the commencement of the Tender Offer, the Company will make a press release expressing our opinions on the Tender Offer and the Preceding Tender Offer. Upon confirmation by the Special Committee of the drafts of those press releases as of the date hereof, it is anticipated that adequate disclosures will be made, including (i) information about the Special Committee, (ii) information about the share value calculation reports and

(iii) other information, to ensure that our shareholders, including the minority shareholder, will have the opportunity to make an appropriate judgment on the Transaction on the basis of adequate information.

v) Acquisition of calculation reports from independent expert third-party calculation organizations

As described in "i. Procedures and contents of formulation of Business Plans" of "b. Validity of the Tender Offer Price" in "(b) To examine the validity of the terms and conditions of the Transaction" above, our management has obtained the Share Valuation Report (Plutus) from Plutus which was appointed as a third-party calculation organization with expertise independent from the Company, the Preceding Tender Offeror and the Counter-Offerors including the Tender Offeror. In addition, the Special Committee obtained the Share Valuation Report (Yamada-CG) from Yamada CG, which was appointed as a third-party calculation organization with expertise independent from the Company, the Preceding Tender Offeror and the Counter-Offerors including the Tender Offeror. For more information on these calculations, please refer to "ii. Review of calculation results" of "b. Validity of Tender Offer Price" of "(b) To examine the validity of the terms and conditions of the Transaction" above.

vi) Tender Offer Period

In the Tender Offer, the Tender Offer Period is set at 30 business days, which ensures that our shareholders, including minority shareholders, have the opportunity to make appropriate decisions regarding the application for the Tender Offer (and to make purchases of our shares by persons other than the Tender Offeror).

vii) Elimination of coercive forces

In the Transaction, in the Tender Offer conducted as a first step, the minimum number of planned purchases is set such that the Tender Offeror owns at least two-thirds of the total number of voting rights of the Tender Offeror after the Tender Offer is successfully completed. This is a scheme that ensures squeeze-out after the Tender Offer is successfully completed. In addition, the amount of money to be delivered to our shareholders in the squeeze-out process after the completion of the Tender Offer will be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each shareholder (excluding the Company and the Tender Offeror), and this will be announced at the commencement of the Tender Offer. Therefore, it is recognized that consideration has been given to ensure that our shareholders, including minority shareholders, have the opportunity to make appropriate decisions on whether or not to apply for the Tender Offer, and by such measures the scheme of the Tender Offer could be evaluated to have considered to have no coercive force.

(d) Summary

As described in (a) above, the Tender Offer is considered to contribute to the enhancement of our corporate value, and as described in (b) above, the terms and conditions of the Tender Offer are considered to be reasonable. In addition, as described in (c) above, fair procedures have been implemented in the Tender Offer from the perspective of benefiting our shareholders, including minority shareholders.

Therefore, the Special Committee believes that the Company should resolve to express our endorsement to the Tender Offer and recommend our shareholders to tender their Company

Shares to the Tender Offer, and that the Tender Offer will not be detrimental to our minority shareholders.

(b) Consideration of the Preceding Tender Offer

Like the Tender Offer, the Preceding Tender Offer is in the position of an alternative to the Tender Offer for the purpose of making the Company a wholly owned subsidiary of the Preceding Tender Offeror. After comparing and examining the content of the Preceding Proposal and the Counter-Proposals, the Company believes that it is appropriate to express an opinion endorsing the Tender Offer as described in (a) above. Therefore, we believe it is appropriate to express an opinion opposing the Preceding Tender Offer, which is in an alternative relation to the Tender Offer, and to recommend our shareholders not to apply for the Preceding Tender Offer. Regarding whether the Preceding Tender Offer is disadvantageous to our minority shareholders, as well, since the Tender Offer, which is more favorable to minority shareholders than the Preceding Tender Offer, is implemented, we must conclude that the Preceding Tender Offer is disadvantageous to minority shareholders.

(c) Summary

As described in (a) above, the Tender Offer is considered to contribute to the enhancement of our corporate value, the terms and conditions of the Transaction are reasonable, and fair procedures have been implemented from the perspective of benefiting our shareholders including minority shareholders. Therefore, the Special Committee believes that the Company should resolve to express our opinion to endorse the Tender Offer and recommend our shareholders to tender in the Tender Offer, and that this proposed Transaction will not be detrimental to our minority shareholders.

On the other hand, the Special Committee considers that it is appropriate for the Company to express its opposition to the Preceding Tender Offer, which is in an alternative relation to the Tender Offer, and to express its opinion to recommend our shareholders not to tender in the Preceding Tender Offer, which is appropriate for the Company to express its endorsement, and also the Special Committee considers that it is appropriate that the Preceding Tender Offer must be judged to be disadvantageous to minority shareholders.

In light of the examination described in (a) above and the fact that the tender offer prices proposed in the Counter Offers is less than the Tender Offer Price, the Counter-Offers made by the Counter-Offerors other than the Tender Offeror shall not be deemed to be superior to the Transaction from the viewpoint of improving our corporate value and the common interests of shareholders.

③ Obtaining advice from an independent legal advisor by the Company

As mentioned in “(i) Proposal from Preceding Tender Offeror, Confirmation of Sincerity of Proposal, and History of Establishment of Examination System” in “(2) Grounds and Reasons for Opinion Concerning Tender Offer”, the Company retained TMI Associates as a legal advisor independent from all of the Preceding Tender Offeror, the Counter-Offerors including the Tender Offeror, the Company and the success or failure of the Preceding Transaction and the Counter-Transactions including the Transaction, and obtained advice from TMI Associates on measures to be taken to ensure the fairness of procedures in the Preceding Transaction and the Counter-Transactions including the Transaction, procedures for the Preceding Transaction and the Counter-Transactions including the Transaction, and the Company's decision-making method and process regarding the Preceding Transaction and the Counter-Transactions including the Transaction. TMI Associates does not fall under the category of the related parties to the Preceding Tender Offeror, the Counter-Offerors including the

Tender Offeror nor the Company, and has no material interest in the Preceding Transaction or the Counter-Transactions including the Transaction. The fees to be paid to TMI Associates do not include contingency fees to be paid upon the success or failure of the Preceding Transaction or any Counter-Transactions including the Transaction.

④ Obtaining advice from an independent third-party calculation organization by the Company

The Company requested Plutus to issue its share value calculation report as a third-party calculation organization independent from the Preceding Tender Offeror, the Company and the Counter-Offers including the Tender Offeror as well as from the success or failure of the Preceding Transaction and the Counter-Transactions including the Transaction. Then, on May 31, 2024, the Company received the Share Valuation Report (Plutus). The Company has not obtained a fairness opinion from Plutus regarding the fairness of the Tender Offer Price.

As to the details of the Share Valuation Report (Plutus) obtained from Plutus, please refer to "① Procurement of a share valuation report from an independent third-party calculation organization by the Company" in "③ Matters Regarding the Calculation" above.

Note that Plutus does not fall under the category of a related party to the Company, the Preceding Tender Offeror nor the Counter Offers including the Tender Offeror, and has no material interest in the Preceding Transaction or the Counter-Transactions, including the Transaction. In addition, the fees to be paid to Plutus in connection with the Preceding Transaction and the Counter Transactions, including the Transaction, do not include any fee to be paid contingently upon the success of the Transaction, etc.

⑤ Obtaining advice from an independent legal advisor by the Special Committee

As mentioned in "② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee" above, the Special Committee retained Nagashima Ohno & Tsunematsu as its own legal advisor independent from all of the Preceding Tender Offeror, the Counter-Offers including the Tender Offeror, the Company and the success or failure of the Preceding Transaction and the Counter-Transactions including the Transaction, and obtained advice from Nagashima Ohno & Tsunematsu on measures to be taken to ensure the fairness of procedures in the Preceding Transaction and the Counter-Transactions including the Transaction, procedures for the Preceding Transaction and the Counter-Transactions including the Transaction, and the Company's decision-making method and process regarding the Preceding Transaction and the Counter-Transactions including the Transaction. Nagashima Ohno & Tsunematsu does not fall under the category of the related parties to the Preceding Tender Offeror, the Counter-Offers including the Tender Offeror nor the Company, and has no material interest in the Preceding Transaction or the Counter-Transactions including the Transaction. The fees to be paid to Nagashima Ohno & Tsunematsu do not include contingency fees to be paid upon the success or failure of the Preceding Transaction or any Counter-Transactions including the Transaction.

⑥ Obtaining advice from an independent third-party calculation organization by the Special Committee

As described in "② Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee" above, the Special Committee requested Yamada-CG to issue its share value calculation report as a third-party calculation organization independent from the Preceding Tender Offeror, the Company and the Counter-Offers including the Tender Offeror as well as from the success or failure of the Preceding Transaction and the Counter-Transactions including the Transaction. The Special Committee received advice and assistance from Yamada-CG from a financial perspective, including advice on negotiation policies with the Tender Offeror. Then, on May 31, 2024, the Special Committee received the Share Valuation Report (Yamada-CG). The Special Committee has not obtained a fairness opinion from Yamada-CG regarding the fairness of the Tender Offer Price.

As to the details of the Share Valuation Report (Yamada-CG) obtained from Yamada-CG, please refer to "② Acquisition of Share Value Calculation Report by the Special Committee from Independent Third-Party Calculation Organization" in "③ Matters Regarding the Calculation" above.

Note that Yamada-CG does not fall under the category of a related party to the Company, the Preceding Tender Offeror nor the Counter Offerors including the Tender Offeror, and has no material interest in the Preceding Transaction or the Counter-Transactions, including the Transaction. In addition, the fees to be paid to Yamada-CG in connection with the Preceding Transaction and the Counter Transactions, including the Transaction, do not include any fee to be paid contingently upon the success of the Transaction, etc.

⑦ Approval by all directors that have no conflicts of interest (including who are also members of audit and supervisory committee) at the Company

As described in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinions Concerning Tender Offer", our board of directors has sincerely and carefully examined whether the Transaction, including the Tender Offer, will contribute to the improvement of our corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable, taking into account the advice received from QuestHub and the content of the Share Valuation Report (Plutus) and the legal advice received from TMI Associates, while respecting the decisions of the Special Committee presented in the Report.

As a result, as described in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinions Concerning Tender Offer" above, we believe that the Transaction will increase our corporate value, and the 5,740 JPY per share, which is the Tender Offer Price, will provide the Company's shareholders with a reasonable opportunity to sell their shares at a reasonable premium, and at the meeting of our board of directors held as of the date hereof we agree to endorse the Tender Offer with a unanimous consent of total of 10 directors (including three independent outside directors who are audit & supervisory committee members and one outside director who is an audit & supervisory committee member). the Company has resolved to recommend the Company's shareholders to tender their shares in the Tender Offer.

⑧ Measures to Secure Purchase Opportunities from Other Purchasers

As described in "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" in "(2) Grounds and Reasons for Opinion Concerning Tender Offer" above, we have received a proposal from the Preceding Tender Offeror, which led to several companies expressing their interest in the acquisition of the Company. In order to seek the best option from the perspective of improving our corporate value and the common interests of our shareholders, we have requested for submission of a letter of intent, as a market check in accordance with the "Guidelines for Corporate Takeover", in early April 2024, those strategic buyers and investment funds which have expressed their interest directly to us and those strategic buyers and investment funds which have approached us through QuestHub (in total, 9). By so conducting, we secured opportunities for parties other than the Preceding Tender Offeror to acquire the Company Shares. The Tender Offer Price is the highest in comparison with the tender offer price in the Preceding Tender Offer and the share value calculation reports and such tender offer price presented by the other Counter-Offerors.

In addition, the Tender Offeror and the Company have not entered into any agreement that restricts the contact of the Counter-Offerors with the Company, such as an agreement that prohibits contact with the Counter-Offerors, in order not to interfere with the opportunity for the counter-takeover bid, etc., and have taken care to ensure the fairness of the Tender Offer.

⑨ Measures to ensure that our shareholders have the opportunity to make an appropriate decision on whether or not to tender their shares in the tender offer

The Tender Offeror states that while the minimum period of the tender offer is 20 business days under the

applicable laws and regulations, the Tender Offer Period is set at 30 business days. The Tender Offeror intends to secure the fairness of the Tender Offer by setting the Tender Offer Period longer than the statutory period, thereby ensuring that our shareholders have the opportunity to make appropriate decisions regarding applications for the Tender Offer, and also ensuring that other parties other than the Tender Offeror have the opportunity to make a competitive offer, etc. for our shares. The Tender Offeror intends to ensure the fairness of the Tender Offer.

In addition, as described in "⑧ Measures to Secure Opportunities for Purchase from Other Purchasers" above, the Tender Offeror has not entered into any agreement with us that restricts the contact of the Counter-Offerors with us, such as an agreement that includes a trade protection clause that prohibits us from contacting the Counter-Offerors. In this way, in conjunction with the establishment of the Tender Offer Period, the Tender Offeror is taking care to ensure the fairness of the Tender Offer by ensuring opportunities for competitive purchases, etc.

4. Matters Regarding Material Agreements Regarding Tendering of Shares in the Tender Offer between the Tender Offeror and the Company's Shareholders and Directors

Not applicable.

5. Details of the offering of benefits by the Tender Offeror or a person specially related thereto

Not applicable.

6. Policy for Responses Regarding Basic Policies on Control of the Company

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Request for Extension of Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to "② Background, purpose, and decision-making process that led the Tender Offeror to decide to implement the Tender Offer," "(4) Prospect of delisting and the reasons therefor," and "(5) Policy on organizational restructuring after the Tender Offer (matters related to the so-called two-step takeover)" in "② Grounds and Reasons for Opinions Concerning Tender Offer" of "3. Details of, Grounds and Reasons for, Opinion Concerning Tender Offer".

10. Other matters necessary for investors to properly understand and judge corporate information

(1) Announcement of Dividends of Surplus (No Dividends) and Abolition of Shareholder Benefit Plan for the Fiscal Year Ended March 31, 2025

We decided to revise the interim and end-of-term distributions in March 2025, which we announced on May 9, 2024, to prevent interim and end-of-term distributions in March 2025, and to abolish the gift system from March 2025, on the basis of the conditions that the open offer was established at the Board of Director's meeting today. For details, please refer to "Notice of Dividends of Surplus (No Dividends) and Abolition of Shareholder Benefit Plan for the Year Ended March 31, 2025" announced today.

(2) Announcement of "Notice of Dividends from Surplus for the Fiscal Year Ended March 2024"

At a meeting of the Board of Directors held today, the Company resolved to pay a dividend of retained earnings of 22 JPY per share, with a record date of March 31, 2024. For details, please refer to "Notice of Dividends of Surplus for the Year Ended March 31, 2024" announced today.

(Reference) Outline of the Purchase, etc.

For the outline of the Tender Offer, please refer to "Notice Regarding Commencement of Tender Offer for Chilled & Frozen Logistics Holdings Co., Ltd. (Securities Code: 9099)" (Appendix) released by the Tender Offeror today.

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