



May 31, 2024

To All Concerned Parties

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**Notice Concerning Announcement of Opinion (Opposition)  
as to Tender Offer for Company Shares by AZ-COM MARUWA Holdings Inc.**

We, Chilled & Frozen Logistics Holdings Co., Ltd. ("we" or "the "Company"), hereby announce that, with respect to a tender offer commenced on May 2, 2024 by AZ-COM MARUWA Holdings Inc. (the "Tender Offeror") for the common shares of the Company (the "Company Shares") (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 (the "Transaction"), at the meeting of the Board of Directors held on May 31, 2024, by all directors' unanimous resolution, the Company resolved to express its opinion to oppose the Tender Offer., while the Company has reserved to express its opinion on the Tender Offer as described in our press release " "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 (the "Reservation Press Release").

In addition, we resolved at the same meeting of the board of directors to express its opinion to endorse the tender offer by SG Holdings Co., Ltd. ("SGHD") (the SGHD Tender Offer") and to recommend that shareholders of the Company tender their shares in the SGHD Tender Offer. For details of the resolutions, please refer to our separate press release made as of the date hereof "Notice Concerning Announcement of Opinion (Endorsement and Recommendation for Tender) as to Tender Offer for Company Shares by SG Holdings Co., Ltd." (the "Endorsement Opinion for SGHD Tender Offer")

We would appreciate it if our shareholders would not tender the Company Shares held by them in the Tender Offer and also it if those shareholder who already tendered their shares in the Tender Offer should cancel the contracts regarding application for the Tender Offer.

1. Outline of Tender Offer

Please refer to the Reservation Press Release.

2. Tender Offer Price

3,000 yen per share of common stock (hereinafter referred to as the "Tender Offer Price")

3. Details of, Grounds and Reasons for, Opinion regarding the Tender Offer;

(1) Details of Opinion

Our board of directors resolved at today's meeting to express its opinion to oppose the Tender Offer.

We would appreciate it if our shareholders would not tender the Company Shares held by them in the Tender Offer and also it if those shareholder who already tendered their shares in the Tender Offer should cancel the contracts

regarding application for the Tender Offer.

(2) Grounds and Reasons for Opinion Concerning Tender Offer

The grounds and reasons why the Company expresses its opinion to oppose the Tender Offer are as follows:

(i) History of Examination of Tender Offer

After we received from the Tender Offeror its letter of intent on March 21, 2024 regarding a proposal of the Transaction (the "Proposal"), we have conducted carefully the examination of the Proposal. Also, we have received legally binding written proposals as counter proposals against the Proposal (collectively, the "Counter Proposals") from four parties (collectively, the "Counter Offerors") by May 1, 2024.

While the Tender Offeror commenced the Tender Offer on May 2, 2024, the Tender Offer, the Company received a recommendation as of May 7, 2024 (the "Recommendation") from the Special Committee to the effect that considering that the Tender Offer and the Counter Proposals made by the Counter Offerors are in an alternative relationship any of which has to be chosen, the Special Committee believed that it was appropriate to withhold the expression of our opinion on the Tender Offer at such time because we need to continue discussions with the Counter Offerors to finalize and examine the Counter Proposals and then to reiterate the opinion of our Board of Directors in response to the Tender Offer. In addition, as of the same date, the Company believed that, in comparing and considering the contents of the Tender Offer and the contents of the Counter Proposals from the Counter Offerors, the board of directors and the Special Committee should continue to closely examine the content of the Counter Proposals made by the Counter Offerors, in order to determine the Company's opinion regarding the Tender Offer. Based on the above backgrounds, at the meeting of the Board of Directors held on May 7, 2024, we resolved, with the unanimous consent of all directors, to reserve to express our opinion on the Tender Offer at that time. For details of the grounds and reasons for the reservation of our opinion, please refer to the Reservation Press Release.

Since then, the Company and the Special Committee have been comparing and carefully examining the contents of the Transaction and the contents of the Counter Proposals made by the Counter Offerors, in order to enhance our corporate value and find the best option in the common interests of our shareholders, following "Guidelines for Corporate Takeovers" published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Guidelines for Corporate Takeovers").

In the course of such comparison and examination, because the SGHD's proposed price, which was 5,740 JPY per share, was the highest among the Tender Offeror and the Counter Offerors, although SGHD requested additional due diligence, we considered that SGHD was superior to the other Counter Offerors and the 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 SGHD as a candidate for the bidder of the Company Shares, and notified SGHD to that effect and that we would provide SGHD with additional due diligence opportunity. Since then, the Company and SGHD have held continuous discussions and negotiations for the implementation of such tender offer to be made by SGHD and a series of subsequent transactions as aiming to make the Company a wholly-owned subsidiary of SGHD (collectively, the "SGHD Transaction").

(ii) Grounds and Reasons for Opinion

As described in Endorsement Opinion for SGHD Tender Offer, based on the above-mentioned history, the Company, we believe that the Transaction will increase our corporate value, and the 5,740 JPY per share (the "SGHD Tender Offer Price") as the purchase price in the SGHD Tender Offer, will provide the Company's shareholders with a reasonable opportunity to sell their shares at a reasonable premium and the other terms and conditions of the SGD Tender Offer is fair, and therefore the Company resolved, at the meeting of our board of directors held as of the date hereof with a unanimous consent of total of all directors of the board of directors, that the Company expresses our opinion to endorse the Tender Offer and recommend our shareholders to tender in the Tender Offer. For the process and reasons concerning the resolution, please refer to the Endorsement Opinion

for SGHD Tender Offer.

In addition, in the above-mentioned decision of our opinion the Company considered that from the viewpoint of enhancing our corporate value and the common interests of our shareholders the SGHD Transaction should be more desirable to the Transaction as described in the following:

Specifically, the SGD Tender Offer Price per share (5,740 JPY per share) is set significantly higher than the Tender Offer Price per share (3,000 JPY per share), meaning that we believe that the terms and conditions of the SGD Tender Offer are more attractive for the common interests of our shareholders.

Further regarding the collaboration in "AZ-COM Matsubushi," which the Tender Offeror claims as a synergy of the Transaction, the Tender Offeror explained to us that "the Tender Offeror's immediate goal is to reduce the involvement of food wholesalers and wholesalers to reduce overall distribution costs", and the Company received voices of concerns from major customers of the Company that the Transaction. Considering such facts, the Company believes that there is a concern that the Transaction will lead to the defection of major customers of the Company, such as food wholesalers and wholesalers.

Although the Company requested an explanation from the Tender Offeror regarding the above concerns in the letters of inquiry to the Tender Offeror dated April 10, 2024 and dated April 19, 2024, the Tender Offeror did not provide sufficient explanation to allay our concerns. Therefore, the Company believes that the Transaction may not contribute to increasing the Company's corporate value. On the other hand, as stated in the Endorsement Opinion for SGHD Tender Offer, the Company believes that the SGHD Transaction will contribute to improving the corporate value of the Company. Based on these considerations, we believe that the SGHD Transaction has greater potential for the Company's development than the Transaction, and that the SGHD Transaction will be able to further improve our corporate value.

Moreover, the lower limit of shares planned to be purchased in the Tender Offer is the result (10,848,304 shares) of deducting (i) the number of the Company Shares held by the Tender Offeror from (ii) the multiplier of (a) the number of shares constituting the majority of voting rights associated with the result of subtracting the number of our treasury shares from the total number of our issued and outstanding shares multiplied by (b) the number of one unit of the Company Shares. Even after the Tender Offer is completed successfully, if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer, the Tender Offeror will be required to pass a resolution at the general shareholders meeting of the Company to implement certain procedures for the share consolidation based on Paragraph 2 of Article 309 of the Companies Act (Act No. 86 of 2005, as amended), under which a special resolution at the general meeting of shareholders as prescribed in Paragraph 2 above is required, but, taking into account the above lower limit, the squeeze-out procedures may not be carried out promptly and shareholders who did not tender their shares in the Tender Offer since there is a possibility that the Tender Offeror may not obtain two-thirds or more on the basis of the voting rights necessary for approving the resolution. This means that even if the Tender Offer is successful, there is a possibility that those who have not tendered their shares in the Tender Offer may remain as a minority shareholder. Therefore, the Company believes that the Tender Offer is considered to be coercive. On the other hand, the lower limit of shares planned to be purchased in the SGHD Tender Offer is the result (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. We believe that the SGHD Tender Offer excludes coerciveness because it should be evaluated as "all or nothing" tender offer.

In light of these factors, at the board of directors meeting held on May 31, 2024, the Company expressed its opinion endorsing the SGHD Tender Offer and also resolved to recommend that shareholders of the Company tender their Company Shares to the SGHD Tender Offer, because the SGHD Transaction can be considered more favorable than the Transaction in light of ensuring and enhancing our corporate value and the common interests of our shareholders, and on the other hand, further resolved to express its opinion to oppose the Tender Offer, which

is in the position of alternative to the SGHD Tender Offer.

### (3) Matters Regarding the Calculation

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

In expressing the opinion by the Company on the Tender Offer and making decisions on bona fide counter proposals made by any third party for the Proposal (“Counter Proposal(s)” and the offerors making Counter Proposals, “Counter Offerors” and a transaction related to Counter Transaction, “Counter Transaction”), the Company requested Plutus Consulting Co., Ltd. (“Plutus”) to issue its share value calculation report as a third-party calculation organization independent from the Tender Offeror, the Company and the Counter-Offerors including SGHD in order to secure the fairness of the Company’s decision-making on the Tender Offer Price and on the terms and conditions of the Counter-Transactions. Then, on May 31, 2024, the Company received the written value calculation results of the Company Shares calculated by Plutus (the “Share Valuation Report (Plutus)”).

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 Tokyo Stock Exchange, Inc. (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 discounted cash flow (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: For details thereof, please refer to the Endorsement Opinion for SGHD Tender Offer.

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

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

For the purpose to examine the matters of inquiry given to the Special Committee, the Special Committee requested YAMADA Consulting Group Co., Ltd. as a financial adviser to the Special Committee to issue its value calculation report as an independent third-party calculation organization independent from the Tender Offeror, the Company and the Counter-Offerors including SGHD in order to secure the fairness of the Special Committee’s decision-making on the terms and condition regarding the 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)”). 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 ranges of share values per share of the Company Shares calculated by Yamada-CG based on the above methodology are as follows, respectively: For details thereof, please refer to the Endorsement Opinion for SGHD Tender Offer.

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

(4) Prospect of delisting and the reasons therefor

Please refer to the Reservation Press Release.

(5) Matters Concerning so-called Two-Step Acquisition

Please refer to the Reservation Press Release.

(6) Measures to ensure Fairness of Tender Offer Price and Measures to avoid Conflicts of Interest

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, and based thereon the Company resolved to express its opinion endorsing the SGHD Tender Offer and also resolved to recommend that shareholders of the Company tender their Company Shares to the SGHD Tender Offer, and on the other hand, further resolved to express its opinion to oppose the Tender Offer, which is in the position of alternative to the SGHD Tender Offer.

① Establishment of an Independent Special Committee and Acquisition of a Recommendation Report from the Special Committee

As described in the "Notice Regarding the Establishment of a Special Committee" as of April 1, 2024 published by the Company, the Company established, upon the resolution at the board of directors' meeting dated April 1, 2024, 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" of the Proposal and any bona fide counter proposal made by any third party against the Transaction, and 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 Tender Offer, (b) whether the 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. The Company received a recommendation report (the "Report") as of May 31, 2024 from the Special Committee, which is summarized as follows:

(i) Contents of Recommendation Report

The board of directors of the Company should express its opinion endorsing the SGHD Tender Offer and resolve to recommend that the Company's shareholders tender their shares to the SGHD Tender Offer. The SGHD Tender Offer is not disadvantageous to minority shareholders of the Company. Since the Tender Offer has an alternative relationship with the SGHD 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 to the Tender Offer and request that the Company's shareholders not tender their shares to the Tender Offer. Regarding whether the Tender Offer is disadvantageous to minority shareholders of the Company, since the SGHD Tender Offer is implemented which is more advantageous to minority shareholders than the Tender Offer, there is no choice but to conclude that it is disadvantageous.

(ii) Consideration

(a) Consideration of the SGHD Tender Offer

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

The Special Committee reviewed the materials and documents submitted by SGHD and the management of the Company, and held an interview with SGHD on May 8, 2024. The Special Committee confirmed SGHD's assessment of the Company, the significance and purpose of the SGHD Transaction, the policy for realizing synergies and synergies from the SGHD Transaction, and the possibility of dyssynergies from the SGHD 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" of "3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer" mention in the Endorsement Opinion for SGHD Tender Offer.

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 SGHD 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" of "3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer" mentioned in the Endorsement Opinion for SGHD Tender Offer., and that our management believes that the SGHD Transaction will contribute to our medium-to long- term growth and enhancement of corporate value.

The Special Committee recognizes that SGHD has generally the same views as our management regarding the significance and purpose of the Transaction, the synergies from the SGHD Transaction, and the evaluation of the disadvantages and dyssynergies associated with the SGHD Transaction, and that there is nothing unreasonable about the views of SGHD and our management. The measures and efforts that SGHD considers to realize the synergies from the SGHD Transaction are important measures that will contribute to the creation of synergies in SGHD's Group, which we will become a member of through the SGHD 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 SGHD, 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 SGHD's Group have already certain trades in e-commerce field, and such trading has been progressing smoothly, and (iii) in the interviews with SGHD 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 SGHD Transaction. In light of these facts, the Special Committee can envision a concrete path toward the creation of large synergies through the SGHD Transaction, and the Special Committee can expect to create large synergies with a high degree of certainty, similar to the views of SGHD and our management. It is recognized that there are basically no dyssynergies or disadvantages associated with the SGHD Transaction (if any, they are limited). The SGHD 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 SGHD and the tender offer prices proposed by the Counter-Offerors other than SGHD, the SGHD Tender Offer Price can be evaluated as a reasonable price based on the positive assessment of the synergies generated by the SGHD 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 SGHD

Transaction.

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

With regard to the Transaction and the transaction related to the Counter-Proposals from the Counter-Offerors other than SGHD, our management believes that the enhancement of our corporate value beyond the SGHD 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 SGHD 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" of "3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer" mentioned in the Endorsement Opinion for SGHD Tender Offer. 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 SGHD 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., SGHD) 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 Tender Offeror and the Counter-Proposals by other than SGHD were inferior to the SGHD Tender Offer Price, and the terms and conditions of the SGHD Transaction were the best among those proposed.

b. Validity of the SGHD 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 SGHD 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 SGHD 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 Transaction by the 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 SGHD 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 SGHD 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 SGHD 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 Tender Offer by the 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 SGHD 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 Tender Offer.

### iv. Summary

The SGHD 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 SGHD Tender Offer Price is given an advantageous premium over similar transactions in the past, the SGHD 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 SGHD Tender Offer.

Because the SGHD Tender Offer Price is considered to be reasonable as the tender offer price for the SGHD Tender Offer, the SGHD 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 SGHD Tender Offer Price.

c. Validity of the scheme

The first step adopted in the SGHD Transaction is to make a tender offer by setting the minimum number of shares that SGHD 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 SGHD 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 SGHD Tender Offer excludes coerciveness.

d. Summary

As described above, the terms and conditions of the SGHD Transaction are deemed to be fair and reasonable for the following reasons: (i) the SGHD Tender Offer Price and other terms and conditions of the SGHD Transaction are the best of the proposals obtained through fair market checking; (ii) the SGHD Tender Offer Price for SGHD 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 SGHD Transaction is also deemed to be reasonable.

(C) Examination of the fairness of the review procedures for the SGHD Transactions

As the following measures to ensure fairness were taken when considering the SGHD Transaction, it is recognized that, when considering the SGHD 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," of "3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer" mentioned in the Endorsement Opinion for SGHD Tender Offer, 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 Tender Offeror and the Transaction, from SGHD and the SGHD Transaction, as well as from the Counter-Offerors other than SGHD 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 Co., Ltd. ("QuestHub"), TMI Associates and Plutus, independent from the 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 Tender Offeror nor of the Counter Offerors including SGHD, nor of the Company, and do not have any material interest in the Transaction nor of the transactions related to the Counter Proposals, including the SGHD Transaction. Our management has reviewed the SGHD 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 Tender Offeror and our management and the Counter-Offerors including SGHD. 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 Proposal and the Counter-Proposals including the SGHD 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 Proposal and the Counter-Proposals, (ii) the procedures related to the Proposal and the Counter-Proposals including the SGHD Proposal, and (iii) the points to be addressed in the decision-making regarding the Proposal, the Counter-Proposals including the SGHD Proposal received from SGHD regarding the SGHD 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" of "3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer" mentioned in the Endorsement Opinion for SGHD Tender Offer, and SGHD's proposal for the SGHD 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 Tender Offer in early May 2024 and the actual commencement of the 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 SGHD in light of such circumstances as the fair treatment of the proposers; and (E) the Company could receive legally binding proposals from four Counter-Offers other than 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 Proposal from the Tender Offeror on March 21, 2024, and since the Tender Offeror gave notice of the commencement of the Tender Offer, the Company has been holding press releases each time for inquiries and responses to the 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 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 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 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 SGHD Tender Offer, the Company will make a press release expressing our opinions on the SGHD Tender Offer and the 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 SGHD 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 Tender Offeror and the Counter-Offers including SGHD. 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 Tender Offeror and the Counter-Offers including SGHD. For more information on these calculations, please refer to "ii. Review of calculation results" of "b. Validity of SGHD Tender Offer Price" of "(b) To examine the validity of the terms and conditions of the Transaction" above.

vi) Tender Offer Period

In the SGHD Tender Offer, the SGHD 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 SGHD Tender Offer (and to make purchases of our shares by persons other than SGHD).

vii) Elimination of coercive forces

In the SGHD Transaction, in SGHD conducted as a first step, the minimum number of planned purchases is set such that SGHD owns at least two-thirds of the total number of voting rights of SGHD after the SGHD Tender Offer is successfully completed. This is a scheme that ensures squeeze-out after the SGHD 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 SGHD Tender Offer will be calculated to be the same as the price obtained by multiplying the SGHD Tender Offer Price by the number of the Company Shares owned by each shareholder (excluding the Company and SGHD), and this will be announced at the commencement of the SGHD 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 SGHD Tender Offer, and by such measures the scheme of the SGHD Tender Offer could be evaluated to have considered to have no coercive force.

(D) Summary

As described in (A) above, the SGHD 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 SGHD Tender Offer are considered to be reasonable. In addition, as described in (C) above, fair procedures have been implemented in the SGHD 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 SGHD Tender Offer and recommend our shareholders to tender their Company Shares to the SGHD Tender Offer, and that the SGHD Tender Offer will not be detrimental to our minority shareholders.

(b) Consideration of the Tender Offer

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

(c) Summary

As described in (a) above, the SGHD 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 SGHD Tender Offer and recommend our shareholders to tender in the SGHD 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 Tender Offer, which is in an alternative relation to the SGHD Tender Offer, and to express its opinion to recommend our shareholders not to tender in the Tender Offer, which is appropriate for the Company to express its endorsement, and also the Special Committee considers that it is appropriate that the 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 SGHD Tender Offer Price, the Counter-Offers made by the Counter-Offerors other than SGHD shall not be deemed to be superior to the SGHD Transaction from the viewpoint of

improving our corporate value and the common interests of shareholders.

② Obtaining advice from an independent legal advisor by the Company

Please refer to the Endorsement Opinion for SGHD Tender Offer.

③ Obtaining advice from an independent third-party calculation organization by the Company

Please refer to the Endorsement Opinion for SGHD Tender Offer.

④ Obtaining advice from an independent legal advisor by the Special Committee

Please refer to the Endorsement Opinion for SGHD Tender Offer.

⑤ Obtaining advice from an independent third-party calculation organization by the Special Committee

Please refer to the Endorsement Opinion for SGHD Tender Offer.

⑥ 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 "(ii) Grounds and Reasons for Opinion" in "(2) Grounds and Reasons for Opinions Concerning Tender Offer", the Company resolved at the meeting of our board of directors held on May 31, 2024 to endorse the SGHD 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), and to recommend the Company's shareholders to tender their shares in the SGHD Tender Offer, and also to express to oppose the Tender Offer, which is in the alternative position to the SGHD Tender Offer.

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

According to the tender offer statement filed by the Tender Offeror on May 2024, there are no applicable matters.

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 the Endorsement Opinion for SGHD Tender Offer.

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

Please refer to the Endorsement Opinion for SGHD Tender Offer.

END