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Securities code: 9099

September 5, 2024

(Date of commencement of measures for electronic provision: August 29, 2024)

To Shareholders with Voting Rights:

Hiromasa Aya
Representative Director, President and Chief
Executive Officer
Chilled & Frozen Logistics Holdings Co., Ltd.
33-8, Wakamatsu-cho, Shinjuku-ku,
Tokyo, Japan

**NOTICE OF THE CONVOCATION OF
THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the Extraordinary Meeting of Shareholders of Chilled & Frozen Logistics Holdings Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (“measures for electronic provision”) and has posted matters subject to measures for electronic provision on the following website.

The Company website : <https://www.cflogi.co.jp/en/ir/2024/>

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted on the following website.

Tokyo Stock Exchange (TSE) website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* To view the information, please enter the issue name (Chilled & Frozen Logistics Holdings) or securities code (9099), and click on “Search,” and then click on “Basic Information” and select “Documents for public inspection/PR information.”

Online convocation service *Net de Shoshu*: <https://s.srdb.jp/9099/> (in Japanese only)

If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing by mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Thursday, September 19, 2024.

- 1. Date and Time:** Friday, September 20, 2024 at 10:00 a.m. (Reception opens at 9:30 a.m.)
2. Place: Room “Chidori,” 3rd floor, Main building, Hotel Metropolitan Edmont Tokyo
10-8, Iidabashi 3-chome, Chiyoda-ku, Tokyo

3. Meeting Agenda:

Proposal to be resolved:

Proposal 1 Share Consolidation

Proposal 2 Partial Amendments to the Articles of Incorporation

4. Matters Determined for Convocation

- (1) If neither approval nor disapproval for the proposal is indicated on the voting rights exercise form, the Company will deem that you indicated your approval for the proposal.
- (2) If you exercise your voting rights both via the Internet and in writing, only the vote made via the Internet will be deemed valid.
- (3) If you exercise your voting rights multiple times via the Internet, only the most recent vote will be deemed valid.

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- When you attend the meeting, please kindly submit the enclosed voting right exercise form at the reception desk.
 - If any amendments are made to the matters subject to measures for electronic provision, such amendments will be posted on the respective websites where the matters are posted.

Reference Documents for the General Meeting of Shareholders

Proposal and Reference Matters

Proposal 1: Share Consolidation

1. Purposes and reasons for the share consolidation

As we, Chilled & Frozen Logistics Holdings Co., Ltd. (“we” or the “Company”) announced in the “Notice Concerning Announcement of Opinion (Endorsement and Recommendation for Tender) as to Tender Offer for Company Shares by SG Holdings Co., Ltd.,” which was released by the Company on May 31, 2024 (the “Press Release Expressing the Company’s Opinion”), SG Holdings Co., Ltd. (the “Tender Offeror”) has decided to launch a tender offer (the “Tender Offer”) as part of a transaction (the “Transaction”) aimed at acquiring all the of Company's common shares (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 announced in the “Notice of Results of the Tender Offer for the Company Shares by SG Holdings Co., Ltd. and Changes in Parent Company and Largest Shareholder,” released by the Company on July 13, 2024, the Tender Offeror conducted the Tender Offer from June 3, 2024 to July 12, 2024. As a result, as of July 22, 2024 (the commencement date of settlement of the Tender Offer), the Tender Offeror holds 18,287,006 Company Shares (voting rights holding ratio (Note 1): 84.83%).

(Note 1) “Voting rights holding ratio” is calculated using as the denominator the number of voting rights (215,571) corresponding to the total number of shares (21,557,194 shares) as of March 31, 2024, obtained by subtracting the number of treasury shares owned by the Company as of the same date (4,133,572 shares) from the total number of issued shares (25,690,766 shares) as stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” submitted by the Company on May 9, 2024. The result is rounded to the nearest hundredth.

The Tender Offer was successfully completed as described above. However, since the Tender Offeror was unable to acquire all of the Company Shares (excluding the treasury shares owned by the Company) through the Tender Offer, the Tender Offeror requested the Company to implement a share consolidation (the “Share Consolidation”) to make the Tender Offeror the sole shareholder of the Company. Accordingly, the Company has decided to implement a share consolidation by consolidating 5,000,000 shares of the Company into 1 share, subject to the approval of the shareholders at the Extraordinary General Meeting of Shareholders, as described in “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two step acquisition”)” in “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company’s Opinion. As a result of the share consolidation, the number of Company Shares held by shareholders other than the Tender Offeror will become a fractional share less than 1 share.

The details of the purpose and background of the Transaction, including the Share Consolidation, have been announced in the Press Release Expressing the Company’s Opinion. However, we would like to once again provide an outline of the details below.

(1) Proposal from AZ-COM MARUWA Holdings Co., Ltd., Confirmation of Sincerity of Proposal, and History of Establishment of Examination System

We received from AZ-COM MARUWA Holdings Co., Ltd. (“Preceding Tender Offeror”) its letter of intent regarding a tender offer on March 21, 2024, 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”), and have commenced the examination of the Preceding Proposal.

Specifically, as described in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” in “3. Matters concerning the appropriateness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act” 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, 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 the Preceding Proposal made by the Preceding 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 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”). Then the Company established, upon the resolution at the Board of Directors’ meeting on April 1, 2024, a special committee (the “Special Committee”), in order to conduct examinations and negotiations regarding the Preceding Transaction and any sincere counter transactions to the Preceding Transaction (such sincere counter proposal(s) to the Preceding Transaction is hereinafter referred to as the “Counter Proposal(s),” the offerors making these counter proposals as “Counter Offerors,” and any transaction related to the Counter Proposal(s) as “Counter Transaction”) from the standpoint of being independent from all of the Preceding Tender Offeror, the Company and the success or failure of the Preceding Transaction. The committee consists of six (6) members: i.e., Mr. Nobuyuki Takagi (Chairman of the Special Committee, an independent outside director who is an Audit and Supervisory Committee member), Mr. Akihiro Mizutani (an independent outside director), Mr. Takeshi Tanaka (an independent outside director), Ms. Shiho Tachi (an independent outside director who is an Audit and Supervisory Committee member, and an attorney-at-law), Mr. Shiro Toba (an independent outside director who is an 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). The Special Committee is expected to supervise the market check process and compare the Preceding Proposal with Counter Proposals, and it was considered beneficial to include a person with advanced knowledge and experience in M&A and organizational restructuring, etc., in the Committee. Although Mr. Yoshiyuki Wada is not a director of the Company, he was appointed as a member of the Special Committee due to his extensive expertise and knowledge in M&A, organizational restructuring, financial condition improvement, and other relevant areas, as well as his experience as a certified public accountant who has served as a member of many independent investigation committees related to 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. Regarding Matter (c) of the Matters of Inquiry, we included this matter 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 Offers, we considered it necessary to prepare for the possibility that a third-party would appear as a Counter Offeror after confirming the contents of the same press release.

Also, in establishing the Special Committee, our Board of Directors resolved the following: (a) The Special Committee may, if it deems necessary, by a majority vote of its members, prescribe the selection of the Chairman and other matters relating to the administration of the Special Committee; (b) The Special Committee may, at the Company's expense, conduct surveys of the Preceding Transaction and Counter Transaction(s). This includes questioning and seeking explanations and advice from our officers, employees or the advisers related to the Preceding Transaction or the Counter Transactions, on matters necessary for the consideration of these Matters of Inquiry; (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 officers 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); (d) In the event that the recommendation to be set out in the recommendation report is not unanimously agreed upon 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 request that his or her view be stated in the recommendation report; that (e) For the convenience of the proceedings, even if any officers or employees of the Company or any advisors to the Company for the Preceding Transactions or the Counter Transactions are attending to a meeting of the Special Committee, the Special Committee may order such attendees to leave as needed; and (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; the Special Committee may also appoint or request a change of advisors to the Company for 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” in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” in “3. Matters concerning the appropriateness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act” below, the Special Committee has approved the Company's appointment 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” in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” in “3.

Matters concerning the appropriateness of the provisions regarding the matters listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act” below, the Special Committee appointed Nagashima Ohno & Tsunematsu as its own legal advisor and YAMADA Consulting Group Co., Ltd. (“Yamada-CG”) as its own independent financial advisor and third-party calculation organization, based on the authority mentioned above in early April 2024.

(2) 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 had been publicly announced). Subsequently, as announced in our “Notice Concerning Sending the List of Inquiries as to Scheduled Commencement of Tender Offer for the 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 a list of inquiries (the “Questionnaire dated April 10”), requesting information deemed necessary for our sincere consideration of the Preceding Proposal 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 Company Shares held by Mr. Masaru Wasami, President and CEO 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). The Preceding Tender Offeror provided a reply to the Questionnaire dated April 10 (the “Reply dated April 12”) 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, based on the contents of the Reply dated April 12, we consulted with the Special Committee and sent to the Preceding Tender Offeror the “Second Inquiries List” to request additional information deemed necessary for our consideration, etc. as to the Preceding Proposal (hereinafter referred to as the “Question Letter dated April 19”). In this Question Letter, the Board of Directors requested further information on the schedule, scheme, and transaction terms of the Preceding Proposal, a factual understanding of the circumstances of the Preceding Proposal, the acquisition of the Company Shares held by Mr. Masaru Wasami, President and CEO of AZ-COM MARUWA Holdings, Inc., as well as information on synergies, dyssynergies, and financial risks of AZ-COM MARUWA Holdings, Inc. after the Preceding Transaction. And, we 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 considered necessary for the consideration, etc. of the Preceding Proposal.

Following the receipt of the Preceding Proposal from the Preceding Tender Offeror, we received expressions of interest in acquiring the Company from multiple strategic buyers and investment funds including the Tender Offeror. In light of this situation, and in order to seek the best option for enhancing our corporate value and the common interests of our shareholders, in accordance with the “Guidelines for Corporate Takeovers.”, as a market check, in early April 2024, we requested companies that had directly expressed an interest in us, as well as those that had approached us with proposals through QuestHub, to submit letters of intent. As of April 9, 2024, we received nine non-

legally binding preliminary letters of intent from strategic buyers and investment funds (not including the Preceding Tender Offeror; hereinafter referred to as the “Initial Offerors”), regarding potential partnerships aimed at enhancing the Company’s long-term corporate value, as counter proposals to 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. 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 the consideration of the counter proposal. Although we informed the Preceding Tender Offeror in the Questionnaire dated April 10 that we were prepared to cooperate with its due diligence, we have not responded to the due diligence by the Preceding tender Offeror because the Preceding 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 to the Preceding Proposal received from the Initial Offerors, the Company and the Special Committee sent a “Request Letter” to the Preceding 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 received legally binding proposals (collectively, the “Counter Proposals”) from the four strategic buyers and investment funds (collectively, the “Counter Offerors”), among the Initial Offerors, that we invited to participate in the due diligence process. In the course of comparing and examining the Counter Proposals and the Preceding Proposal, we found that the Tender Offeror’s proposed price of 5,740 yen per share was the highest among the Preceding Tender Offeror and the Counter Offerors. Although the Tender Offeror requested additional due diligence, we considered the Tender Offeror to be superior to the other Counter Offerors and the Preceding Tender Offeror, in terms of both probability of completion of the transaction and strategies 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 an additional opportunity for due diligence.

Since then, the Company and the Tender Offeror have engaged in continuous discussions and negotiations toward the implementation of the Transaction. Specifically, in mid-May 2024, we provided the Tender Offeror with the opportunity for additional due diligence as requested, and on May 22, 2024, we received a notice from the Tender Offeror stating that the proposed price of the Tender Offer would not be changed even after the implementation of the additional due diligence.

Based on the above developments, the Company carefully examined and discussed whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Company’s corporate value and whether the terms and conditions of the Transaction, including the purchase price per share of the Company Shares in the Tender Offer (the “Tender Offer Price”), were appropriate.

As a result, the Company has concluded that the Transaction will contribute to the enhancement of the Company’s corporate value as described below.

To explain the details, after the Transaction, the Company aims to realize and implement synergies and measures such as: (1) utilizing the Tender Offeror's Group's sales structure and customer base; (2) improving the efficiency of cold chain logistics (Note 2); (3) strengthening international and overseas services; (4) expanding medical-related fields; and (5) incorporating in-house logistics for food processing manufacturers. These objectives are outlined in “② Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer” under “(2) Grounds and Reasons for Opinion Concerning Tender Offer” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company's Opinion. Through these initiatives, the Transaction is expected to significantly contribute to solving the urgent management issues faced by the Company such as addressing the so-called “2024 Logistics Problem (the “2024 Problem”), an industry-wide concern about transportation capacity shortages due to the upper limit on overtime hours in automobile driving operations (effective from April 1, 2024), as well as improving the efficiency of logistics networks. The Transaction will also contribute to achieving the third medium-term business plan and expanding the EC-related logistics business, overseas business, and other businesses requiring low-temperature management, which we position as growth fields, as well as strengthening existing businesses centered on the joint delivery business. In addition, the Transaction is expected to 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. Due to these reasons, the Company has determined that the Transaction should contribute to its medium- to long-term growth and the improvement of its corporate value.

(Note 2) “Cold chain” refers to low-temperature logistics to maintain the quality of frozen and refrigerated cargo.

In addition, as described in “② Matters concerning the method of treatment of fractional shares, the amount of money expected to be delivered to shareholders as a result of such treatment, and the reasonableness of such amount, under (2) Grounds, etc. for the amount of money expected to be delivered to shareholders as a result of the treatment of fractional shares pertaining to the share consolidation” in “3. Matters concerning the appropriateness of the provisions regarding the matters listed in each Item of Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Company has determined that the Tender Offer Price of 5,740 yen per share is a reasonable price for the Company's ordinary shareholders and the Tender Offer will provide the Company's ordinary shareholders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium.

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, since 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 to recommend that the Company Shares be tendered to the Tender Offer, the Board of Directors has also resolved to express its opposition to the Preceding Tender Offer. For details of the resolution, please refer to the “Notice Concerning Announcement of Opinion (Opposition) as to Tender Offer for Company Shares by AZ-COM MARUWA Holdings Inc.” announced by the Company on May 31, 2024.

2. Matters listed in each item of Article 180, Paragraph 2 of the Companies Act

(1) Ratio of consolidation

5,000,000 Company Shares will be consolidated into 1 Company Share

(2) Date on which the Share Consolidation takes effect (effective date)

October 11, 2024

(3) Total number of shares authorized to be issued as of the effective date

16 shares

3. Matters concerning the appropriateness of the provisions regarding the matters listed in each Item of Article 180, Paragraph 2, Items 1 and 3 of the Companies Act

As for the ratio of consolidation in the Share Consolidation, 5,000,000 Company Shares will be consolidated into 1 Company Share. The Company has determined that the ratio of consolidation in the Share Consolidation is appropriate because the Share Consolidation is intended to make the Tender Offeror the sole shareholder of the Company, the Tender Offer conducted as part of the Transaction has been completed through the process described in “1. Purposes and reasons for the Share Consolidation” above, and the following matters.

(1) The method of treatment of fractional shares and the amount of money expected to be delivered to shareholders as a result of such treatment

① Whether the treatment will be implemented under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act; and the reasons therefor

As described in “1. Purposes and reasons for the Share Consolidation” above, as a result of the Share Consolidation, the number of Company Shares held by shareholders other than the Tender Offeror will be reduced to fractions of less than 1 share. For any fractional shares resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total sum of the fractional shares (with any fractions in the total sum rounded off) and deliver the proceeds from the sale to the shareholders in proportion to their respective fractional shares.

Regarding such sale, considering that the Share Consolidation will be implemented as part of the Transactions intended to make the Tender Offeror the sole shareholder of the Company, and that the possibility of purchasers appearing at auction is low since the Company Shares are to be delisted on October 9, 2024, resulting in no market price, the Company plans to sell the fractional shares to the Tender Offeror with the permission of the court, according to the provisions of the Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the same shall apply hereinafter) as applied mutatis mutandis pursuant to the Article 235, Paragraph 2 of the same Act.

In this case, if the court permission is obtained as scheduled, the sale amount will be set at a price such that each shareholder will receive a cash amount equivalent to the number of the Company Shares held by the shareholder multiplied by 5,740 yen, the same amount as the Tender Offer Price. However, the actual amount to be delivered may differ from the above amount in cases where

permission of the court cannot be obtained or where fractional adjustments are required in the calculation.

- ② Name of the prospective purchaser of shares to be sold
SG Holdings Co., Ltd.

- ③ Method for the prospective purchaser to secure funds for payment of the sale proceeds and the appropriateness of such method

The Tender Offeror plans to fund the acquisition of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation with its cash and cash equivalents and by borrowing from MUFG Bank, Ltd. (“MUFG Bank”). The Company has verified the Tender Offeror’s method of securing funds by reviewing the certificate of deposit balance as of May 31, 2024 and the loan certificate dated May 31, 2024 regarding the loan from MUFG Bank, both of which were submitted as attachments to the Tender Offer Registration Statement for the Tender Offer. According to the Tender Offeror, no events have occurred that may hinder the payment of proceeds from the sale of Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation, and the Tender Offeror does not anticipate any risk of such events occurring in the future.

Accordingly, the Company has determined that the Tender Offeror’s method of securing funds for the payment of the proceeds from the sale of shares corresponding to fractional shares is appropriate.

- ④ Expected timing of sale and delivery of proceeds from the sale to shareholders

After the Share Consolidation becomes effective, the Company plans to file a petition with the court in early November 2024, according to the provisions of the Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, seeking permission to sell the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation. While the timing of obtaining such permission may vary depending on the circumstances of the court or other factors, the Company expects to, with the permission of the court, sell such Company Shares in early December 2024, and then make the necessary preparations to deliver the proceeds from such sale to the Company’s shareholders, and deliver the proceeds to the Company’s shareholders around late January 2025. Considering the period of time required for the series of procedures for the sale from the effective date of the Share Consolidation, the Company has determined that the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation will be sold and the proceeds from such sale will be delivered to the shareholders at the respective times as described above.

The proceeds of such sale will be delivered to each shareholder listed in the final shareholder register of the Company as of October 10, 2024, the day before the effective date of the Share Consolidation, in accordance with the method of delivery of dividend property by the Company.

- (2) Grounds, etc. for the amount of money expected to be delivered to shareholders as a result of the treatment of fractional shares pertaining to the share consolidation

- ① Matters to be considered so as not to impair the interests of shareholders other than the parent company, etc. in cases where the parent company, etc. exists

The Tender Offeror and the Company have considered the fact that the Tender Offer is part of the Transaction intended to make the Company a wholly-owned subsidiary of the Tender Offeror, and

that the Transaction, including the Tender Offer, will be made as a counter proposal to the Preceding Proposal following a market check by the Company. Accordingly, measures have been taken to ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the decision-making process leading to the Tender Offer, and ensure its fairness and transparency. These measures are described in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below.

- ② Matters concerning the method of treatment of fractional shares, the amount of money expected to be delivered to shareholders as a result of such treatment, and the reasonableness of such amount

In the Share Consolidation, as described in “① Whether the treatment will be implemented under (i) Article 235, Paragraph 1 of the Companies Act or (ii) Article 234, Paragraph 2 of the same Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act; and the reasons therefor” under “(1) The method of treatment of fractional shares and the amount of money expected to be delivered to shareholders as a result of such treatment,” within “3. Matters concerning the appropriateness of the provisions regarding the matters listed in each Item of Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Company plans to deliver to shareholders an amount of money equivalent to the number of Company Shares held by shareholders multiplied by 5,740 yen, the same amount as the Tender Offer Price.

The Company has determined that the Tender Offer will provide the Company’s shareholders with a reasonable opportunity to sell their shares, based on the fact that the Tender Offer Price has been determined to be appropriate for the following reasons:

(i) The Tender Offer 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;

(ii) The Tender Offer Price was 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, as described in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below;

(iii) The Tender Offer 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” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company’s Opinion. Plutus calculated them using the market price method, the method of comparison with similar companies, and the discounted cash flow method (the “DCF method”);

(iv) The Tender Offer Price adds 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 yen, 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 fluctuations in the Company Share’s price. The price also includes a premium of 199% over the simple average of closing prices for the past 1 month of 1,919 yen (rounded off to the nearest whole number. The same applies in the calculation of the simple average of closing prices herein), a premium of 232% over the simple average of closing prices for the past 3 months of 1,729 yen, and a premium of 267% over the simple average of closing prices for the past 6 months of 1,565 yen. This indicates that the price has been granted a superior premium level compared to similar transactions in the past, considering premium levels in 60 cases of similar transactions (median: 34%

and average: 46% compared to the previous day's closing price, median: 38% and average: 48% compared to the average closing prices of the past 1 month up to and on the previous day, median: 41% and average: 52% compared to the average closing prices of the past 3 months up to and on the previous day, and median 45% and average 54% compare to the average closing prices of the past 6 months up to and on the previous day). The comparison is based on similar cases of tender offers that were successfully completed by May 21, 2024, among those publicly announced 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. (However, among such successfully completed tender offers, only examples of those with the premise of going private by a third party, targeting domestic listed companies (excluding those on the Tokyo Pro Market) where the tender offeror owned less than 20.00% of voting rights before the tender offer, are considered. This excludes cases of tender offers for treasury stock, so-called discount tender offers and management buy-out (MBO) (Note 3) transactions);

(v) In the Transaction, the period for the tender offer (the "Tender Offer Period") is set at 30 business days to ensure that ordinary shareholders have the opportunity to make appropriate decisions regarding applications for the Tender Offer;

(vi) In the squeeze-out procedures (the "Squeeze-Out Procedures"; a series of procedures to be implemented to take the Company Shares private after the settlement commencement date if the Tender Offeror comes to hold two-thirds (2/3) or more of the voting rights of all shareholders of the Company as a result of the Tender Offer; the same shall apply hereinafter), the amount of money to be delivered to shareholders will be calculated to be equal to the amount obtained by multiplying the Tender Offer Price by the number of 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; and

(vii) 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 at the Company and acquisition of a recommendation report from the Special Committee" under "(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest" below.

(Note 3) "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.

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. Subsequently, up to the date of the Board of Directors meeting on August 22, 2024, at which the resolution was passed to convene the Extraordinary General Meeting of Shareholders, the Company has confirmed that there have been no material changes to the terms and conditions underlying its decision regarding the Transaction.

Based on the above, the Company has determined that the amount of money expected to be delivered to shareholders as a result of the treatment of fractional shares is reasonable.

- ③ Disposition of significant assets, assumption of material liabilities, or other events with a significant impact on the status of the Company's assets that occurred after the last day of the most recent fiscal year

As described in “1. Purposes and reasons for the Share Consolidation” above, the Tender Offeror conducted the Tender Offer from June 3, 2024 to July 12, 2024, which resulted in the Tender Offeror owning 18,287,006 Company Shares as of July 22, 2024 (the commencement date of settlement of the Tender Offer).

In addition, on August 22, 2024, the Company’s Board of Directors resolved to cancel 4,020,672 treasury shares (corresponding to all of the treasury shares owned as of July 31, 2024) as of October 10, 2024. Such cancellation of treasury shares is subject to the approval of the proposal for the Share Consolidation at the Extraordinary General Meeting of Shareholders as originally proposed.

(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest

The Tender Offeror and the Company have considered the fact that the Tender Offer is part of the Transaction intended to make the Company a wholly-owned subsidiary of the Tender Offeror, and that the Transaction, including the Tender Offer, will be made as a counter proposal to the Preceding Proposal following a market check by the Company, and, accordingly, have taken the following measures to ensure the fairness of the Tender Offer Price, eliminate arbitrariness in decision-making process leading to the Tender Offer, and ensure its fairness and transparency.

The statements below regarding measures taken by the Tender Offeror are based on the explanation received from the Tender Offeror.

① Procurement of share valuation reports from an independent financial advisor and third-party calculation organization by the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror engaged Daiwa Securities Co. Ltd. (“Daiwa Securities”), a financial advisor, as a third-party calculation organization independent of the Tender Offeror, the Company and Preceding Tender Offeror, 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 belief that it is appropriate to evaluate the value of the Company’s shares from multiple perspectives on the assumption that the Company is a going concern, Daiwa Securities employed the market share price method, which takes into account trends in the Company’s market stock prices; the comparable listed companies method, as there are several listed companies comparable to the Company, making it possible to infer the Company share value through comparison; and the DCF Method, which reflects the future business activities and conditions in the valuation. Using 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 under the category of a related party of the Tender Offeror, the Company or the Preceding Tender Offeror, and has no material interest in the Tender Offer. In addition, the Tender Offeror believes that sufficient consideration has been given to the interests of the Company’s minority shareholders in consideration of the implementation of other measures by the Company to ensure fairness related to the Transaction and measures to avoid conflicts of interests. Therefore, the Tender Offeror has not obtained a fairness opinion regarding the fairness of the Tender Offer Price from Daiwa Securities.

For details of the Share Valuation Report (Daiwa Securities) obtained by the Tender Offeror from Daiwa Securities, please refer to “③ Procurement of a share valuation report from an independent third-party calculation organization by the Tender Offeror” under “(3) Matters Regarding the

Calculation” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company’s Opinion.

② Establishment of an independent special committee at the Company and acquisition of a recommendation report from the Special Committee

As described in “1. Purposes and reasons for the Share Consolidation” above,” the Company established the Special Committee by resolution of its Board of Directors’ meeting on April 1, 2024. The Company confirmed 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 any material interest in the success or failure of the Preceding Transaction, which differs from that of the ordinary shareholders. Based on the results of hearing opinions from 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 an Audit and Supervisory Committee member), Mr. Akihiro Mizutani (an independent outside director), Mr. Takeshi Tanaka (an independent outside director), Ms. Shiho Tachi (an independent outside director who is an Audit and Supervisory Committee member, and an attorney-at-law), Mr. Shiro Toba (an independent outside director who is an 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). The members of the Special Committee have remained unchanged since its establishment. 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. This compensation does not include a success fee contingent upon the completion of the Transaction.

The Special Committee is expected to supervise the market check process and compare the Preceding Proposal with Counter Proposals, and it was considered beneficial to include a person with advanced knowledge and experience in M&A and organizational restructuring, etc., in the Committee. Although Mr. Yoshiyuki Wada is not a director of the Company, he was appointed as a member of the Special Committee due to his extensive expertise and knowledge in M&A, organizational restructuring, financial condition improvement, and other relevant areas, as well as his experience as a certified public accountant who has served as a member of many independent investigation committees related to corporate valuation.

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

In connection with such consideration, the Special Committee appointed Nagashima Ohno & Tsunematsu as its own legal advisor and Yamada-CG as its own independent financial advisor and third party calculation organization on April 3, 2024, after confirming that there were no problems with their expertise and independence from the Preceding Tender Offeror and the Company. Subsequently no problems with their independence from the Counter Offerors, including the Tender Offeror, 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 reviewing

the materials and documents received from the Preceding Tender Offeror, Counter Offerors including the Tender Offeror, and the Company's management, as well as having interviews with each of the Preceding Tender Offeror and the Counter Offerors, including the Tender Offeror. Additionally, the Special Committee received reports from the Company's management on a timely basis regarding the process and content of discussions and negotiations between the Company's management and the Preceding Tender Offeror and between the Company's management and the Counter Offerors, including the Tender Offeror. At the same time, the Special Committee discussed the consultation and negotiation policies that the Company should take and 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 communications with the Preceding Tender Offeror.

As a result of the above-mentioned developments, the Special Committee, after careful discussion and consideration regarding the Matters of Inquiry as stated above, submitted the Report to the Board of Directors of the Company on May 31, 2024, with the unanimous consent of all members. The Report 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 shareholders of the Company tender their Company Shares to the Tender Offer. The Tender Offer is not disadvantageous to minority shareholders of the Company. (Report on Matter (c) of the Matters of Inquiry.)

Since the Preceding Tender Offer has an alternative relationship with the Tender Offer, for which the Board of Directors resolved to express its endorsement and to recommend that the Company Shares be tendered to the Tender Offer, the Board of Directors should express its opposition to the Preceding Tender Offer and request that the Company's shareholders not tender their shares to the Preceding Tender Offer. (Report on Matter (a) of Matters of Inquiry.) Regarding whether the Preceding Tender Offer is disadvantageous to minority shareholders of the Company, since the Tender Offer, which is more advantageous to minority shareholders than the Preceding Tender Offer, will be implemented, it must be concluded that the Preceding Tender Offer is disadvantageous. (Report on Matter (b) of Matters of Inquiry.)

(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 Company's management, 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” under “(2) Grounds and Reasons for Opinion Concerning Tender Offer” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company's Opinion.

In addition, the Special Committee examined each of the materials and documents submitted by the Company's management, received reports from the Company's management from time to time, and confirmed its recognition of the Company's urgent management issues, the significance and purpose of the Transaction, the expected synergies from the Transaction, and the assessment of the potential disadvantages and dyssynergies associated with the Transaction. These points are 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” in the Press Release Expressing the Company's Opinion. The Special Committee also confirmed that the Company's 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 generally shares the same views as the Company's management regarding the significance and purpose of the Transaction, the expected synergies from the Transaction, and the assessment of the disadvantages and dyssynergies associated with the Transaction, and that there is nothing unreasonable about the views held by the Tender Offeror and the Company's management. The measures and efforts that the Tender Offeror considers necessary to realize the synergies from the Transaction are important measures that will contribute to creating synergies within the Tender Offeror's Group, of which we will become a member through the Transaction, and to further enhancing our corporate value, as they align with our current challenges, such as addressing the “2024 Problem” and improving the efficiency of our distribution network. In light of (i) the clear complementary relationship between the Company, which has strengths mainly in the midstream of logistics, and the Tender Offeror, which has strengths in last-mile delivery, in improving the efficiency of cold-chain logistics, with little overlap in our functions; (ii) the existing track record of transactions between the Company and the Tender Offeror's Group in the e-commerce field, which has been progressing smoothly; and (iii) specific explanations obtained from the Tender Offeror during interviews regarding measures expected to generate short-term synergies from the Transaction, the Special Committee can envision a concrete path toward the creation of significant synergies through the Transaction. Similar to the views of the Tender Offeror and the Company's management, the Special Committee expects the generation of substantial synergies with a high degree of certainty. It is recognized that there are essentially 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) (as defined in “⑥ Procurement of a share price valuation report from an independent third-party calculation organization by the Special Committee” below). 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 are no specific concerns about the possibility of extremely high-risk business operations following the Transaction.

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

With regard to the Preceding Transaction and the transactions related to the Counter Proposals from the Counter Offerors other than the Tender Offeror, the Company's

management believes that these transactions are not expected to enhance the Company's corporate value beyond that of the Transaction, and the Special Committee considers this view to be not unreasonable.

b) To examine the appropriateness of the terms and conditions of the Transaction

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

The Company has conducted an active market check through the process described in "(ii) History of Examinations and Negotiations" under "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" within "(2) Grounds and Reasons for Opinion Concerning the Tender Offer" in the Press Release Expressing the Company's Opinion. The Special Committee considers this process is a fair market checks 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 while ensuring a competitive environment, are expected to fairly allocate the increase in corporate value resulting from the acquisition between the acquirer (the Tender Offeror) and the shareholders of the target company (the Company). The prices proposed by the Preceding Tender Offeror and the Counter Proposals from parties other than the Tender Offeror were inferior to the Tender Offer Price, making the terms and conditions of the Transaction the best among those proposed.

b. Appropriateness of the Tender Offer Price

i. Procedures of formulation and content 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, the Special Committee has determined, based on the explanations of our management to the Special Committee and the question and answer sessions with the Special Committee, that there are no circumstances that should be questioned about the fairness of the process for formulating the business plan and that there are no unreasonable aspects 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 aspects for the adoption of these methods, and (ii) there are no unreasonable aspects for the rationality of the calculations made by Plutus and Yamada-CG. Therefore, the Special Committee has determined 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 adds a premium of 181% to 2,041 yen, 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 fluctuations in the Company Share's price. The price also includes a premium of 199% over the simple average of closing prices for the past 1 month of 1,919 yen, a premium of 232% over the simple average of closing prices for the past 3 months of 1,729 yen, and a premium of 267% over the simple average of closing prices for the past 6 months of 1,565 yen. In addition, the said price has a premium of 17% over 4,900 yen, which was the closing price of the Company Shares on the TSE on May 30, 2024, the business day prior to the preparation date of the Report. The price also includes a premium of 33% over the simple average of closing prices for the past 1 month of 4,327 yen, a premium of 76% over the simple average of closing prices for the past 3 months of 3,261 yen, and a premium of 134% over the simple average of closing prices for the past 6 months of 2,452 yen.

This indicates that the Tender Offer Price has been granted a superior premium level compared to similar transactions in the past, considering premium levels in 60 cases of similar transactions (median: 34% and average: 46% compared to the previous day's closing price, median: 38% and average: 48% compared to the average closing prices of the past 1 month up to and on the previous day, median: 41% and average: 52% compared to the average closing prices of the past 3 months up to and on the previous day, and median 45% and average 54% compare to the average closing prices of the past 6 months up to and on the previous day). The comparison is based on similar cases of tender offers that were successfully completed by May 21, 2024, among those publicly announced 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. (However, among such successfully completed tender offers, only examples of those with the premise of going private by a third party, targeting domestic listed companies (excluding those on the Tokyo Pro Market) where the tender offeror owned less than 20.00% of voting rights before the tender offer, are considered. This excludes 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 a premium of 17% over the closing price on the business day prior to the preparation date of the Report. However, it is reasonable to consider that the rise in the Company stock price since the announcement of the commencement of the Preceding Tender Offer by the Preceding Tender Offeror, even accounting for fluctuations in the Tokyo Stock Price Index (TOPIX), is mainly due to market participants' speculation. This fluctuation does not affect the Special Committee's judgment that the Tender Offer Price represents a superior premium compared to similar transactions in the past. In addition, the fact that the premium level based on the recent stock price of the Company is lower than that of similar precedents does not influence the opinion of the Special Committee. In light of these developments in the Company Share's market price, the Special Committee emphasizes comparing the premiums with the stock price of the Company prior to the launch of the Preceding Tender Offer in its analysis of the premium.

iv. Summary

The Tender Offer Price exceeds of the range of the calculation results of the share value of the Company Shares in both the Share Valuation Report (Plutus) and the Share Valuation Report (Yamada-CG). Given that the Tender Offer Price offers an advantageous premium compared to similar transactions in the past, it is considered a reasonable price for the Tender Offer that secures benefits for our shareholders, including minority shareholders.

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

c. Validity of the scheme

The first step adopted in the Transaction is to conduct a tender offer setting the minimum number of shares to be acquired so that the Tender Offeror obtains more than two-thirds of the total number of voting rights of the Company after the Tender Offer. The second step involves implementing a squeeze-out through a demand for the sale of shares or a consolidation of shares. This method is generally adopted for 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 the 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 eliminates coercion.

d. Summary

As described above, the terms and conditions of the Transaction are deemed fair and reasonable for the following reasons: (i) the Tender Offer Price and other terms and conditions of the Transaction are the best among the proposals obtained through a fair market check; (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 reasonable in comparison with the value of our shares calculated by a third-party calculation organization and in comparison with the premiums in similar transactions in the past; and (iii) the scheme of the Transaction is also deemed reasonable.

c) Examination of the fairness of the review procedures for the Transaction

As the following measures to ensure fairness were taken when considering the Transaction, it is recognized that fair procedures were implemented in the consideration of the Transaction, including the market check process described above, 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 Opinion Concerning the Tender Offer” in the Press Release Expressing the Company’s Opinion, the Special Committee consists of six members, mainly independent outside directors of the Company. Through the questionnaire, the Special Committee members were confirmed to be 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 advice by Nagashima Ohno & Tsunematsu, the Special Committee's legal advisor, as needed, 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 members, with the exception of Mr. Yoshiyuki Wada, in accordance with the duty of care as a director of the Company and a Special Committee member entrusted by the Company, and Mr. Yoshiyuki Wada, in accordance with the duty of care as a Special Committee member entrusted by the Company, exchanged diverse and multifaceted opinions on behalf of the Company and its shareholders, including minority shareholders. Together, they engaged in substantial discussions to form the opinions of the Special Committee.

Thus, the Special Committee is an independent special committee of 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, which are independent from the Preceding Tender Offeror and the Company, as a financial advisor, a legal advisor and a third-party calculation organization, 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, the Counter Offerors including the Tender Offeror, or the Company, and do not have any material interest in the Preceding Transaction or in 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 as an independent financial advisor and third-party calculation organization, and Nagashima Ohno & Tsunematsu as a legal advisor, both of which are independent from the Preceding Tender Offeror, our management and the Counter Offerors including the Tender Offeror. The Special Committee reviewed the Preceding Proposal and the Counter Proposals including the Proposal from time to time from the viewpoint of enhancing our corporate value and the common interests of our shareholders including minority shareholders. In this process, the Committee obtained 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 and the Counter Proposals including the Proposal received from the Tender Offeror regarding the Transaction.

iii) Active market checks

The Company has conducted an active market check through the process described in "(ii) History of Examinations and Negotiations" under "④ Process and Reasons for Decision-Making that led to the Company's endorsement to the Tender Offer" within "(2) Grounds and Reasons for Opinion Concerning the Tender Offer" in the Press Release Expressing the Company's Opinion, and the Tender Offeror's proposal for the Transaction

was obtained through such market check. The process can be evaluated as having been implemented fairly and effectively, ensuring a competitive environment, given the following factors: (A) The process was designed to provide opportunities for proposals to a sufficiently large number of parties who might be interested in acquiring the Company, including those who had made proposals to us; (B) The process was conducted with the aim of considering as many proposals as possible and providing as many offerors as possible with the opportunities for proposals and due diligence within the time and resource constraints due to the announcement of the commencement of the Preceding Tender Offer in early May 2024 and its actual commencement on May 2 of the same month; (C) In selecting proposals, efforts were made to ensure an objective selection based on the selection criteria developed in consultation with the Special Committee; (D) Offerors were treated fairly, including giving the Preceding Tender Offeror the opportunity to conduct due diligence; and (E) The Company received legally binding proposals from four Counter Offerors other than the Preceding Tender Offeror.

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 issued press releases each time regarding the exchange of questions and answers with the Preceding Proposal.

The Company also issued press releases on the progress of the market checking process as needed, to the extent that such press releases did not interfere with the consideration of the Preceding Proposal and Counter Proposals, including the smooth progress of such process. Through the disclosure of these press releases by the Company, information regarding the progress of the consideration of the Preceding Proposal and the Counter Proposals was provided to our shareholders, including minority shareholders. It can be deemed that the transparency of the above process was ensured to the extent that it did not impede the consideration of the Preceding Proposal and the Counter Proposals, and that the Company avoided the disclosure of uncertain information that might cause unnecessary confusion among our shareholders.

In addition, at the commencement of the Tender Offer, the Company will issue 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 of preparation of the Report, 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 relevant information, to ensure that our shareholders, including the minority shareholders, will have the opportunity to make an appropriate judgment on the Transaction based on adequate information.

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

As described in “i. Procedures of formulation and content of business plans” of “b. Appropriateness of the Tender Offer Price” in “b) To examine the appropriateness 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. The details of these calculations are described in “ii. Review of calculation results” of “b. Appropriateness of Tender Offer Price” of “b) To examine the appropriateness of the terms and conditions of the Transaction” above.

vi) Tender Offer Period

In the Tender Offer, the Tender Offer Period has been set at 30 business days, which ensures that our shareholders, including minority shareholders, have the opportunity to make an appropriate decision regarding the application for the Tender Offer and that other parties other than the Tender Offeror have the opportunity to make an offer to purchase the Company Shares.

vii) Elimination of coerciveness

In the Transaction, the first step in the Tender Offer sets the minimum number of shares to be acquired so that the Tender Offeror will own at least two-thirds of the total number of voting rights upon the successful completion of the Tender Offer. This scheme ensures that a squeeze-out can be executed following the successful completion of the Tender Offer. In addition, in the squeeze-out process after the completion of the Tender Offer, the amount of money to be delivered to our shareholders will be calculated to be the same amount as the Tender Offer Price multiplied by the number of Company Shares owned by each shareholder (excluding the Company and the Tender Offeror), and this will be announced at the time of 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 can be evaluated as having no coerciveness.

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 that our shareholders 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

The Preceding Tender Offer, like the Tender Offer, is intended to make the Company a wholly-owned subsidiary and they are in an alternative relationship. 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 an alternative to the Tender Offer, and to recommend that our shareholders not apply for the Preceding Tender Offer. Regarding whether the Preceding Tender Offer is disadvantageous to minority shareholders of the Company, since the Tender Offer, which is more favorable to minority shareholders than the Preceding Tender Offer, will be implemented, the Special Committee 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 endorsing the Tender Offer and recommend that our shareholders tender their shares 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 it appropriate for the Company to express its opposition to the Preceding Tender Offer, which is an alternative to the Tender Offer, to which it is appropriate for the Special Committee to express endorsement, and to recommend that our shareholders not tender their shares in the Preceding Tender Offer. The Special Committee must conclude that the Preceding Tender Offer is 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 proposals are less than the Tender Offer Price, the Counter proposals made by the Counter Offerors other than the Tender Offeror shall not be deemed 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 described in “1. Purposes and reasons for the Share Consolidation” above, the Company retained TMI Associates as a legal advisor, independent of all of the Preceding Tender Offeror, the Counter Offerors including the Tender Offeror, and the Company, as well as independent of the success or failure of the Preceding Transaction and the Counter Transactions, including the Transaction. The Company obtained legal advice from TMI Associates on measures to ensure the fairness of the procedures for the Preceding Transaction and the Counter Transactions, including the Transaction, as well as the procedures for the Preceding Transaction and the Counter Transactions, including the Transaction, and the Company’s decision-making methods and processes related to the Preceding Transaction and the Counter Transaction, including the Transaction.

TMI Associates does not fall under the category of a related party to the Preceding Tender Offeror, the Counter Offerors, including the Tender Offeror, or 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 success fees to be paid contingent upon the completion of the Preceding Transaction or any Counter Transactions, including the Transaction, etc.

④ Procurement of a share valuation report from a 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-Offerors 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 terms and conditions of the Transaction, including the Tender Offer Price.

For 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” under “(3) Matters Regarding the Calculation” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company’s Opinion.

Note that Plutus does not fall under the category of a related party to the Company, the Preceding Tender Offeror, the Counter Offerors, including the Tender Offeror, and has no material interest in the Preceding Transaction or the Counter Transactions, including the Transaction. The fees to be paid to Plutus in connection with the Preceding Transaction and the Counter Transactions, including the Transaction, do not include success fees to be paid contingent upon the completion of the Transaction, etc.

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

As described in “② Establishment of an independent special committee at the Company and acquisition of a recommendation report from the Special Committee” above, the Special Committee retained Nagashima Ohno & Tsunematsu as its own legal advisor, independent of all of the Preceding Tender Offeror, the Counter Offerors including the Tender Offeror, and the Company, as well as independent of the success or failure of the Preceding Transaction and the Counter Transactions, including the Transaction. The Special Committee obtained legal advice from Nagashima Ohno & Tsunematsu on measures to ensure the fairness of the procedures for the Preceding Transaction and the Counter Transactions, including the Transaction, as well as the procedures for the Preceding Transaction and the Counter Transactions, including the Transaction, and the Company’s decision-making methods and processes related to the Preceding Transaction and the Counter Transactions, including the Transaction.

Nagashima Ohno & Tsunematsu does not fall under the category of a related party to the Preceding Tender Offeror, the Counter Offerors, including the Tender Offeror, or 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 are calculated by multiplying the hourly rate by the numbers of hours worked, regardless of the success or failure of the Preceding Transaction or the Counter Transactions, including the Transaction, and do not include success fees contingent upon the completion of the Transaction.

⑥ Procurement of a share valuation report from an independent third-party calculation organization by the Special Committee

As described in “② Establishment of an independent special committee at the Company and acquisition of a recommendation report from the Special Committee” above, the Special Committee

appointed Yamada-CG as a third-party calculation organization independent from the Preceding Tender Offeror, the Company, and the Counter Offerors 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 the valuation of the Company Shares and advice on negotiation policies with the Tender Offeror. On May 31, 2024, the Special Committee received a share valuation report regarding the results of the value calculation of the Company Shares from Yamada-CG (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.

For the details of the Share Valuation Report (Yamada-CG) obtained from Yamada-CG, please refer to “② Procurement of a share valuation report from an independent third-party calculation organization by the Special Committee” under “(3) Matters Regarding the Calculation” within “3. Details of, Grounds and Reasons for Opinion Concerning Tender Offer” in the Press Release Expressing the Company’s Opinion.

Note that Yamada-CG does not fall under the category of a related party to the Preceding Tender Offeror, the Counter Offerors, including the Tender Offeror, or the Company, 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 success fees to be paid contingent upon the completion of the Transaction, etc.

- ⑦ Approval by all directors of the Company, including those who are audit and supervisory committee members, who have no conflicts of interest

As described in “1. Purposes and reasons for the Share Consolidation” above, 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. This examination has taken into the advice received from QuestHub, 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 “1. Purposes and reasons for the Share Consolidation” above, we believe that the Transaction will increase our corporate value, and that the 5,740 yen per share, which is the Tender Offer Price, provides the Company’s shareholders with a reasonable opportunity to sell their shares at a price with an appropriate premium. At its meeting held on May 31, 2024, the Board of Directors unanimously agreed to endorse the Tender Offer, with all 10 directors (including three independent outside directors who are audit and supervisory committee members and one outside director who is an audit and supervisory committee member) in favor. It also resolved to recommend that the Company’s shareholders tender their shares in the Tender Offer.

- ⑧ Measures to ensure opportunities for other purchasers to purchase Company Shares

As described in “1. Purposes and reasons for the Share Consolidation” above, following the receipt of the Preceding Proposal from the Preceding Tender Offeror, we received expressions of interest in acquiring the Company from several companies. In light of this situation, and in order to seek the best option for enhancing our corporate value and the common interests of our shareholders, in accordance with the “Guidelines for Corporate Takeovers”, as a market check, in early April 2024,

we requested strategic buyers and investment funds that had directly expressed an interest in us, as well as those that had approached us with proposals through QuestHub (nine entities in total), to submit letters of intent, thereby securing opportunities for parties other than the Preceding Tender Offeror to acquire the Company Shares. The Tender Offer Price is the highest compared to the tender offer price in the Preceding Tender Offer, the stock valuations and the tender offer prices presented by the Counter Offerors.

In addition, the Tender Offeror and the Company have not entered into any agreement that restricts contact between the Counter Offerors and the Company, such as an agreement prohibiting contact with the Counter Offerors, so as not to interfere with opportunities for counter-takeover bids, 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 ensure 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 parties other than the Tender Offeror have the opportunity to make a competitive offer, etc. for the Company Shares.

In addition, as described in “⑧ Measures to ensure opportunities for other purchasers to purchase Company Shares,” the Tender Offeror has not entered into any agreement with us that restricts contact between the Counter Offerors and the Company, such as an agreement that includes a deal 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 takes care to ensure the fairness of the Tender Offer by ensuring opportunities for competitive purchases, etc.

4. Disposition of significant assets, assumption of material liabilities, or other events with a significant impact on the status of the Company’s assets that occurred after the last day of the most recent fiscal year

(1) The Tender Offer

As described in “1. Purposes and reasons for the Share Consolidation” above, the Tender Offeror conducted the Tender Offer from June 3, 2024 to July 12, 2024, which resulted in the Tender Offeror owning 18,287,006 Company Shares as of July 22, 2024 (the commencement date of settlement of the Tender Offer).

(2) Cancellation of treasury shares

On August 22, 2024, the Company’s Board of Directors resolved to cancel 4,020,672 treasury shares (corresponding to all of the treasury shares owned as of July 31, 2024) as of October 10, 2024. Such cancellation of treasury shares is subject to the approval of the proposal for the Share Consolidation at the Extraordinary General Meeting of Shareholders as originally proposed.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) If the proposal for the Share Consolidation is approved as proposed, and the Share Consolidation takes effect, the total number of shares authorized to be issued by the Company will be reduced to 16 shares pursuant to the provisions of Article 182, Paragraph 2 of the Companies Act. To clarify this, the Company proposes to amend Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation on the condition that the Share Consolidation takes effect.
- (2) If the proposal for the Share Consolidation is approved as proposed, and the Share Consolidation takes effect, the total number of shares issued by the Company will be four shares, thereby making it unnecessary to stipulate the number of shares constituting one unit of shares. Therefore, to abolish the provisions concerning the number of shares constituting one unit of shares of the Company, which is currently 100 shares per unit, on the condition that the Share Consolidation takes effect, the Company proposes to delete the entire text of Article 7 (Share Units), Article 8 (Rights Regarding Shares Less Than One Unit), and Article 9 (Additional Purchase of Shares Less Than One Unit) of the Articles of Incorporation, and move up the numbering of the subsequent articles according to these changes.
- (3) If the proposal for the Share Consolidation is approved as proposed, the Company Shares will be delisted, and the Tender Offeror will be the sole shareholder of the Company as a result of the implementation of the Share Consolidation. Accordingly, the provisions on the system for electronic provision of materials for the general meeting of shareholders will cease to be necessary. Therefore, the Company proposes to delete Article 15 (Measures for Electronic Provision, Etc.) and move up the numbering of the subsequent articles according to these changes on the condition that the Share Consolidation takes effect.

2. Details of the proposed amendments

The details of the amendments are as follows. These amendments of the Articles of Incorporation will become effective on October 11, 2024, the effective date of the Share Consolidation, on the condition that the proposal for the Share Consolidation is approved as proposed at this Extraordinary General Meeting of Shareholders and the Share Consolidation takes effect.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>100,000,000</u> shares.</p>	<p>Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>16</u> shares.</p>
<p><u>Article 7 (Share Units)</u> <u>The number of shares constituting one unit of shares of the Company shall be 100 shares.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 8 (Rights Regarding Shares Less Than One Unit)</u> <u>Shareholders of the Company may not exercise any rights other than those listed below regarding shares less than one unit held by them.</u></p> <p>(1) <u>Rights provided for in each item of Article 189, Paragraph 2 of the Companies Act;</u></p> <p>(2) <u>Rights to make a request in accordance with Article 166, Paragraph 1 of the Companies Act;</u></p> <p>(3) <u>Rights to receive an allotment of offered shares or share acquisition rights in proportion to the number of shares held by a shareholder; and</u></p> <p>(4) <u>Rights to make a request provided for in the following article.</u></p>	<p>(Deleted)</p>
<p><u>Article 9 (Additional Purchase of Shares Less Than One Unit)</u> <u>Shareholders of the Company may request the Company to sell such number of shares as will make one unit together with the shares less than one unit of shares held by them in accordance with the Rules for Handling Shares.</u></p>	<p>(Deleted)</p>
<p>Articles <u>10</u> through <u>14</u> (Omitted)</p>	<p>Articles <u>7</u> through <u>11</u> (Unchanged)</p>
<p><u>Article 15 (Measures for Electronic Provision, Etc.)</u></p> <p>1. <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p>2. <u>Among the matters to be provided electronically, the Company may choose not to include all, or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>	<p>(Deleted)</p>
<p>Articles <u>16</u> through <u>38</u> (Omitted)</p>	<p>Articles <u>12</u> through <u>34</u> (Unchanged)</p>