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November 13, 2023

To whom it may concern

Company name Japan Best Rescue System Co., Ltd.
Representative Representative Director
Mr. Nobuhiro Sakakibara
Stock code: 2453
Prime Market, Tokyo Stock Exchange
Premier Market, Nagoya Stock Exchange
Inquiry Director & Executive Officer
Mr. Mitsuhiro Wakatsuki

Notice Regarding Implementation of MBO and Recommendation to Tender

Japan Best Rescue System Co., Ltd. (the “Company”) hereby announces that it has resolved as stated below at the meeting of the Board of Directors held today to express its opinion in favor of the tender offer (the “Tender Offer” with November 14, 2023 set as the first day of the Tender Offer period) by MBKP Vega K.K. (“Vega”) and MBKP Altair K.K. (“Altair,” collectively referred to as the “Tender Offerors”) for the Company’s ordinary shares (“Company’s Ordinary Shares”) and stock acquisition rights (defined in “2. Price of purchase, etc.” below) as a part of a management buyout (MBO) (Note 1) and to recommend the shareholders of the Company and holders of stock acquisition rights (“Stock Acquisition Rights Holders”) to accept the Tender Offer.

The resolution of the Board of Directors was made on the assumption that the Company’s shares will be delisted as a result of the Tender Offer and a series of subsequent procedures.

(Note 1) A management buyout (MBO) is a transaction in which the Tender Offerors make the Tender Offer pursuant to an agreement with the directors and officers of the Company and in which the directors and officers of the Company share common interests. The Tender Offerors consider the Transaction (defined below) as a transaction in which Mr. Mitsuhiro Wakatsuki, a Director of the Company (number of shares held: 127,500 shares; shareholding ratio: 0.38%; “Mr. Mitsuhiro Wakatsuki”) shares common interests with the Tender Offerors because Mr. Mitsuhiro Wakatsuki plans to continue to be involved in the management of the Company after the Transaction and plans to make the Reinvestment (defined below) after the Tender Offer. The above number of shares (127,500 shares) held by Mr. Mitsuhiro Wakatsuki include the number of the Company’s Ordinary Shares (120,000 shares; shareholding ratio: 0.36%) under the stock acquisition rights (1,200 rights) held by Mr. Mitsuhiro Wakatsuki. Although Mr. Mitsuhiro Wakatsuki indirectly holds the Company’s Ordinary Shares equivalent to 280 shares (in the number of shares with any fractional shares resulting from the calculation of the number of shares held as equity interest rounded down) through the officer stock ownership association of the Company, those shares are not included in the above number of shares (127,500 shares) held by Mr. Mitsuhiro Wakatsuki since they are not directly held by Mr. Mitsuhiro Wakatsuki.

1. Overview of the Tender Offerors

(1) Vega

(1) Name	MBKP Vega K.K.
(2) Address	2-10-3 Nagatacho, Chiyoda-ku, Tokyo
(3) Name and title of	Tamon Nonaka, Representative Director

	representative		
(4)	Description of businesses	1. Management consulting services 2. Acquisition, holding and trading of securities 3. Any and all services incidental or related to the preceding items	
(5)	Capital	5,000 yen	
(6)	Date of incorporation	October 24, 2023	
(7)	Major shareholder and shareholding ratio	Deneb SS II L.P.	100.00%
(8)	Relationship between the Company and the Tender Offerors		
	Capital relationship	Vega holds 1 share of the Company (ownership ratio (Note 2): 0.00%).	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Status as a related party	Not applicable.	

(2) Altair

(1)	Name	MBKP Altair K.K.	
(2)	Address	2-10-3 Nagatacho, Chiyoda-ku, Tokyo	
(3)	Name and title of representative	Tamon Nonaka, Representative Director	
(4)	Description of businesses	1. Management consulting services 2. Acquisition, holding and trading of securities 3. Any and all services incidental or related to the preceding items	
(5)	Capital	5,000 yen	
(6)	Date of incorporation	October 24, 2023	
(7)	Major shareholder and shareholding ratio	Deneb SS II L.P.	100.00%
(8)	Relationship between the Company and the Tender Offerors		
	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Status as a related party	Not applicable.	

(Note 2) Ownership ratio refers to the ratio (rounded to the second decimal place) against (i) the total number of shares issued and outstanding as of September 30, 2023 (34,127,177 shares) as stated in the “Summary of Consolidated Financial Statements for the Year Ended September 30, 2023 (Based on Japanese GAAP)” released by the Company on November 13, 2023 (the “Business Results Summary”), less (ii) the number of treasury shares held by the Company as of that date (1,329,229 shares) as stated in the Business Results Summary (the difference between (i) and (ii) is 32,797,948 shares), plus (iii) the number of shares to be issued upon exercise of the 5th series of stock acquisition rights (6,900 rights) remaining as of September 30, 2023 and exercisable as of today (690,000 shares), resulting in 33,487,948 shares (“total number of shares after taking dilutive shares into consideration”).

2. Price of purchase, etc.

(1) 1,000 yen per common share (hereinafter called “the tender offer price”)

(2) Stock acquisition rights

20,400 yen per right of the fifth stock acquisition rights issued in accordance with the resolution at the Board of Directors meeting held on February 9, 2018 (hereinafter called “the stock acquisition rights”) (the exercise period is from January 1, 2021, to February 27, 2025) (hereinafter called “the stock acquisition right purchase price”)

3. Details of, and basis and reason for opinion concerning the Tender Offer

(1) Details of opinion

In the Board of Directors meeting held today, the Company expressed an opinion of agreement on the tender offer based on the basis and reason described in “(2) Basis and reasons for the opinion” below, and resolved to recommend shareholders and holders of the stock acquisition rights of the Company to subscribe to the tender offer.

The said resolution of the Board of Directors was made in accordance with the method described in “④. Approval by all directors (including directors who are Audit & Supervisory Committee members) of the Company who are present at the meeting and have no interests” of “(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest” below.

(2) Basis and reasons for the opinion

The statements in this “(2) Basis and reasons for the opinion” regarding the Tender Offerors are based on the explanations given by the Tender Offerors.

① Overview of the Tender Offer

The Tender Offerors are both stock companies established in late October 2023 which are fully owned by Deneb SS II L.P. (“MBK Fund”). MBK Fund’s principal purpose is to control and manage the Company’s business by conducting a series of transactions aimed at taking the Company private (the “Transaction”) by acquiring and holding the shares of the Company (Note 3). As of today, Vega owns 1 share of the Company’s Ordinary Shares (shareholding ratio: 0.00%), but does not hold any stock acquisition rights. As of today, Altair does not own either the Company’s Ordinary Shares or stock acquisition rights.

MBK Fund is one of the funds serviced by MBK Partners or its affiliates (collectively, “MBK Partners”). MBK Partners was established in March 2005 as an independent private equity firm specializing in private equity investments in the three East Asian countries of Japan, the People’s Republic of China (“China”), and the Republic of Korea (“Korea”). With the support of institutional investors, including global corporations, banks, financial institutions, family offices, public pensions, foundations, government-affiliated funds, and funds of funds, MBK Partners has approximately 26.6 billion US dollars of assets under management as of today, and invests in large- to mid-sized companies, primarily in the retail/consumer goods, communications/media/technology, financial services, and healthcare sectors, and actively provides management support to investee companies to maximize their corporate value. Since its establishment in March 2005, MBK Partners has made 70 investments in East Asian countries, including 12 companies and 15 investments in Japan, such as Yayoi Co., Ltd, USJ Co., Ltd., Invoice Inc., KOMEDA Co., Ltd., TASAKI & Co., Ltd. (formerly TASAKI SHINJU CO, LTD), Accordia Golf Co., Ltd., Kuroda Electric Co., Ltd., Godiva Japan, Inc., TSUKUI HOLDINGS CORPORATION (current TSUKUI CORPORATION), EPS Holdings, Inc., and SOYOKAZE Co., Ltd. (formerly Unimat Retirement Community Co., Ltd.). Upon each investment, MBK Partners and its management team worked together on medium- to long-term initiatives to address the themes of each individual company to enhance their corporate value, resulting in an increase in sales and profitability.

Effective today, the Tender Offerors have decided to commence the Tender Offer as a part of a series of transactions to acquire and hold the shares of the Company which are listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) and the Premier Market of Nagoya Stock Exchange, Inc. (the “Nagoya Stock Exchange”) for the purpose of taking the Company private.

As part of the management buyout (MBO), and with the approval of the Company’s Board of Directors, the Tender Offer will be implemented to amicably acquire all of the Company’s Ordinary Shares (including the Company’s Ordinary Shares to be issued upon exercise of the stock acquisition rights, but excluding 1 share of the Company’s Ordinary Shares held by Vega as of today and treasury shares held by the Company) and all of the stock acquisition rights. In addition, Mr. Nobuhiro Sakakibara, the Representative Director of the Company (“Mr. Nobuhiro Sakakibara”) is scheduled to resign from his position as Representative Director of the Company and also from the position as Director at the conclusion of the 27th Ordinary General Meeting of Shareholders scheduled to be held in late December 2023 (the “Ordinary General Meeting of Shareholders”) and is not planned at present to be reelected as Director of the Company. Meanwhile, Mr. Mitsuhiro Wakatsuki, the Director of the Company, plans to continue to be involved in the management of the Company after the Transaction and plans to invest in Altair by acquiring shares through a share transfer from MBK Fund or by other means (the “Reinvestment”) after the

Absorption-type Merger (defined below; for details, please refer to (iv) Upon implementation of the Transaction, (a) Absorption-type Merger (around May 2024 (tentative))). The Tender Offerors believe that this Reinvestment does not violate the purpose of the regulations on uniformity of the tender offer price (Article 27-2, Section 3 of the Financial Instruments and Exchange Act), as described in “(iii) Our decision-making process, reasons and details” of “③ Decision-making process that led to the Company’s agreement on the Tender Offer and its reason” below. For details of the Reinvestment by Mr. Mitsuhiro Wakatsuki, please refer to “(b) Reinvestment (around May 2024 (tentative))” in “(iv) Upon implementation of the Transaction” below.

(Note 3) The Tender Offer will be carried out through joint tender offer by tender offerors, rather than tender offer by a sole tender offeror in the consideration of treatment of permits and approvals necessary for the Transaction and subsequent Absorption-type Merger pursuant to the Insurance Business Act (Act No. 105 of 1995, as amended). However, as described in “(a) Absorption-type Merger (around May 2024 (tentative))” of “(iv) Upon implementation of the Transaction” below, the Tender Offerors and the Company plan to ultimately become a single entity through the Absorption-type Merger that will be executed following the Transaction.

In conjunction with the Tender Offer, the Tender Offerors agreed with Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc. (defined below), and ITOCHU Corporation (“ITOCHU”) to tender all of the Company’s Ordinary Shares and disposal rights held by Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc. and ITOCHU, respectively, (totaling 17,956,818 shares, shareholding ratio: 53.62%; the “Tendered Shares”) to the Tender Offer. More specifically, the Tender Offerors entered into an agreement dated November 13, 2023 with Mr. Nobuhiro Sakakibara, the largest shareholder of the Company as of November 13, 2023 (number of shares held: 9,564,699 shares, shareholding ratio: 28.56%; the “Tendered Shares (Mr. Nobuhiro Sakakibara)”), to tender all the shares held directly by him in the Company to the Tender Offer (the “Tender Agreement (Mr. Nobuhiro Sakakibara)”). Although Mr. Nobuhiro Sakakibara indirectly holds the Company’s Ordinary Shares equivalent to 53 shares (in the number of shares with any fractional shares resulting from the calculation of the number of shares held as equity interest rounded down) through the officer stock ownership association of the Company, those shares are not included in the above number of shares (9,564,699 shares) held by Mr. Nobuhiro Sakakibara and are also not included in the Tendered Shares (Mr. Nobuhiro Sakakibara).

Additionally, the Tender Offerors have concluded a tender agreement (the “Tender Agreement (Hikari Tsushin, etc.)”) dated November 13, 2023 with UH Partners 2, the fourth largest shareholder of the Company as of November 13, 2023 (number of shares held: 2,298,200 shares; shareholding ratio: 6.86%; “UH Partners 2”) and the fifth largest shareholder Hikari Tsushin, Inc. (number of shares held: 2,277,000 shares; shareholding ratio: 6.80%; “Hikari Tsushin”; in addition, Hikari Tsushin has a separate right to dispose of 1,000,000 shares of the Company’s Ordinary Shares (ownership ratio: 2.99%; the “Trust Shares”) under a specific comprehensive trust agreement dated March 2, 2020 with Sumitomo Mitsui Trust Bank, Limited; however, this specific comprehensive trust agreement will be terminated during the Tender Offer period, causing the Trust Shares to be released by Sumitomo Mitsui Trust Bank, and Hikari Tsushin is scheduled to hold all of the Trust Shares). The Tender Agreement (Hikari Tsushin, etc.) also includes the Company’s Ordinary Shares held by the sixth largest shareholder S.I.L. Inc. (number of shares held: 1,798,719 shares; shareholding ratio: 5.37%; “S.I.L.”; UH Partners 2, Hikari Tsushin and S.I.L. are collectively referred to as “Hikari Tsushin, etc.”), reflecting all of the Company’s Ordinary Shares and disposal rights held by Hikari Tsushin, etc. (totaling 7,373,919 shares, total shareholding ratio: 22.02%; the “Tendered Shares (Hikari Tsushin, etc.)”).

Furthermore, on November 13, 2023, the Tender Offerors entered into an agreement (the “Tender Agreement (ITOCHU)”) with ITOCHU, the seventh largest shareholder of the Company as of September 30, 2023 (number of shares held: 1,018,200 shares, shareholding ratio: 3.04%; the “Tendered Shares (ITOCHU)”), to acquire all of the Company’s Ordinary Shares held by ITOCHU (the “Tendered Shares (ITOCHU)”).

For details of the Tender Agreement (Mr. Nobuhiro Sakakibara), the Tender Agreement (Hikari Tsushin, etc.) and the Tender Agreement (ITOCHU), please refer to “4. Matters concerning material agreements between the Tender Offerors and the Company’s shareholders concerning the Tender Offer and other matters relating to the Tender Offer” below.

In the Tender Offer, the Tender Offerors set the minimum number of shares to be purchased at 22,325,299 shares (shareholding ratio: 66.67%). If the total number of shares tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of shares to be purchased, the Tender Offerors will not purchase any of the Tendered Shares. On the other hand, since the Tender Offer is intended to take the Company private, the maximum number of shares to be purchased has not been set, and if the total number of Tendered Shares exceeds the minimum number of shares to be purchased (22,325,299 shares), the Tender Offerors will purchase all of the Tendered Shares.

The minimum number of shares to be purchased (22,325,299 shares, shareholding ratio: 66.67%) under the Tender Offer has been set at the number (22,325,299 shares) obtained by taking the number of voting rights that accounts for two thirds (223,253 (rounded up to the nearest whole number)) of the number of voting rights (334,879) related to the total number of shares after taking dilutive shares into consideration (33,487,948 shares), multiplied by 100 shares which constitute one unit of shares of the Company, and then deducting 1 share of the Company’s Ordinary Shares held by Vega. Given that the Tender Offerors intend to take the Company private through the Transaction, the procedures for the reverse stock split may be carried out in the event that the Tender Offerors are unable to acquire all of the Company’s Ordinary Shares (including the Company’s Ordinary Shares to be issued upon exercise of the stock acquisition rights, excluding 1 share of the Company’s Ordinary Shares held by Vega as of today and treasury shares held by the Company) through the Tender Offer. The reverse stock split is subject to a special resolution at a General Meeting of Shareholders as stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”). This minimum number of shares has been set to ensure that the total number of voting rights held by the Tender Offerors after the Tender Offer will be two-thirds or more of the total number of voting rights of all shareholders of the Company to satisfy such requirement, in order to ensure the implementation of the Transaction.

If the Tender Offer is successful, the Tender Offerors plan to borrow the funds required for settlement of the Tender Offer from MUFG Bank, Ltd. (“MUFG Bank”) (the “Settlement Fund Loan”) as well as using capital contribution from the MBK Fund (the “Capital Contribution”). The Tender Offerors plan to receive funds through the Capital Contribution by no later than two business days prior to the commencement date of settlement in relation to the Tender Offer (the “Settlement Commencement Date”), and funds through the Settlement Fund Loan by no later than the business day immediately preceding the Settlement Commencement Date, subject to the completion of the Tender Offer and other conditions.

In addition, as described in “(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the two-step acquisition)” below, the Tender Offerors plan to request that the Company carry out the procedures for the reverse stock split as part of the Transaction if all of the Company’s Ordinary Shares (including the Company’s Ordinary Shares issued upon exercise of the stock acquisition rights, excluding 1 share of the Company’s Ordinary Shares held by Vega as of today and treasury shares held by the Company) and the stock acquisition rights cannot be acquired through the Tender Offer. The funds for the acquisition of the Company’s Ordinary Shares equivalent to the total amount of fractions resulting from this reverse stock split will be borrowed from MUFG Bank (the “Fractional Purchase Fund Loan”).

The details of the Settlement Fund Loan and the Fractional Purchase Fund Loan are to be determined in the loan agreements for such borrowings upon separate consultation with MUFG Bank, but the loan agreements for such borrowings will have contract terms that are typically included in similar loan agreements, such as conditions precedent to loans as specified in a commitment letter and certain financial covenants, and all of the issued shares of the Tender Offerors and the Company’s Ordinary Shares to be acquired by the Tender Offerors through the Tender Offer and certain other assets of the Tender Offerors are expected to be pledged as collateral.

A summary of the Transaction and the subsequent absorption-type merger and Reinvestment, as currently contemplated, is as follows.

(i) Prior to the Tender Offer

Mr. Nobuhiro Sakakibara, the largest shareholder, holds 9,564,699 shares (as of November 13, 2023; ownership ratio:

28.56%) and Hikari Tsushin, etc. holds 7,373,919 shares (as of November 13, 2023; ownership ratio: 22.02%, including 1,000,000 shares (ownership ratio: 2.99%) of the Company's Ordinary Shares that Hikari Tsushin possesses disposal rights based on the specific comprehensive trust agreement dated March 2, 2020 with Sumitomo Mitsui Trust Bank, Limited. Hereinafter the same shall apply to Hikari Tsushin, etc.), with 1,018,200 shares (as of September 30, 2023; ownership ratio: 3.04%) held by ITOCHU and 14,841,130 shares (ownership ratio: 44.32%) by other shareholders as well as 6,900 stock acquisition rights (for 690,000 shares of the Company's Ordinary Shares, ownership ratio: 2.06%) held by the Stock Acquisition Rights Holders.

(ii) Tender Offer (November 4, 2023 – December 26, 2023 (tentative))

The Tender Offerors will make the Tender Offer for all of the Company's Ordinary Shares and stock acquisition rights, excluding 1 share of the Company's Ordinary Shares held by Vega and treasury shares held by the Company.

The Tender Offerors plans to receive capital contribution of 16,145,000 thousand yen from the MBK Fund by no later than two business days preceding the Settlement Commencement Date.

(iii) Reverse Stock Split (around March 2024 (tentative))

If the Tender Offerors are unable to acquire all of the Company's Ordinary Shares and stock acquisition rights through the Tender Offer, the Tender Offerors will, upon the completion of the Tender Offer, request the Company to carry out the procedures for a reverse stock split (the "Reverse Stock Split") to make the Tender Offerors the sole shareholders of the Company.

(iv) Upon implementation of the Transaction

(a) Absorption-type Merger (around May 2024 (tentative))

Upon implementation of the Transaction, the Tender Offerors and the Company will conduct an absorption-type merger in which Vega will be the surviving company and the Company will be the absorbed company, and an absorption-type merger in which Altair will be the surviving company and Vega will be the absorbed company, which will become effective on the condition that the first absorption-type merger becomes effective (the sequential absorption-type mergers are referred to as the "Absorption-type Mergers").

(b) Reinvestment (around May 2024 (tentative))

After the Absorption-type Merger, Mr. Mitsuhiro Wakatsuki plans to invest in Altair by acquiring shares through a share transfer from MBK Fund or by other means. The investment ratio in Altair after the Reinvestment will be approximately 99.7% (class shares) by MBK Fund and approximately 0.3% (common shares) by Mr. Mitsuhiro Wakatsuki, taking into consideration factors such as the degree of Mr. Mitsuhiro Wakatsuki's involvement in the management of the Company, which is expected after the Transaction, Mr. Mitsuhiro Wakatsuki's intention regarding the Reinvestment.

② Background, purpose and decision-making process of the Tender Offerors, and management policy after the Tender Offer and the Transaction

(i) Background, purpose and decision-making process of the Tender Offerors' decision to conduct the Tender Offer

The Company's group consists of the Company, three subsidiaries and seven affiliates (collectively the "JBR Group") as of today and is engaged in the Membership Business, Warranty Business, and Insurance Business under the management philosophy of "We help people in need."

The Company was founded in 1994 by Mr. Nobuhiro Sakakibara, the founder who is still serving as the Representative Director, for the purpose of motorcycle road services, followed by the establishment of our predecessor, Japan Motorcycle Road Service Co., Ltd. in 1997. In August 1999, the Company changed its name to Japan Best Rescue System Co., Ltd. and listed its stock on the Mothers Section of the Tokyo Stock Exchange in 2005. In 2007, the Company changed its listing to the

First Section of the Tokyo Stock Exchange and listed on the First Section of the Nagoya Stock Exchange. In 2022, in accordance with the revision of the market classification of the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company moved from the First Section of each market to the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange, respectively.

The JBR Group provides a trouble-shooting service for solutions to problems faced in daily life. Specifically, the trouble-shooting service includes glass replacement, water-related troubleshooting, and lock replacement. The JBR Group has established a nationwide service infrastructure network of operation partners who provide customers with various types of troubleshooting services in their respective regions for which the JBR Group receives work requests. Customer inquiries are quickly processed mainly by the Group's self-operated call center and work is arranged to be performed by the customer's nearest installation partner. We follow up with our customers and service staff until the work is completed by the service staff who rushed to the customer's location. In order to provide services that satisfy our customers, we check the service content of our operation partners, provide guidance, and perform overall management such as training and development. Furthermore, in order to strengthen our service infrastructure network, we are striving to acquire efficient and prompt operation partners in response to the number of work requests by region and the status of service infrastructure network formulation in neighboring regions.

The Membership Business provides members with services to solve general daily life troubles. By paying an admission fee and annual membership fee in advance when moving into a new residence, enrolling at a new school, or making a purchase, members are provided with services to solve daily life troubles when they arise at a low-cost or free of charge. The "QR Service for New Tenant" membership for tenants of condominiums for rent or sale is offered in partnership with companies engaged in the real estate leasing business, etc., as a membership service to support tenants with daily life troubles during their tenancy, and also offer Internet connection brokerage services. In addition, as a membership service to support customers with daily life troubles, we offer "Act Anshin Life 24," an annual membership service for tenants of rental properties for a period of two years, and "Emergency Support 24," a monthly membership service. "QR Service for Student Life," a membership service affiliated with the National Federation of University Co-operative Associations, provides 24-hour, 365-day service nationwide for member university students and their families to solve troubles in student life and daily living. In addition, we have partnered with companies engaged in telecommunications and other businesses to provide cell phone users with support for a portion of the cost of cell phone repairs, etc. as consolation money, "Life Support Pack" membership, a content service that offers discounted prices for first-aid services, and housekeeping services for credit card members of our business partners. When a work request is received from a member, an operation partner will be arranged free of charge or at a discounted price based on the terms and conditions of the membership.

The Warranty Business is operated by our consolidated subsidiary Japan Warranty Support Co., Ltd. ("Japan Warranty Support") and provides extended warranties that support repairs and fixing of defects of home equipment after the manufacturer's warranty period has expired. Japan Warranty Support has formed alliances with housing sales companies, volume retailers, home centers, e-commerce sites, and other companies that sell home equipment, and provides "Anshin Repair Support" and other services to customers who have purchased equipment through these alliances.

The Insurance Business is operated by our consolidated subsidiaries, Rescue Insurance Co., Ltd. ("Rescue Insurance") and Japan Small Amount & Short Term Insurance Co., Ltd. ("Japan Small Amount & Short Term Insurance") and provides insurance products for various troubles and concerns in daily life. Rescue Insurance is engaged in the sale of comprehensive home contents insurance policies for rental housing and the underwriting of contractual performance expenses for corporate clients. Japan Small Amount & Short Term Insurance is an insurance company registered with the Kanto Local Finance Bureau and underwrites insurance policies in small amounts and short-term within a certain scale of business. We mainly provide "New Residence Room Insurance," which covers household goods for tenants of rental housing, "Chari-Po," which

provides coverage for accidents involving bicycles, and “Lawyer Insurance for Protecting Men and Women,” which includes help call services for false accusations of molestation (damage caused by molestation).

In November 2021, the JBR Group announced its three-year Mid-Term Business Plan (FY2022 through FY2024). Based on this plan, we aim to create the best framework and services for giving people peace of mind by getting close to their daily lives and by promoting a “partnership strategy” that focuses on growth through alliances with partners in both marketing and operation aspects, thereby creating maximum value with the smallest organization and resources.

With regard to our marketing strategies, we will promote further market penetration of existing businesses centered on membership, warranty, and insurance to further strengthen and grow the earnings base, while expanding partnerships to meet the needs and changes in external factors such as the declining birthrate, aging population, and COVID-19, and expanding existing businesses into new markets. In addition, to accelerate growth, the Company will proactively create new businesses through M&A, partnerships with startups and business development.

With regard to our operational strategy, we will promote the use of technology and conduct intensive operational improvements at the contact centers that support the JBR Group’s services, aiming to improve operational efficiency and quality. Regarding operation partners, who are the infrastructure for providing services, we will continue to develop, train, and expand their functions in order to maintain and expand them over the long term in a social environment where the number of workers is decreasing.

As for the business environment surrounding the JBR Group, a certain degree of severity is also expected over the medium- to long-term due to sluggish growth in domestic demand caused by structural factors such as population decline and depopulation. At the same time, property management companies in particular are expected to find it difficult to maintain their own call centers as well as their own operation infrastructure, and outsourcing needs are likely to increase, providing a tailwind opportunity for the JBR Group in terms of marketing. In addition, the service needs of customers and users are diversifying, and the types and contents of “needs” are changing. In response to diversifying and changing customer needs, the JBR Group is required to expand its customer contact points by promoting service content and partnership strategies that support more reassuring, safer, and more comfortable lifestyles, rather than just resolving problems. Against the backdrop of this business environment, the JBR Group believes that the following management issues need to be addressed.

(a) Expand Membership, Warranty and Insurance Businesses

In the Membership Business, we recognize the need to not only further penetrate the market for services for collective housing, but also to accelerate the development of partnerships that will enable us to approach the detached housing market as new marketing partners for our life trouble solution services.

In the Warranty Business, the extended warranty service for home equipment provided by Japan Warranty Support recognizes the need to increase the JBR Group’s presence in the new construction market with homebuilders as marketing partners, in addition to attracting members from home centers and electronics retailers, etc., against the backdrop of the expanding scale of the renovation market.

In the Insurance Business, we recognize the need to develop large-scale projects, such as increasing the number of insureds of household belongings insurance and developing and marketing new products for Japan Small Amount & Short Term Insurance and efficiently acquiring insureds through group contracts for Rescue Insurance.

(b) Improve service quality and expand content

In order to further strengthen the services provided by the JBR Group, we recognize the need to constantly improve the quality of service provided by our contact center, which handles the “needs” from customers, and our operation partners, who are involved in solving daily life troubles, and to provide services that will win the patronage of our customers. In addition to leveraging partnerships to expand service content to meet the various needs of the changing social environment, we also believe it is necessary to build an effective service infrastructure network.

(c) Improve business efficiency and system investment

In order to accommodate an extensive service menu, we recognize the need to review and systematize operations that have become complex and diversified, to promote greater operational efficiency and speed, and to build a structure that will support future business expansion.

(d) Enhance business portfolio for medium- to long-term growth

With the aim of achieving sustainable growth and increasing corporate value over the medium- to long-term, we believe it is necessary to create new businesses by expanding partnerships and using various strategies such as M&A. We also believe it is necessary to enhance our business portfolio with an eye on management efficiency so that we can create maximum value with the smallest organizations and resources. To address this challenge, the Company has newly established a business planning department and has continued to develop businesses and consider potential M&A transactions. However, the Company recognizes that it has not achieved sufficient results at this point in time.

(e) Develop human resources for the next generation

In order for the JBR Group to grow in the future, we believe it is necessary to further improve customer satisfaction and develop human resources from the middle to management level in order for the next generation to support stable growth of our business in the administrative and other divisions.

In this business environment, the Company determined that it was beneficial to use external management resources in addition to the Company's own management effort in order to achieve the Company's further growth and improvement of the Company's corporate value as the Company faced the management issues mentioned above. Mr. Nobuhiro Sakakibara intends to sell the Company's Ordinary Shares he holds, and to step down from the Company's Board of Directors when he divests the Company's Ordinary Shares. Since the Company confirmed around August 2020 that it was possible to examine selling the Company's Ordinary Shares held by Mr. Nobuhiro Sakakibara to partners that contributed to the improvement of the Company's corporate value, the Company started selecting its capital partner candidates in September 2020. In order to widely exchange opinions on selling the Company's Ordinary Shares held by Mr. Nobuhiro Sakakibara and the Company's optimal capital structure, the Company contacted six funds including MBK Partners through networks of directors of the Company and introduction by banks, securities companies and other major partner financial institutions from November 2020 to March 2023, and started initial discussion.

MBK Partners considers private equity investments in Japan (including transactions to take listed companies private) to be an area of focus on a par with investments in China and Korea and has long been selecting prominent domestic investment targets with the aim of further enhancing the corporate value of companies in good standing, especially those with growth potential. Since early March 2023, MBK Partners has been approached by the Company regarding the Transaction. Upon reviewing the Company's growth potential and profitability based on publicly available information and its own analysis, MBK Partners held several discussions with Mr. Nobuhiro Sakakibara and other Company executives regarding the Transaction, as the Transaction fits MBK Partners' investment strategy described above. More specifically, the parties discussed the scheme of the Transaction along with other matters on a total of five occasions from early March to mid-June 2023. From the start of discussions with MBK Partners, Mr. Nobuhiro Sakakibara had expressed his intention to sell the Company's Ordinary Shares he holds and to step down from the Company's Board of Directors when he divests the Company's Ordinary Shares.

During the course of these discussions and deliberations, MBK Partners recognized that utilizing the management resources of MBK Partners would contribute to the enhancement of the Company's corporate value by (1) expanding the cross-selling structure of existing businesses, (2) reviewing the incentive system, (3) improving operational efficiency, including the call center system, (4) acquiring detached housing members in the Membership Business, (5) expanding partnerships with homebuilders and home equipment manufacturers in the Warranty Business, (6) expanding external sales in the Insurance

Business, and (7) developing new businesses through acquisitions and alliances. In addition, MBK Partners came to realize that while speeding up the decision-making process and responding to changes in the business environment in a flexible manner and making agile management decisions are extremely effective in implementing these strategies, not only does the implementation of these strategies require upfront costs and investments, but it is also expected to take time before the effects of these strategies materialize. In addition, with increasing pressure from the stock market to enhance shareholder returns, there is a possibility that existing shareholders will not necessarily support measures that may result in short-term declines in dividends and profits amid concerns over a temporary deterioration in earnings and cash flow. Therefore, MBK Partners reached the conclusion that it would be difficult to avoid temporary adverse economic effects on existing shareholders and that it would also be hard to implement a large-scale reform in business operations in a short period of time while maintaining the listing status of the Company's shares.

Subsequently, in mid-July 2023, MBK Partners was informed by the Company of its wish to proceed with its discussions with MBK Partners, and upon holding meetings between Mr. Nobuhiro Sakakibara and the Company to discuss and explain the proposal, on August 1, 2023, MBK Partners made a proposal to Mr. Nobuhiro Sakakibara to take the Company private including transferring the Company's Ordinary Shares held by him, and shared the details of the proposal to the Company. MBK Partners continued to hold discussions regarding the Transaction with the Company in mid-August 2023, and based on the content of those discussions, on August 23, 2023, MBK Partners requested the Company to agree to proceed with the due diligence procedures, including interviews and disclosure of materials of the Company, and again made a proposal to take the Company private (the "Proposal as of August 23, 2023"). Based on the proposal dated August 23, 2023, MBK Partners concluded an exclusivity letter with Mr. Nobuhiro Sakakibara on September 4, 2023 to the effect that Mr. Nobuhiro Sakakibara grants MBK Partners exclusive negotiating rights with respect to the Transaction.

As MBK Partners and the Company continued to discuss the terms and conditions of the Transaction, MBK Partners considered it appropriate for Mr. Mitsuhiro Wakatsuki, who is the only Director of the Company other than Mr. Nobuhiro Sakakibara who is neither an Outside Director nor Audit & Supervisory Committee member and has supported the management of the Company to date together with Mr. Nobuhiro Sakakibara, to remain involved in the management of the Company after the Transaction. In order to clarify that Mr. Mitsuhiro Wakatsuki is in a position to be more proactively and responsibly involved in enhancing the corporate value of the Company, MBK Partners considered having Mr. Mitsuhiro Wakatsuki to continue to be involved in the management of the Company and to invest in the Tender Offerors after the Transaction. MBK Partners believes that such investment will contribute to the enhancement of the corporate value of the Company after the completion of the Transaction from the perspective of maintaining and developing relationships with the Company's officers, employees, business partners and other stakeholders, and that it is sufficiently reasonable for Mr. Mitsuhiro Wakatsuki to invest in the Tender Offerors after the delisting of the Company through a management buyout (MBO). MBK Partners informed the Company and Mr. Mitsuhiro Wakatsuki of this assumption together with the submission of the proposal dated August 23, 2023, and subsequently received a statement from Mr. Mitsuhiro Wakatsuki on August 23, 2023, that he would continue to be involved in the management of the Company and make the Reinvestment after the Transaction.

Furthermore, MBK Partners appointed Nagashima Ohno & Tsunematsu as a legal advisor in early August 2023, and appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as a financial advisor in late August 2023, which are independent of MBK Partners, MBK Fund, the Tender Offerors, the Company, Mr. Nobuhiro Sakakibara and Mr. Mitsuhiro Wakatsuki (Nagashima Ohno & Tsunematsu and Daiwa Securities are also independent of MBK Partners, MBK Fund, the Tender Offerors, the Company, Mr. Nobuhiro Sakakibara and Mr. Mitsuhiro Wakatsuki, as well as Hikari Tsushin, etc. and ITOCHU (collectively, the "Tender Offerors and Other Involved Parties")). From early September to late October 2023, based on the information disclosed by the Company and Mr. Nobuhiro Sakakibara and publicly available information, MBK Partners conducted business, financial, tax, legal and other due diligence on the Company and interviewed with the Company's management, and based on the information obtained in the course of such due diligence and interviews, MBK Partners has further analyzed and examined the significance of the Transaction, the acquisition structure, the feasibility of the Transaction and the post-acquisition management policy.

As a result of this deliberation, MBK Partners has come to the conclusion that taking the Company private and implementing the various measures described in “(ii) Management policy after the Tender Offer and the Transaction” below would contribute to overcoming the Company’s management issues, achieving medium- to long-term growth and further enhancing corporate value. Based on the results of these considerations and other factors, on October 13, 2023, MBK Partners proposed that the Tender Offerors take the Company private and that the Company’s shares be valued at a total of 27.9 billion yen, the Tender Offer Price be set at 850 yen (27.82% premium (rounded to the second decimal place; hereinafter the same shall apply to calculation of premiums) over the closing price of 665 yen of the Company’s shares on the Tokyo Stock Exchange Prime Market on the 12th of the same month, the business day immediately preceding the date of the proposal) and the Stock Acquisition Right Purchase Price be set at 5,400 yen (the difference (54 yen) between the Tender Offer Price for the above proposal (850 yen) and the exercise price per share of the Company’s shares under the Stock Acquisition Rights (796 yen) multiplied by the number of the Company’s shares to be issued for such Stock Acquisition Rights (100 shares per each Stock Acquisition Right)). However, on the 14th of the same month, MBK Partners received a request from the Company to reconsider the tender offer price on the grounds that the tender offer price does not sufficiently reflect the fair value of the Company’s shares and does not reach a level at which the Company can resolve to express its support for the Tender Offer to its minority shareholders.

In response, on the 20th of the same month, MBK Partners made a re-proposal to the Company that the Tender Offer Price be set at 900 yen (48.27% premium over the closing price of 607 yen of the Company’s shares on the Tokyo Stock Exchange Prime Market on the 19th of the same month, the business day immediately preceding the date of the proposal) and the Stock Acquisition Right Purchase Price be set at 10,400 yen (the difference (104 yen) between the Tender Offer Price for the above proposal (900 yen) and the exercise price per share of the Company’s shares under the Stock Acquisition Rights (796 yen) multiplied by the number of the Company’s shares to be issued for such Stock Acquisition Rights (100 shares per each Stock Acquisition Right)). However, on the 20th of the same month, MBK Partners was again requested by the Company to reconsider the tender offer price as the tender offer price does not sufficiently reflect the fair value of the Company’s shares and does not reach a level at which the Company can resolve to express its support for the Tender Offer to its minority shareholders.

In response, on the 25th of the same month, MBK Partners made a re-proposal to the Company that the Tender Offer Price be set at 930 yen (53.97% premium over the closing price of 604 yen of the Company’s shares on the Tokyo Stock Exchange Prime Market on the 24th of the same month, the business day immediately preceding the date of the proposal) and the Stock Acquisition Right Purchase Price be set at 13,400 yen (the difference (134 yen) between the Tender Offer Price for the above proposal (930 yen) and the exercise price per share of the Company’s shares under the Stock Acquisition Rights (796 yen) multiplied by the number of the Company’s shares to be issued for such Stock Acquisition Rights (100 shares per each Stock Acquisition Right)). However, on the 25th of the same month, MBK Partners was requested by the Company to raise the Tender Offer Price to 1,070 yen, which would enable the Company to obtain broad understanding and approval from its minority shareholders, on the grounds that the Tender Offer Price does not sufficiently reflect the fair value of the Company’s shares and does not reach a level at which the Company can resolve to express its support for the Tender Offer to its minority shareholders.

In response, on the 27th of the same month, MBK Partners made a re-proposal to the Company that the Tender Offer Price be set at 960 yen (61.89% premium over the closing price of 593 yen of the Company’s shares on the Tokyo Stock Exchange Prime Market on the 26th of the same month, the business day immediately preceding the date of the proposal) and the Stock Acquisition Right Purchase Price be set at 16,400 yen (the difference (164 yen) between the Tender Offer Price for the above proposal (960 yen) and the exercise price per share of the Company’s shares under the Stock Acquisition Rights (796 yen) multiplied by the number of the Company’s shares to be issued for such Stock Acquisition Rights (100 shares per each Stock Acquisition Right)). However, on the 30th of the same month, MBK Partners was again requested by the Company to reconsider the Tender Offer Price from the perspective of obtaining broad understanding and approval from its minority shareholders.

In response, on the 31st of the same month, MBK Partners made the fifth price proposal to the Company that the Tender Offer Price be set at 1,000 yen (70.07% premium over the closing price of 588 yen of the Company’s shares on the Tokyo

Stock Exchange Prime Market on the 30th of the same month, the business day immediately preceding the date of the proposal) and the Stock Acquisition Right Purchase Price be set at 20,400 yen (the difference (204 yen) between the Tender Offer Price for the above proposal (1,000 yen) and the exercise price per share of the Company's shares under the Stock Acquisition Rights (796 yen) multiplied by the number of the Company's shares to be issued for such Stock Acquisition Rights (100 shares per each Stock Acquisition Right)). As a result, on November 2, 2023, MBK Partners received a response from the Company to the effect that it would accept the proposal, and reached an agreement with the Company to set the Tender Offer Price at 1,000 yen and the Stock Acquisition Right Purchase Price at 20,400 yen.

As described in “③ Decision-making process that led to the Company's agreement on the Tender Offer and its reason” below, in August 2023, the Company has decided to proceed with a full-fledged study with MBK Partners, taking into consideration that MBK Partners' management resources, including its human resource network, business network that contributes to client introductions and partner development, expertise in improving operational efficiency and support capabilities in strengthening its business portfolio, will greatly contribute to enhancing the corporate value of the Company, and that MBK Partners' proposal is superior overall in terms of measures for the Company to overcome its management issues, achieve medium- to long-term growth and further enhance its corporate value. Subsequently, since the receipt of the initial proposal from MBK Partners on October 13, 2023, in negotiating with MBK Partners, each time the Company received a proposal regarding the Tender Offer Price, the Company has reported to the Special Committee (defined below) in a timely manner and have responded based on opinions, instructions, requests, etc. from the Special Committee regarding the negotiating policy with MBK Partners and other matters.

In addition, following the commencement of price negotiations with the Company, in mid-October 2023, MBK Partners confirmed with Mr. Nobuhiro Sakakibara, who owns 9,564,699 shares of the Company (shareholding ratio: 28.56%), whether or not he intends to tender the Company's shares he owns in the Tender Offer if the Tender Offer is executed, and confirmed that Mr. Nobuhiro Sakakibara has such intention. In addition, MBK Partners confirmed with Hikari Tsushin, etc., which owns or holds disposal rights for 7,373,919 shares of the Company (shareholding ratio: 22.02%), in mid-October 2023, whether or not it intends to tender the Company's Ordinary Shares it owns or holds disposal rights for if the Tender Offer is executed, and that Hikari Tsushin, etc. have such intention. Furthermore, MBK Partners confirmed with ITOCHU, which holds 1,018,200 shares of the Company's Ordinary Shares (shareholding ratio: 3.04%), in mid-October 2023, whether or not ITOCHU intends to tender its shares if the Tender Offer is executed, and that ITOCHU has also such intention.

Since early September 2023, MBK Partners has conducted business, financial, tax, legal and other due diligence on the Company, and has analyzed and examined the significance of the Transaction, the acquisition structure, and the feasibility of the Transaction and other matters based on the information obtained in the course of such due diligence. In mid-October 2023, it was confirmed that Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc. and ITOCHU had intention to tender their shares in the Tender Offer, and, from the perspective of shortening time required from the Transaction up to the completion of the subsequent Absorption-type Merger and the Reinvestment in the consideration of treatment of permits and approvals necessary for the Transaction and subsequent Absorption-type Merger pursuant to the Insurance Business Act to ensure efficient business operations to maximize the interests of existing shareholders and enhance the corporate value of the Company in the future, in late October 2023, MBK Partners decided to adopt a scheme whereby the Tender Offerors and the Company will ultimately become a single legal entity through the Absorption-type Merger after acquiring all of the Company's shares (including the Company's shares to be delivered upon exercise of the Stock Acquisition Rights and excluding one share of the Company's shares held by Vega as of today and the treasury shares held by the Company) and Stock Acquisition Rights through a joint tender offer by the Tender Offerors and the subsequent Reverse Stock Split.

Subsequently, MBK Partners has continued to consider, discuss and negotiate with the Company, Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc. and ITOCHU regarding the details of the Transaction and the terms and conditions of the Tender Offer, including the tender offer price and the stock acquisition rights tender offer price.

Specifically, in late October 2023, MBK Partners proposed to Mr. Nobuhiro Sakakibara to set the tender offer price at 1,000 yen, given that price negotiations with the Company were still ongoing, and confirmed his intention to subscribe to the Tender Offer. In late October 2023, MBK Partners also proposed to Hikari Tsushin, etc. to set the tender offer price at 1,000 yen and

confirmed their intention to subscribe to the Tender Offer. Furthermore, in late October 2023, MBK Partners also proposed to ITOCHU to set the tender offer price at 1,000 yen and confirmed its intention to subscribe to the Tender Offer.

Upon the above discussions and negotiations, the Tender Offerors decided to commence the Tender Offer as part of the Transaction on November 13, 2023, at a tender offer price of 1,000 yen and a stock acquisition rights purchase price of 20,400 yen.

(ii) Management policy after the Tender Offer and the Transaction

The Transaction falls under the category of a so-called management buyout (MBO) since Mr. Mitsuhiro Wakatsuki, who is a director of the Company, plans to continue to be engaged in the Company's management after the Transaction, and Mr. Mitsuhiro Wakatsuki plans to conduct the Reinvestment. In addition, Mr. Nobuhiro Sakakibara, who is the Representative Director of the Company, will resign from the positions of the Representative Director and director of the Company at the conclusion of the Ordinary General Meeting of Shareholders to be held in late December 2023. However, since Mr. Mitsuhiro Wakatsuki plans to continue to be engaged in the Company's management after the Transaction, the Company plans to implement the following measures after conducting the Tender Offer and the Transaction.

(a) Enhancement of the cross-selling system

Since the Company has approximately 4.6 million members, Mr. Wakatsuki will promote cross-selling /up-selling with new services utilizing this member base, and cross-selling among existing businesses by building a sales system that cuts across business fields.

(b) Revision of the incentive system

In order to increase motivation of directors and employees of the Company and build a more effective sales system, Mr. Wakatsuki is considering introducing a performance-linked incentive system. He believes that it will also further facilitate recruitment of external professional human resources and help to further enhance the cross-selling system for existing businesses mentioned above.

(c) Improvement of operational efficiency

The Company will work to further improve operational efficiency by consolidating existing call centers and systems. Mr. Wakatsuki believes that by leveraging expertise in digital transformation (DX) held by MBK Partners, it will be possible to further accelerate actions including introducing a chatbot the Company has already worked on, shifting to primary reception other than incoming calls, and deploying at-home call centers, and it will contribute to expand the operational capacity to meet an increase of members and further enhance the cross-selling system for the existing businesses mentioned earlier.

(d) Further expansion of sales for the existing businesses

In the membership business, Mr. Wakatsuki will aim to acquire more members for the apartment house field, which is our core business, and members for the detached house field, in which the Company has fewer competitors. In the warranty business, for the field of warranty of existing home appliances, the Company will work to expand sales to home builders and home appliance manufacturers the Company has not approached. Mr. Wakatsuki is also considering expanding to compatible business fields other than home appliances. In the insurance business, Mr. Wakatsuki will further promote external sales of set products combining products of the membership business and the insurance business as the Company works to enhance the cross-selling system for the existing businesses mentioned above.

(e) Development of new businesses through acquisition and partnership

Leveraging MBK Partners' experience in M&A in Japan and overseas, Mr. Wakatsuki will promote active M&A with companies in business fields adjacent to real estate, which have large synergy with the Company.

There has been no agreement between the Tender Offerors and directors of the Company other than Mr. Nobuhiro Sakakibara on the appointment and treatment of directors after this deal. In addition, Mr. Nobuhiro Sakakibara is scheduled to resign from his position as Representative Director of the Company and also from the position as Director at the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in late December 2023 and is not planned at present to be reelected as Director. It is planned after this deal that a majority of directors of the Company will be persons appointed by and related to MBK Partners and that Mr. Mitsuhiro Wakatsuki will also continue to be engaged in the management of the Company as a director of the Company. Other details of the management system will be determined by discussion with the Company after this deal.

③ Decision-making process that led to the Company's agreement on the Tender Offer and its reason

(i) Background to the proposal from the Tender Offerors and the construction of the consideration system

As described in “(i) Background, purpose and decision-making process of the Tender Offerors’ decision to conduct the Tender Offer” of “② Background, purpose and decision-making process of the Tender Offerors, and management policy after the Tender Offer and the Transaction,” the Company started initial consideration in September 2020 and then, through networks of the Company’s directors and introduction by banks, securities companies and other major partner financial institutions from November 2020 to March 2023, discussed potential future measures, including a method of delisting the Company’s Ordinary Shares, with six funds, including MBK Partners, that the Company considered would contribute to the improvement of its corporate value. As a result, the Company received initial proposals from three funds in June 2023.

Comprehensively taking into account business networks contributing to human resource networks, introduction of customers and acquisition of partners, know-how for improvement of operational efficiency, support capabilities in enhancing the business portfolio, investment track records, proposed schemes, and positiveness toward this deal based on each company’s proposal, the Company selected two priority candidates including MBK Partners in the middle of July 2023. Subsequently, Mr. Nobuhiro Sakakibara also received specific proposals from those two companies from late July to early August 2023. On August 9, 2023, the Company held a meeting with MBK Partners. Through this meeting, the Company received an explanation from MBK Partners that it would introduce an incentive remuneration system for its directors and employees after this deal. The Company finally believed that the improvement of its corporate value would be significantly helped by MBK Partners’ business resources including business networks contributing to human resource networks, introduction of customers and acquisition of partners, know-how for improvement of operational efficiency, and support capabilities in enhancing the business portfolio. In addition, Mr. Nobuhiro Sakakibara also received a proposal from MBK Partners on August 23 after the meeting. Since the Company confirmed with him that he believed that, considering the overall superiority of the measures for overcoming the Company’s management issues, achieving medium- to long-term growth and further enhancing corporate value as well as other factors, MBK Partners’ proposal was generally better than the other candidate’s proposal and he intended to specifically consider this deal based on that proposal, the Company decided to proceed with this deal with MBK Partners as the final candidate, and notified MBK Partners on August 29, 2023, that the Company would accept initial due diligence such as an interview and information disclosure.

Following MBK Partners’ proposal to Mr. Nobuhiro Sakakibara for this deal on August 23, 2023, the Company, which was also informed of the proposal, appointed So & Sato Law Offices as a legal advisor and EY Strategy and Consulting Co., Ltd. (hereinafter called “EY”) as a financial advisor and third-party appraiser on September 12, 2023, in order to examine MBK Partners’ proposal. In addition, since there are structural conflicts of interest between the Company and Mr. Nobuhiro Sakakibara, who will conclude a Tender Agreement (Mr. Nobuhiro Sakakibara) with the Tender Offerors, and Mr. Mitsuhiro Wakatsuki, who plans to continue to be engaged in the management of the Company after the Transaction and conduct the Reinvestment, respectively, the Company resolved to establish a special committee (hereinafter called the “Special Committee”) on the same date. The purpose is to help the Company make a careful decision concerning the Transaction including the Tender Offer, eliminate potential arbitrariness and conflicts of interest in the decision-making process of the Board of Directors of the Company, and ensure fairness in the Transaction including the Tender Offer. For details of the

membership composition and specific activities of the Special Committee, please see “③ Establishment of an independent Special Committee at the Company and acquisition of the Report” of “(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest.”

(ii) Background of negotiations with the Tender Offerors

Subsequently, on October 13, 2023, the Company received an initial proposal for the Transaction from MBK Partners to the effect that the tender offer price be set at 850 yen (27.82% premium over the closing price of 665 yen of the Company’s Ordinary Shares on the Tokyo Stock Exchange Prime Market on the 12th of the same month, the business day immediately preceding the date of the proposal) and the stock acquisition right purchase price be set at 5,400 yen (the difference (54 yen) between the tender offer price for the above proposal (850 yen) and the exercise price per share of the Company’s Ordinary Shares under the stock acquisition rights (796 yen) multiplied by the number of the Company’s Ordinary Shares to be issued for such stock acquisition rights (100 shares per each Stock Acquisition Right)). The Special Committee of the Company discussed the proposal, while receiving legal advice from So & Sato Law Offices and advice regarding the valuation of the Company’s Ordinary Shares from EY. As a result, in light of the trend in the price of the Company’s Ordinary Shares as of October 13, 2023 and the fact that the premium rate reflected in the above proposal is considered to be substantially lower than the average premium (approximately 40% over the closing price on the business day immediately preceding the announcement date, approximately 43% over the simple average of the closing price for the past one month up to the same date, approximately 47% over the simple average of the closing price for the past three months up to the same date, and approximately 48% over the simple average of the closing price for the past six months up to the same date) in 47 management buyout (MBO) cases announced after June 28, 2019, when the Ministry of Economy, Trade and Industry (METI) published its “Fair M&A Guidelines” (the “M&A Guidelines”), and successfully completed, the Special Committee believed that the tender offer price in the above proposal did not sufficiently reflect the fair value of the Company’s Ordinary Shares and did not reach a level at which the Company could resolve to express its support for the Tender Offer to its minority shareholders, and therefore on October 14, the Company requested MBK Partners to increase the tender offer price.

In response, MBK Partners reconsidered the tender offer price, and on the 20th of the same month, the Company received a second proposal from MBK Partners to the effect that the tender offer price be set at 900 yen (48.27% premium over the closing price of 607 yen of the Company’s Ordinary Shares on the Tokyo Stock Exchange Prime Market on the 19th of the same month, the business day immediately preceding the date of the proposal) and the stock acquisition right purchase price be set at 10,400 yen (the difference (104 yen) between the tender offer price for the above proposal (900 yen) and the exercise price per share of the Company’s Ordinary Shares under the stock acquisition rights (796 yen) multiplied by the number of the Company’s Ordinary Shares to be issued for such stock acquisition rights (100 shares per each Stock Acquisition Right)). Although the second price proposal was higher than the first price proposal, it still did not adequately reflect the fair value of the Company’s Ordinary Shares and was not at a level at which the Company could resolve to express its support toward minority shareholders. Therefore, on October 20, the Company again requested MBK Partners to increase the tender offer price.

Thereafter, MBK Partners further reviewed the tender offer price, and on the 25th of the same month, the Company received a third proposal from MBK Partners to the effect that the tender offer price be set at 930 yen (53.97% premium over the closing price of 604 yen of the Company’s Ordinary Shares on the Tokyo Stock Exchange Prime Market on the 24th of the same month, the business day immediately preceding the date of the proposal) and the stock acquisition right purchase price be set at 13,400 yen (the difference (134 yen) between the tender offer price for the above proposal (930 yen) and the exercise price per share of the Company’s Ordinary Shares under the stock acquisition rights (796 yen) multiplied by the number of the Company’s Ordinary Shares to be issued for such stock acquisition rights (100 shares per each Stock Acquisition Right)). In response, at the meeting of the Special Committee held on October 25, the Special Committee determined that the proposed tender offer price still did not sufficiently reflect the fair value of the Company nor did it reach a level at which it could resolve to express its support toward the minority shareholders, and decided to resort to EY’s valuation results by the DCF (discounted cash flow) method (the “DCF Method”), the Company’s share price trend, and the premiums in management buyout (MBO) cases announced and completed after June 28, 2019, when the Ministry of Economy, Trade and Industry published its M&A

Guidelines, and on October 25, the Company requested that MBK Partners increase the tender offer price to 1,070 yen per share in order to obtain broad understanding and approval from minority shareholders.

Subsequently, on the 27th of the same month, the Company received a fourth proposal from MBK Partners to the effect that the tender offer price be set at 960 yen (61.89% premium over the closing price of 593 yen of the Company's Ordinary Shares on the Tokyo Stock Exchange Prime Market on the 26th of the same month, the business day immediately preceding the date of the proposal) and the stock acquisition right purchase price be set at 16,400 yen (the difference (164 yen) between the tender offer price for the above proposal (960 yen) and the exercise price per share of the Company's Ordinary Shares under the stock acquisition rights (796 yen) multiplied by the number of the Company's Ordinary Shares to be issued for such stock acquisition rights (100 shares per each Stock Acquisition Right)). In response, at the meeting of the Special Committee held on the 30th of the same month, the Special Committee confirmed the background for reaching the price proposal and other matters with MBK Partners, discussed the price with MBK Partners, and carefully considered the details of MBK Partners' proposal. As a result, on the 30th of the same month, the Company again requested MBK Partners to increase the tender offer price in order to obtain broad understanding and approval from minority shareholders.

In response, MBK Partners reconsidered the tender offer price, and on the 31st of the same month, the Company received a fifth proposal from MBK Partners to the effect that the tender offer price be set at 1,000 yen (70.07% premium over the closing price of 588 yen of the Company's Ordinary Shares on the Tokyo Stock Exchange Prime Market on the 30th of the same month, the business day immediately preceding the date of the proposal) and the stock acquisition right purchase price be set at 20,400 yen (the difference (204 yen) between the tender offer price for the above proposal (1,000 yen) and the exercise price per share of the Company's Ordinary Shares under the stock acquisition rights (796 yen) multiplied by the number of the Company's Ordinary Shares to be issued for such stock acquisition rights (100 shares per each Stock Acquisition Right)). In response to the proposal, at the meeting of the Special Committee held on November 2, 2023, the Special Committee carefully considered the details of the proposal from MBK Partners, and as a result, determined that the tender offer price in the proposal from MBK Partners served the interests of minority shareholders. Since the stock acquisition right purchase price is calculated based on the tender offer price, the Special Committee also determined that the Tender Offer provided the minority shareholders and Stock Acquisition Rights Holders with a reasonable opportunity to sell the Company's Ordinary Shares and stock acquisition rights. On November 2, 2023, the Company, based on the assumption that the final decision will be made by resolution of the Company's Board of Directors based on a report from the Special Committee, provided a response indicating its acceptance of the proposal by MBK Partners and reached an agreement with MBK Partners on the tender offer price of 1,000 yen per share and the stock acquisition right purchase price of 20,400 yen.

(iii) Our decision-making process, reasons and details

The Company received legal advice from its legal advisor, So & Sato Law Offices, regarding the method and process of decision-making by the Board of Directors of the Company, including various procedures related to the Transaction, and other points to be noted, as well as a written report (the "Report") dated November 13, 2023, from the Special Committee. (for a summary of the Report and detailed activities of the Special Committee, please refer to "③ Establishment of an independent Special Committee at the Company and acquisition of the Report" under "(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest" below.) The Company carefully discussed and examined whether the Transaction would enhance the corporate value of the Company, and whether the interests to be enjoyed by minority shareholders can be secured by executing the Transaction through fair procedures, while respecting the contents of the Report submitted by the Special Committee to the maximum extent possible and taking into consideration the legal advice received from legal advisor So & Sato Law Offices, and the contents of the share price valuation report (the "Share Price Valuation Report") obtained from EY, a third-party valuation agent as of November 10, 2023.

As stated in "(i) Background, purpose and decision-making process of the Tender Offerors' decision to conduct the Tender Offer" under "② Background, purpose and decision-making process of the Tender Offerors, and management policy after

the Tender Offer and the Transaction” above, the business environment surrounding the JBR Group is expected to remain severe to a certain degree over the medium- to long- term due to sluggish growth in domestic demand caused by structural factors such as declining population and depopulation. On the other hand, it is expected that property management companies in particular will find it difficult to maintain their own call centers as well as their own operation infrastructure, and outsourcing needs are likely to increase, providing a tailwind opportunity for the JBR Group in terms of marketing. In addition, the service needs of customers and users are diversifying, and the types and contents of “needs” are changing. In response to diversifying and changing customer needs, the JBR Group is required to expand its customer contact points by promoting service content and partnership strategies that support more reassuring, safer, and more comfortable lifestyles, rather than just resolving problems. Against the backdrop of this business environment and the management issues it faces, the JBR Group believes that in order to achieve further development and sustainable growth in the medium to long term, it is necessary to solve the following management issues: (a) expand Membership, Warranty and Insurance Businesses, (b) improve service quality and expand content, (c) improve business efficiency and system investment, (d) enhance business portfolio for medium- to long-term growth and (e) develop human resources for the next generation.

In order to address these management issues and further expand our customer contact points, we have come to believe in the need to form an alliance with a third party that can complement and strengthen our functions and structure. We considered MBK Partners to be a beneficial partner based on the following factors: MBK Partners’ extensive human resource network which would provide access to necessary human resources upon completion of this Transaction, its business network which would allow us to develop more customers and partners, its expertise in improving the efficiency of our operations and system investments, and its support capabilities in strengthening our business portfolio, including M&A and business development. Given that the Transaction is considered essential for the Company’s growth by utilizing the management resources possessed by MBK Partners, the Company has determined that executing the Transaction will contribute to the enhancement of the Company’s corporate value.

If the Transaction is executed, the Company’s Ordinary Shares are planned to be taken private, and if this is achieved, it is expected that the Transaction will contribute to the enhancement of the Company’s corporate value by steadily promoting the resolution of management issues, prompt decision making, and reduction of listing costs, while utilizing the management resources of MBK Partners. On the other hand, if the Company were to be delisted, we would no longer be able to raise funds from the capital markets, and this could affect our ability to secure human resources and expand our clientele due to the social credibility and name recognition we have enjoyed as a publicly traded company. However, in light of our current financial situation and other factors, we do not anticipate the need for large-scale fundraising in the next few years. In addition, the Company believes that the disadvantages of going private will be limited as the Company will be able to secure human resources and expand its clientele by enhancing its social credibility and name recognition, which will be achieved in large part through business activities backed by the brand power and name recognition that the Company has cultivated to date, and the Company will be able to further strengthen its brand through MBK Partners’ management resources, so the impact of going private on securing human resources is not considered to be significant. Based on the above, we have determined that the advantages of taking the Company’s Ordinary Shares private outweigh the disadvantages.

In addition, as a result of considering the following points, the Board of Directors of the Company determined that the Transaction including the Tender Offer is expected to enhance the corporate value of the Company; that the tender offer price, stock acquisition right purchase price, and other terms and conditions of the Tender Offer served the interests of the Company’s shareholders and Stock Acquisition Rights Holders; and that the Tender Offer provided the Company’s shareholders and Stock Acquisition Rights Holders with a reasonable opportunity to sell the Company’s Ordinary Shares and stock acquisition rights.

- (a) The tender offer price is considerably higher than the upper limit of the range of the results of EY’s calculation of the value of the Company’s Ordinary Shares as set forth in “(3) Matters relating to valuation” below, which is based on the market price method, and is within the range of the calculation results based on the DCF method and at a level close to the median value of the range.

- (b) The tender offer price includes a premium of 54.80% over the closing price of 646 yen of the Company's shares on the Tokyo Stock Exchange Prime Market on November 10, 2023, the business day immediately preceding today, a premium of 62.87% over the simple average of the closing price of 614 yen (rounded to the nearest whole yen; the same shall apply to the calculation of the simple average of the closing price below) for the past one month up to November 10, 2023, a premium of 46.84% over the simple average of the closing price of 681 yen for the past three months up to November 10, 2023, and a premium of 42.25% over the simple average of the closing price of 703 yen for the past six months up to November 10, 2023. The tender offer price is not necessarily considered high relative to the simple average for the closing price during the past six months up to the business day immediately preceding the announcement date, when compared with the average premiums (approximately 40% over the closing price on the business day immediately preceding the announcement date, approximately 43% over the simple average of the closing price for the past one month up to the same date, approximately 47% over the simple average of the closing price for the past three months up to the same date, and approximately 48% over the simple average of the closing price for the past six months up to the same date) in 47 management buyout (MBO) cases announced after June 28, 2019, when the Ministry of Economy, Trade and Industry published its M&A Guidelines, and successfully completed at or before the end of October 2023. However, premiums in 30%'s and 40%'s over the simple average of the closing prices for the past six months up to the business day immediately preceding the announcement date are mostly frequently seen in terms of the distribution of the premiums in the above cases, when analyzed by 10% bucket. The premium in the tender offer price over the simple average of the closing price for the past six months up to the business day immediately preceding the announcement date is within this range, and therefore, it is considered that the reasonableness of the tender offer price is not denied.
- (c) The interests of minority shareholders are taken into consideration, such as measures to eliminate conflicts of interest as described in “(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest” below.
- (d) The tender offer price was determined after multiple negotiations between the Company and MBK Partners after the above measures to eliminate conflicts of interest were taken.
- (e) A meaningful increase in the price proposal for the Tender Offer was achieved at the request of the Special Committee.
- (f) With respect to the purchase price of the stock acquisition rights, the calculation is based on the difference between the tender offer price and the exercise price per share of the Company's stock under the stock acquisition rights multiplied by the number of the Company's shares (100 shares per each Stock Acquisition Right) to be issued for such stock acquisition rights.
- (g) As described in “③ Establishment of an independent Special Committee at the Company and acquisition of the Report” in “(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest” below, the Company received a Report dated November 13, 2023 from the Special Committee that (i) the Transaction will contribute to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable; (ii) the terms and conditions of the Transaction are considered plausible; (iii) the Transaction is deemed to give due consideration to the interests of the Company's shareholders through fair procedures; and (iv) based on (i) through (iii) above, the Transaction is not considered to be disadvantageous to minority shareholders, and (v) the Board of Directors of the Company has received a Report to the effect that it is reasonable for the Board of Directors of the Company to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Stock Acquisition Rights Holders tender their shares in the Tender Offer.

Additionally, according to MBK Partners, the valuation of the Company's shares, which forms the premise for determining the amount to be paid per share for Altair's stock in the Reinvestment, will be the same price as the tender offer price. The Company believes that this Reinvestment does not violate the purpose of the regulations on uniformity of the tender offer price (Article 27-2, Section 3 of the Financial Instruments and Exchange Act) because the Reinvestment is implemented for the purpose of Mr. Mitsuhiro Wakatsuki, a Director of the Company, to remain involved in the Company after going private through the investment in Altair, and was considered independently of whether Mr. Wakatsuki would accept the Tender Offer

or not. The Company has determined that such explanation is reasonable. The Company has also decided not to request a majority of the minority condition for the minimum number of shares to be purchased in the Tender Offer, as the Company considers MBK Partners' explanation that setting a majority of the minority condition would make the consummation of the Tender Offer unstable and may not in fact serve the interests of minority shareholders who wish to tender their shares in the Tender Offer to be reasonable. Furthermore, MBK Partners explained that it is proceeding on the assumption that MBK Partners will hold a majority of Altair's voting rights upon the Reinvestment, and since the Company believes that this assumption will not impede the implementation and promotion of measures necessary to improve the Company's corporate value, we have determined that there is no particular need to request MBK Partners to reconsider its investment ratio.

Based on the above, the Company hereby announces that at the meeting of the Board of Directors held today, the Company's directors (five directors excluding Mr. Nobuhiro Sakakibara, Mr. Mitsuhiro Wakatsuki and Mr. Norio Shiraishi, and including directors who are members of the Audit & Supervisory Committee) who participated in the deliberations and resolution unanimously resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Stock Acquisition Rights Holders tender their shares in the Tender Offer.

(3) Matters relating to valuation

① Name of the valuation agent and relationship with the Company and the Tender Offerors

In order to ensure the fairness of the tender offer price and the fairness of the Transactions including the Tender Offer, on September 12, the Company requested EY, the Company's financial advisor and third-party valuation agent independent of parties related to the Tender Offer, to value the Company's Ordinary Shares and obtained the Share Price Valuation Report as of November 10, 2023. EY is not a related party of the Tender Offer and does not have any material interest in the Tender Offer. A portion of EY's advisory fee for the Transaction includes a milestone fee (however, this is a fixed fee and does not fluctuate according to the total transaction amount of the completed Transaction), which is paid each time a milestone is reached after setting multiple milestones in the Transaction process. EY believes that, given the uncertainty regarding the success or failure of the Transaction, it would be preferable from a financial perspective for the Company to have a portion of the fee be milestone compensation, and that it would be reasonable for both parties to consider this as a reasonable option. In light of practical practices regarding the fee system for financial advisors in similar transactions, EY is not considered to have a material interest that differs from that of general shareholders in the success or failure of the Transaction due to the aforementioned fee system, and the Company believes that EY's independence is not denied.

The Special Committee has approved the financial advisor and third-party valuation agent appointed by the Company, as there are no issues with their independence and expertise, and has confirmed at the first meeting of the Special Committee that the Special Committee can also receive professional advice from them as necessary.

② Summary of valuation

EY considered the optimal calculation method to be adopted in calculating the value of the Company's Ordinary Shares from among several share valuation methods. As the Company's shares are listed on the Tokyo Stock Exchange Prime Market and the Nagoya Stock Exchange Premier Market, and market share prices do exist, EY used the market price method and the DCF Method to reflect the future business activities in the valuation and the Company received the Share Price Valuation Report dated November 10, 2023 from EY. As described in "(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest" below, the Company has not obtained a written opinion (fairness opinion) from EY on the fairness of the tender offer price since the Tender Offerors and the Company have implemented measures to ensure the fairness of the tender offer price and to avoid conflicts of interest.

The range of values per share of the Company's Ordinary Share calculated under each of the above methods is as follows.

Market price method: 614 yen - 703 yen

DCF Method: 872 yen - 1,177 yen

The market price method used November 10, 2023, the business day immediately prior to the Company's Board of Directors' resolution regarding the Tender Offer, as the reference date, and the per-share value of the Company's Ordinary Shares was calculated to range from 614 yen to 703 yen based on the closing price of the Company's Ordinary Shares on the Tokyo Stock Exchange Prime Market on the reference date of 646 yen, the simple average of the closing price of the Company's Ordinary Shares for the one month, three months and six months prior to the reference date of 614 yen, 681 yen and 703 yen, respectively.

Under the DCF Method, the per-share value of the Company's Ordinary Shares was calculated to range from 872 yen to 1,177 yen by discounting the free cash flows that the Company is expected to generate in and after the fiscal year ending September 2024 by a certain discount rate to arrive at a present value based on future earnings and investment plans in the Company's business plan for the three fiscal years ending September 2024 through September 2026. A discount rate (weighted average cost of capital) of 7.9% to 10.6% was applied. In addition, the perpetual growth rate method is used to calculate the going concern value, applying a growth rate of 0.0% to 1.0%.

The financial forecasts based on the Company's business plan, which EY used as the premise for the DCF Method calculation, are shown below, and include fiscal years in which significant increases or decreases in profit are expected. Specifically, in the Membership Business, the Company expects an increase in revenue and profit from the expansion of services for detached housing in addition to the continued increase in the number of members for services for collective housing, and in the Warranty Business, the Company expects an increase in revenue and profit from the increase in members for extended warranty services and expansion of BPO business such as home equipment-related call centers, resulting in a significant increase in operating income for fiscal year ending September 2026, compared to fiscal year ending September 2025. In addition, the Company expects an increase in unearned revenue from membership growth in the Membership Business and Warranty Business from the fiscal year ending September 2025 onward, and in the fiscal year ending September 2025, it expects a significant increase in free cash flows compared to the fiscal year ending September 2024.

This business plan is based on the newly formulated Mid-Term Business Plan and the synergies expected to be attained from the execution of the Transaction have not been taken into account in the relevant financial forecasts since it is difficult to estimate them concretely at this time.

(Unit: million yen)

	FY2024	FY2025	FY2026
Net Sales	18,342	20,619	24,566
Operating Profit	2,056	2,480	3,291
EBITDA	2,497	2,935	3,585
Free Cash Flow	1,225	3,118	2,987

In calculating the value of the Company's Ordinary Shares, EY has, in principle, used the information provided by the Company and publicly available information as is, and has assumed that all such information is accurate and complete, and has not independently verified the accuracy and completeness of such information. In addition, the assets or liabilities (including contingent liabilities) of the Company and its affiliates have not been independently evaluated, appraised or assessed, including analysis and evaluation of each individual asset and liability. Additionally, the Company's financial projections are assumed to have been reasonably prepared based on the best currently available estimates and judgments of the Company's management. EY's share value calculations are based on the aforementioned information and other economic conditions available by November 10, 2023.

Although the Tender Offer includes stock acquisition rights, the Company has determined that, with respect to the stock acquisition right purchase price (20,400 yen), it is calculated based on the difference (204 yen) between the tender offer price (1,000 yen) and the exercise price per share (796 yen) of the Company's Ordinary Shares under the stock acquisition rights multiplied by the number of the Company's Ordinary Shares (100 shares per each Stock Acquisition Right) to be issued for

such stock acquisition rights. Therefore, the Company has determined that the Tender Offer provides the Stock Acquisition Rights Holders of the Company with a reasonable opportunity to sell their stock acquisition rights.

In addition, the terms and conditions of the issuance of the stock acquisition rights stipulate that acquisition of the stock acquisition rights by transfer requires the approval of the Board of Directors of the Company. In order to enable the transfer of the stock acquisition rights, the Board of Directors of the Company, at its meeting held on November 13, 2023, passed a resolution to comprehensively approve the transfer of the stock acquisition rights held by the holders thereof to the Tender Offerors by tendering them in the Tender Offer, subject to the completion of the Tender Offer.

Since the Tender Offerors calculated the purchase price of the stock acquisition rights based on the tender offer price, the Company has not obtained a valuation report from a third-party agent regarding the purchase price of the stock acquisition rights.

(4) Prospect and reason for delisting

The Company's shares are listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange as of today. Since the Tender Offerors have not set an upper limit of the planned number of shares purchased in the Tender Offer, the Company's shares may be delisted, depending on the result of the Tender Offer, through the prescribed procedure in accordance with the continuous listing requirements of the Tokyo Stock Exchange and the Nagoya Stock Exchange.

Even in the case that these requirements are not met as of the completion of the Tender Offer, the Tender Offerors plan to make the Tender Offerors the sole shareholders of the Company and delist the Company after the Tender Offer is completed according to the procedure described in "(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the two-step acquisition)" below. In that case, the Company's Ordinary Shares will be delisted through the prescribed procedure in accordance with the continuous listing requirements of the Tokyo Stock Exchange and the Nagoya Stock Exchange. After the Company's shares are delisted, the Company's Ordinary Shares will be unavailable for trading on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange.

(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the two-step acquisition)

As stated in "① Overview of the Tender Offer" under "(2) Basis and reasons for the opinion" above, the Tender Offerors plan to delist the Company. If the Tender Offerors are unable to acquire all of the Company's Ordinary Shares (including the Company's Ordinary Shares to be delivered upon exercise of the stock acquisition rights, but excluding one share of the Company's Ordinary Shares held by Vega as of today and the treasury shares held by the Company) and stock acquisition rights through the Tender Offer, the Company plans to take the following procedures after the Tender Offer is completed and implement a series of procedures to make the Tender Offerors the sole shareholders of the Company.

Specifically, the Tender Offerors plan to request the Company to hold an extraordinary general meeting of shareholders (the "Extraordinary General Meeting of Shareholders") and include in the agenda items for discussion the Reverse Stock Split and partial amendment of the Articles of Incorporation to abolish the provision of the number of shares constituting one unit of shares subject to the Reverse Stock Split becoming effective, in accordance with Article 180 of the Companies Act (however, if reasonably necessary for the smooth execution of the Transaction or for other purposes, it will be conducted by using class shares subject to be wholly called or by other methods separately agreed upon by the Tender Offerors and the Company). The Tender Offerors believe that it is desirable to hold the Extraordinary General Meeting of Shareholders as early as possible from the viewpoint of enhancing the corporate value of the Company, and they intend to request that a public notice be published to set a date that falls in the proximity of the commencement date of the settlement (as of today, scheduled for early January 2024) as the record date for the Extraordinary General Meeting of Shareholders. If the Company receives such a request from the Tender Offerors, we plan to comply with such request. The Tender Offerors plan to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders, which is scheduled to be held in mid-February 2024.

If the proposal for the Reverse Stock Split is approved at the Extraordinary General Meeting of Shareholders, our shareholders will hold the number of the Company's Ordinary Shares corresponding to the ratio of the Reverse Stock Split approved at the Extraordinary General Meeting of Shareholders as of the effective date of the Reverse Stock Split. If the Reverse Stock Split results in a fraction of less than one share, the Company will deliver to the shareholders who hold fractional shares the cash

proceeds from the sale of the Company's Ordinary Shares equivalent to the total of such fractional shares (if the total number includes a fraction of less than one share, such fraction will be rounded down) to the Company or the Tender Offerors in accordance with the procedures stipulated in Article 235 of the Companies Act and other applicable laws and regulations. The sale price of the Company's Ordinary Shares corresponding to the total of such fractions shall be set so that the amount to be delivered to the Company's shareholders (excluding the Company) who did not tender their shares in the Tender Offer as a result of such sale will be equal to the tender offer price multiplied by the number of the Company's shares held by such shareholders, upon which a petition will be filed with the court for permission of voluntary sale. The ratio of the Reverse Stock Split has not yet been determined as of the date hereof, but the Tender Offerors will determine the ratio so that the number of the Company's Ordinary Shares held by the Company's shareholders (excluding the Company) who have not tendered their shares in the Tender Offer will be less than one share to enable the Tender Offerors to own all the issued shares of the Company (excluding the Company's treasury shares).

As a provision under the Companies Act to protect the rights of minority shareholders in relation to the Reverse Stock Split, if the Reverse Stock Split is conducted and the number of shares resulting from the Reverse Stock Split includes a fraction of less than one share, the shareholders of the Company (excluding the Company) may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations, request the Company to purchase all of the fractional shares they hold at a fair price and may file a motion with the court to determine the price of the Company's Ordinary Shares. As described above, in the Reverse Stock Split, the number of the Company's Ordinary Shares held by shareholders of the Company (excluding the Company) who did not tender their shares in the Tender Offer is expected to be fractions of less than one share and therefore, shareholders who oppose the Reverse Stock Split will be able to file the aforementioned motion. The purchase price of the Company's Ordinary Shares in the event of such motions being filed will ultimately be determined by the court.

Each of the above procedures may take time to implement or may be changed to other methods that largely have the same effect, depending on the status of interpretation by authorities on related laws and regulations, etc., the shareholding ratio of the Tender Offerors' shares in the Company after the Tender Offer, and the shareholding status of the Company's shareholders other than the Tender Offerors. However, even in such case, the Company plans to compensate the shareholders of the Company (excluding the Company) who have not tendered their shares in the Tender Offer with monetary payments. In such case, the amount of money to be delivered to each such shareholder will be calculated to be the same as the tender offer price multiplied by the number of the Company's Ordinary Shares held by each such shareholder.

In the event that the Tender Offerors are unable to acquire all of the stock acquisition rights through the Tender Offer and the stock acquisition rights remain unexercised despite the completion of the Tender Offer, the Tender Offerors plan to request the Company to implement procedures reasonably necessary to execute the Transaction, such as acquiring the stock acquisition rights and recommending the Stock Acquisition Rights Holders to waive their stock acquisition rights.

The specific procedures in each of the above cases and the timing of their implementation, etc. will be promptly announced by the Company as soon as they are finalized.

The Tender Offer is not intended to solicit the approval of the Company's shareholders at the Extraordinary General Meeting of Shareholders. In addition, we request that our shareholders consult with tax accountants and other professionals at their own responsibility regarding the tax treatment with regards to the application for the Tender Offer or each of the above procedures.

(6) Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the tender offer price and to avoid conflicts of interest

Since the Tender Offer is conducted as part of the Transaction, which falls under the category of a so-called management buyout (MBO), and since there are structural conflicts of interest between the Company and Mr. Nobuhiro Sakakibara, who will conclude the Tender Agreement (Mr. Nobuhiro Sakakibara) with the Tender Offerors, and Mr. Mitsuhiro Wakatsuki, who plans to continue to be engaged in the management of the Company after the Transaction and conduct the Reinvestment, respectively, the Company and Tender Offerors implemented the following measures in order to ensure fairness of the tender offer price and

the stock acquisition right purchase price, as well as eliminating arbitrariness in decision-making regarding the Transaction, ensuring fairness, transparency and objectivity in the decision-making process of the Company, and avoiding conflicts of interest.

The Tender Offerors believe that, in the Tender Offer, deducting from the denominator a total of 17,956,818 Tendered Shares (ownership ratio of 53.62%) based on a tender agreement among Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc., and ITOCHU, and establishing the lower limit of the planned number of purchased shares in a so-called majority of minority, may make the completion of the Tender Offer uncertain and may not contribute to the interests of minority shareholders of the Company who want to subscribe to the Tender Offer. Hence, they have not set the lower limit of the planned number of purchased shares in a majority of minority for the Tender Offer.

The descriptions of measures taken by the Tender Offerors among the following descriptions are based on the explanation provided by the Tender Offerors.

① Acquisition of a share price valuation report from the independent third-party appraiser of the Company

As described in “① Names of appraiser and its relationship with the Company and the tender offerors” of “(3) Matters concerning calculation,” the Company requested EY, its financial advisor and third-party appraiser that is independent of parties related to the tender offer, to evaluate the Company’s shares in order to secure fairness of the tender offer price and the Transaction in general including the Tender Offer in expressing its opinion regarding the Transaction including the Tender Offer on September 12, 2023, and obtained the share valuation report dated November 10, 2023. Please note that EY is not included in the parties related to the Tender Offer and does not have any material interests in the Tender Offer. The fee for this deal paid to EY partially includes milestone fees, where several milestones are set in the process of this deal and a fee is paid every time each milestone is reached (however, this is a fixed fee and does not fluctuate according to the total transaction amount of the completed deal). But the Company would be required to bear reasonable financial burdens even if the deal were not successful. In addition, EY considers that the fee partially including milestone fees is more desirable from the perspective of financial burdens on the Company and more reasonable for both parties, as the completion of this deal is uncertain. In light of the practice of the fee structure for financial advisors in similar deals, the Company does not recognize that EY has material interests different from general shareholders in the completion of this deal and its independence is denied due to the said fee structure.

The Special Committee has approved the financial advisor and third-party appraiser appointed by the Company as the financial advisor and third-party appraiser of the Company since there is no problem with its independence and expertise. The Special Committee has also confirmed in the first Special Committee meeting that it can also receive professional advice as necessary.

For an overview of the Share Price Valuation Report, please see “② Summary of valuation” of “(3) Matters relating to valuation.”

② Advice from an independent law firm to the Company

In order to secure fairness and appropriateness in the decision-making process of the Board of Directors of the Company concerning the Tender Offer, the Company appointed So & Sato Law Offices as a legal advisor independent of parties related to the Tender Offer on September 12, 2023, and has received necessary legal advice from the law firm on the method and process of decision-making of the Board of Directors of the Company including procedures for this deal and other points to note. So & Sato Law Offices do not fall under the definition of a related party including parties related to the Tender Offer, and do not have any material interests in the Tender Offer. The Special Committee has also confirmed that there is no problem with the independence of So & Sato Law Offices. The fee paid to So & Sato Law Offices only consists of hourly fees, and any fees contingent upon the completion of this deal have not been adopted.

The Special Committee has approved the legal adviser appointed by the Company as the legal advisor of the Company as there is no problem with its independence and expertise. The Special Committee has also confirmed in the first Special Committee meeting that the Special Committee also can receive professional advice as necessary.

③ Establishment of an independent Special Committee at the Company and acquisition of the Report

(i) Background of establishment of Special Committee, etc.

Since the Transaction is conducted as part of a so-called management buyout (MBO), and since there are structural conflicts of interest between the Company and Mr. Nobuhiro Sakakibara, who will conclude a Tender Agreement (Mr. Nobuhiro Sakakibara) with the Tender Offerors, and Mr. Mitsuhiro Wakatsuki, who plans to continue to be engaged in the management of the Company after the Transaction and conduct the Reinvestment, respectively, the Company established the Special Committee, which consists of members independent of any persons involved in the Tender Offer, as of September 12, 2023, in order to ensure fairness in the Transaction including the Tender Offer in considering the Transaction, from the perspectives of eliminating arbitrariness and avoiding conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer. The Company appointed So & Sato Law Offices as its legal advisor and EY as its financial advisor and third-party valuation agent on the same date, in order to establish a system to examine, negotiate and assess the Transaction from a standpoint independent of the Tender Offerors, etc. and from the perspective of enhancing the corporate value of the Company and securing the interests of its general shareholders. Based on the legal advice received from the said law firm regarding the decision-making process, method and other points to be considered upon making decisions regarding the Transaction, the Company established a system to consider, negotiate and assess the Transaction from a standpoint independent of any persons involved in the Tender Offer and from the perspective of enhancing the corporate value of the Company and securing the interests of its general shareholders. Upon confirming that the Company's Outside Directors and Outside Directors and Members of the Audit & Supervisory Committee who are candidates for membership of the Special Committee are independent from persons involved in the Tender Offer, do not have a material interest that differs from that of general shareholders in the success or failure of the Transaction, and are qualified to serve as members of the Special Committee, the Company has selected Mr. Housei Iwamura and Mr. Akio Hamaji, both Outside Directors of the Company, and Mr. Hiroyuki Oshida, an Outside Director and Audit & Supervisory Committee Member of the Company, as members of the Special Committee. Mr. Housei Iwamura is an Outside Director of the Company and has expertise and experience in financial accounting as a certified public accountant; Mr. Akio Hamaji is an Outside Director of the Company and has a wealth of experience and broad knowledge as a business administrator; and Mr. Hiroyuki Oshida is an Outside Director and Audit & Supervisory Committee Member of the Company and has expertise and experience in stock valuation. The Company has selected these three members for the Special Committee from the beginning, and there is no evidence that the Company has changed the members of the Special Committee.

The Company has requested the Special Committee to consider (a) the rationality of the purpose of the Transaction (including whether or not the Transaction will contribute to the enhancement of the Company's corporate value), (b) the validity of the terms of the Transaction (including the method of execution of the Transaction and the appropriateness of the compensation), (c) the fairness of the procedures of the Transaction (including consideration of what and to what extent fairness assurance measures should be taken), (d) whether the Transaction is considered not disadvantageous for minority shareholders in light of (a) and (c) above; (e) opinions regarding the appropriateness of the Board of Directors' endorsing the Tender Offer and recommending that the Company's shareholders and Stock Acquisition Rights Holders accept the Tender Offer; and (f) any other matters that the Board of Directors considers necessary in light of the purpose of establishing a Special Committee. (f) Other matters that the Board of Directors deems necessary and consults with respect to the Transaction (collectively the "Advisory Matters") and to submit a written report on these items to the Board of Directors of the Company. In addition, the Board of Directors of the Company resolved that the decisions of the Board of Directors of the Company regarding the Transaction shall be made with the utmost respect for the decisions of the Special Committee, and in particular, if the Special Committee determines that the terms of the Transaction are not appropriate, the Board of Directors of the Company shall not support the Transaction under such terms of the Transaction. In addition, the Special Committee is authorized to (a) receive reports on the status of negotiations between the Company and MBK Partners in a timely manner from the Company's executives, employees, advisors, etc., and provide opinions, instructions and requests on important aspects of such negotiations in order to ensure fair negotiations between the Company and MBK Partners and be substantially involved in the negotiation process of the terms and conditions of the Transaction with MBK Partners through the Special

Committee's own negotiation with MBK Partners, (b) approve the Company's financial advisors or legal advisors (including subsequent approval) or to appoint its own financial advisors or legal advisors (in such case, the Company shall bear the costs thereof), and receive professional advice from such financial advisors or legal advisors as necessary when making a report on the matters discussed in the consultation, and (c) receive information as necessary from the Company's executives, directors, employees or advisors, when making a report on the matters discussed in the consultation.

As compensation for their duties, each member of the Special Committee shall be paid a fixed remuneration regardless of the content of their report, and such remuneration shall not include a fee contingent on the closing of the Transaction.

(ii) Background of the Special Committee's review, etc.

The Special Committee met a total of 10 times during the period between September 22, 2023 to November 10, 2023 to discuss and review these matters for consultation. Specifically, at the first meeting of the Special Committee, the Board of Directors approved the appointment of the Company's legal advisor, financial advisor, and third-party valuation agent as the Company's legal advisor, financial advisor, and third-party valuation agent, respectively, since there were no issues with regards to independence of any of them. The Special Committee has received explanation from So & Sato Law Offices regarding the background to the requirement to establish a Special Committee and the role of the Special Committee, and based on legal advice regarding the decision-making process, methods, and other points to be considered in making decisions regarding the Transaction, the Special Committee has been considering measures to be taken to ensure the fairness of the procedures in the Transaction. As a policy of involvement in the negotiation process with MBK Partners, we have confirmed that, in principle, direct negotiations will be conducted by the Company and EY, the Company's financial advisor, as the point of contact. The Special Committee then received from the Company an explanation of the Company's management situation, outstanding management issues that have been recognized, market environment, significance of the Transaction from the viewpoint of increasing corporate value, existence or non-existence of concerns regarding delisting as a result of the Transaction, management policy, capital policy, and governance structure of the Company after the Transaction, outlook for the continuation of the Company not premised on the Transaction including possible alternative measures, as well as the Company's business performance, financial condition, and business plan, etc. and a question-and-answer session was held regarding these matters. In addition, with MBK Partners, we have done a confirmation and held a Q&A session about the background behind the proposal of the Transaction to the Company, the Company's business environment, management issues, growth strategies and management policies following the Transaction and specific measures thereof, and the need for taking the Company private for that purpose, the advantages and disadvantages of the Transaction, thoughts on the recent market appraisal of the Company's shares, the scheme of the Transaction (including plans to enter into tender agreements with the Company's shareholders, etc.), the procedures and conditions, etc. in the Transaction.

In addition, in preparing the new business plan, the Special Committee has received an explanation of the contents of the proposed business plan and its material assumptions and has confirmed the rationality of the contents of the final business plan, material assumptions, and the process of its preparation, and has approved. Based on this, as stated in "(3) Matters related to valuation," above, EY has valued the shares of the Company based on the business plan, and the Special Committee received an explanation on the contents of the business plan from the Company, the contents of the stock valuation from EY (the assumptions in the valuation using the DCF method (including the perpetual growth rate and discount rate (WACC)), methods, etc.), premium analysis of recent other management buyout (MBO) cases and the status of negotiations for the Tender Offer Price, and held a Q&A session regarding the content and important preconditions for the valuation. As described in "③ Decision-making process that led to the Company's agreement on the Tender Offer and its reason" under "(2) Basis and reasons for the opinion" above, since the Company received a proposal from MBK Partners on October 13, 2023 of a tender offer price of 850 yen per share, the Special Committee has taken into consideration the results of the calculation of the equity value of the Company's Ordinary Shares by EY, the third-party valuation agent, financial advice including the negotiation policy with MBK Partners, and guidance and other legal advice from So & Sato Law Offices on how to handle the Transaction in order to ensure the fairness of the procedures, etc. Based on such advice, the Company repeatedly reviewed the tender offer price through fair procedures without the influence of MBK Partners, and proactively negotiated with MBK Partners directly or indirectly through EY on multiple occasions. As a result of such negotiations, the Special Committee succeeded in

increasing the price for a total of four times and achieved an increase in the price by 17.6% from the initial proposal. Furthermore, the Special Committee was briefed on the contents of the draft press release regarding the Tender Offer to be announced or submitted by the Company and confirmed that substantial disclosure of information is scheduled to be made.

(iii) Details of the evaluation by the Special Committee

As a result of careful discussion and deliberation of the consultation matters as described above, on November 13, 2023, the Special Committee submitted a written report to the Company's Board of Directors unanimously approved by all members of the Special Committee, which contains the following summary.

1. Contents of the report

- (1) The purpose of the Transaction is reasonable since the Transaction will contribute to the enhancement of the Company's corporate value.
- (2) The terms and conditions of the Transaction (including the method of executing the Transaction and the tender offer price) are considered reasonable.
- (3) In this transaction, it is recognized that sufficient consideration is given to the interests of the Company's minority shareholders through fair procedures.
- (4) Based on items 1 through 3 above, the Transaction is not considered to be disadvantageous to the Company's minority shareholders.
- (5) It is reasonable for the Board of Directors to express an opinion in favor of the Tender Offer and to recommend that the shareholders and Stock Acquisition Rights Holders tender their shares in the Tender Offer.

2. Reasons in the report

- (1) Reasons why the Transaction is believed to contribute to the enhancement of the Company's corporate value and the purpose of the Transaction is reasonable

In light of each of the following items, the Company believes that the Transaction will contribute to the enhancement of the Company's corporate value and the purpose of the Transaction is reasonable.

- (a) Based on the proposal expressing a formal intention to take the Company's shares private through the Tender Offer submitted on October 13, 2023, the proposal stating to the effect that the Tender Offer Price would be ¥1,000 yen submitted on October 31, 2023, and the answers obtained in the Q&A session with the executives and employees of MBK Partners held at the 8th Special Committee meeting held on October 30, 2023, the Special Committee has no objection to the Tender Offerors' recognition of the significance of the Transaction.
- (b) Based on the responses obtained at the interview with the Company's executives and staff members held at the 3rd meeting of the Special Committee held on October 4, 2023, the Company's business lineup, business environment, and management issues are believed to be as follows, to which the Special Committee has no objection: (i) In the Membership Business, it is necessary not only to further penetrate the market for services for collective housing, but also to accelerate the development of business partners who can approach the detached housing market as new sales partners for life trouble solution services, (ii) the warranty extension service for home equipment provided by Japan Warranty Support Co., Ltd., which assumes the Group's Warranty Business, needs to increase the Group's presence in the new construction market with housing manufacturers as sales partners, in addition to attracting members from home centers and electronics mass retailers, etc., against the backdrop of the expanding size of the remodeling market, (iii) Japan Small Amount & Short Term Insurance Co. Ltd., which assumes the Group's insurance business, needs to increase the number of home contents insureds and develop and sell new products, while Rescue Insurance Co., Ltd. is required to develop large-scale projects, such as efficiently acquiring insured customers through group contracts, (iv) in order to strengthen the services provided by the JBR Group, it is necessary to constantly improve the quality of services provided by the contact center, which handles "needs" from customers, and the operation partners, which are involved in solving life troubles, and to provide services that will be patronized by our customers, while expanding service

content by leveraging partnerships and building an effective service infrastructure network in order to respond to various needs arising from changes in the social environment, (v) in order to respond to a large number of service menus, it is necessary to review operations that have become complex and diversified, and to systemize them in order to promote greater operational efficiency and speed, and to build a system that will support future business expansion, (vi) in order to achieve sustainable growth in the future and improve corporate value over the medium to long term, it is necessary to create new businesses using a variety of strategies such as expanding partnerships and M&A, and also to strengthen the business portfolio with an eye toward management efficiency so that maximum value can be achieved with the use of the minimum organization and resources, and (vii) in order for the JBR Group to grow in the future, it is necessary to further improve customer satisfaction and develop human resources from the middle to management level for the next generation to support stable business growth in the administrative and other divisions.

- (c) In order to address these issues and expand our customer contact points even further, we believe that it is necessary to partner with a third party that can complement and strengthen our functions and systems. In addition, we believe it is necessary to strengthen the Company's functions and systems, and if the Transaction is established, it said that we will be able to receive the necessary human resources from MBK Partners 's extensive human resources network; there is a possibility of developing many customers and partners through the business network; and we can expect support in improving the efficiency of our business operations by leveraging business efficiency know-how, systems investment, and strengthening our business portfolio, including M&A and business development. The Company carefully considered measures for the synergies and business strategies offered by the Tender Offerors, and determined that such measures could enable the Company to grow by utilizing the management resources possessed by MBK Partners and contribute to the enhancement of the Company's corporate value, to which the Special Committee has no objection.
- (d) Furthermore, the Special Committee also has carefully conducted review with respect to measures, etc. proposed by MBK Partners stated in the Intention Statement dated October 13, 2023, based on the explanations by MBK Partners in the Q&A therewith implemented at the 8th Special Committee meeting held on October 30, and details of the answers to the questions from the Special Committee and the advisors of the Company, and the content of the proposal presented by the MBK Partners was considered generally acceptable as an approach to the Company's management issues, and its feasibility was considered reasonably acceptable, and no unreasonable points were found.
- (e) In implementing the above measures, considering the aggressive upfront investment to accelerate the growth of each business, there is a risk that the financial condition and performance of the JBR Group may deteriorate in the short term, and if such measures are implemented while the Company remains listed, there may be a significant negative impact on the Company's shareholders, such as a decline in the share price and a decrease in dividend payouts. Under these circumstances, we do not find any unreasonable aspects in the Company's decision to implement the Transaction as it is intended to ensure that the Company's general shareholders will avoid being exposed to the risk of such adverse effects, while also implementing such measures promptly and ensuring the continuation of the Group's business and improving its corporate value from a medium- to long-term perspective. The Company considered the advantages and disadvantages of delisting the Company's Ordinary Shares and taking the Company private through the Transaction. While it is expected to promote prompt decision making and reduce listing costs, we do not anticipate the need for large-scale fundraising in the next few years, and regarding our ability to secure human resources and expand our clientele due to the social credibility and other advantages of being a publicly traded company, the disadvantages will be limited in large part through business activities backed by the brand power and name recognition that the Company has cultivated to date. Accordingly, we believe that the advantages of taking the Company's Ordinary Shares private outweigh the disadvantages, to which the Special Committee has no objection.

(2) Reasons why the terms and conditions of the Transaction (including the method of executing the Transaction and the

tender offer price) are reasonable

The Company believes that the terms of the Transaction are reasonable under the following circumstances.

- ① The Company repeatedly held substantive discussions and negotiations with MBK Partners on multiple occasions. In such discussions and negotiations, the Special Committee, which is composed of members who are independent of the Tender Offerors and other Involved Parties, has been substantially involved in the negotiation process with MBK Partners, taking into consideration various factors, including the status of the share valuation by EY, premium levels in comparable transactions, and past share price trends of the Company's Ordinary Shares. In the course of such negotiations, in response to the Tender Offerors' proposal regarding the terms and conditions of the Tender Offer, the results of the analysis of the proposal by the Company and its advisors, as well as the response policy and proposed responses, were explained to the Special Committee each time, and the Special Committee expressed its opinions as appropriate, and the response to the Tender Offerors was made after the Special Committee's opinions were properly reflected. As a result of such negotiations, a 150 yen increase in the tender offer price from MBK Partners' initial proposal was ultimately accomplished.
- ② While the Special Committee, which is composed of members who are independent of the Tender Offerors and other Involved Parties, is substantially involved in the negotiation process, none of those with special interest in the Transaction, including Mr. Mitsuhiro Wakatsuki, are included among the Directors who are considering and negotiating this Transaction on behalf of the Company, and there are no facts suggesting that anyone with a special interest had any undue influence on the Company's side.
- ③ EY uses the market price method and the DCF method to value the range of the stock value per share of the Company's stock, and the selection of valuation methods is based on the calculation method that is generally used in the practice of valuing shares for similar projects, and there is nothing unreasonable about it, even taking into account the unique circumstances of the Transaction.
- ④ The Special Committee carefully examined the rationality of the Company's business plan, particularly with respect to the content, material assumptions, and preparation process of the Company's newly formulated Mid-Term Business Plan, by asking questions to and receiving explanations and answers from the Company. Based on the above explanation and response by the Company, the Special Committee has confirmed the rationality of the contents of the business plan, material assumptions, the process of its preparation, etc., and has approved the business plan mainly on the grounds that (i) the previous Mid-Term Business Plan of the Company was announced in November 2021, and it is natural for a listed company to review the plan as necessary, (ii) the preparation of the new Mid-Term Business Plan was conducted in the ordinary course of business unrelated to the Transaction, and the contents of the new Mid-Term Business Plan, taking into account changes in the business environment and the Company's business activities since the preparation of the previous Mid-Term Business Plan, are all supported by certain arguments and are not unreasonable in any way.
- ⑤ According to the share price valuation report obtained from EY, a third-party valuation organization, the per share value of the Company's shares is from 614 yen to 703 yen according to the market price method, and from 872 yen to 1,177 yen according to the DCF method. The Tender Offer Price is an amount that exceeds the upper limit of the valuation results based on the market price method in the share price valuation report obtained from EY, and within the range of the valuation results based on the DCF method, and is close to the median value. The Special Committee received detailed explanations from EY regarding the valuation method used to value the stock, and conducted Q&A sessions with EY regarding assumptions, including financial forecasts, and conducted examination, and no unreasonable points were found in light of general valuation practices. In addition, the Tender Offer Price (1,000 yen) is based on the closing price of the Company's shares on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the scheduled announcement date of the Transaction (November 10, 2023) of 646 yen, plus 54.80%, or the simple average of the closing prices for the past month up to the same day of 614 yen plus 62.87%, or the simple average of the closing prices for the past three months up to the same day of 681 yen plus 46.84%, or the simple average of the closing prices for the past six months up to

the same day of 703 yen plus 42.25%, respectively. The tender offer price is not necessarily considered high relative to the simple average for the closing price during the past six months up to the business day immediately preceding the announcement date, when compared with the average premiums (approximately 40% over the closing price on the day immediately preceding the announcement date, approximately 43% over the simple average of the closing price for the past one month up to the same date, approximately 47% over the simple average of the closing price for the past three months up to the same date, and approximately 48% over the simple average of the closing price for the past six months up to the same date) in 47 management buyout (MBO) cases announced after June 28, 2019, when the Ministry of Economy, Trade and Industry (METI) published its “Fair M&A Guidelines” (the “M&A Guidelines”), and successfully completed at or before the end of October 2023. However, premiums in 30%’s and 40%’s over the simple average of the closing prices for the past six months up to the business day immediately preceding the announcement date are mostly frequently seen in terms of the distribution of the premiums in the above cases, when analyzed by 10% bucket. The premium in the tender offer price over the simple average of the closing price for the past six months up to the business day immediately the announcement date is within this range, and thus, it is considered that the reasonableness of the tender offer price is not denied.

- ⑥ It is planned to be clearly stated in the press release, etc. that the amount of money to be delivered to minority shareholders who did not tender their shares in the Tender Offer in the privatization procedure to be implemented after the Tender Offer will be calculated to be the same as the tender offer price multiplied by the number of the Company’s Ordinary Shares held by the shareholders.
 - ⑦ As Mr. Nobuhiro Sakakibara, one of the tendering shareholders, does not plan to reinvest, his only position in this Transactions is as a seller of shares, and in this respect, he is considered to have a common interest with the general shareholders of the Company and does not have any material interest with the Tender Offerors. The fact that the Tender Offerors are to enter into a tender agreement with Mr. Nobuhiro Sakakibara at the tender offer price through sincere negotiations is considered to be one circumstance that supports the fairness of the Tender Offer’s transaction terms.
 - ⑧ With respect to the purchase price of the stock acquisition rights, the calculation is based on the difference between the tender offer price and the exercise price per share of the Company’s Ordinary Shares under the stock acquisition rights multiplied by the number of the Company’s Ordinary Shares (100 shares per each Stock Acquisition Right) to be issued for such stock acquisition rights.
 - ⑨ No trait of disadvantage to minority shareholders can be found with respect to the method of execution of the Transaction.
- (3) Reasons why the Transaction is deemed to give sufficient consideration to the interests of the Company’s minority shareholders through fair procedures

We believe that sufficient consideration has been given to the interests of the Company’s minority shareholders through fair procedures based on each of the following circumstances.

- ① In order to ensure the fairness and appropriateness of the decisions made by the Company’s Board of Directors, the Company has appointed So & Sato Law Offices as its outside legal advisor and has received legal advice regarding the decision-making process and methods of the Company’s Board of Directors and other points to note in connection with the Transaction, and no procedures in conflict with the Financial Instruments and Exchange Law, Companies Act or other related laws and regulations are envisaged for each transaction that constitutes the Transaction. Therefore, the legality of the Transaction is ensured as a precondition for the fairness of the procedures in the Transaction.
- ② The Company repeatedly held substantial discussions and negotiations with the Tender Offerors on multiple occasions to ensure the fairness of the Tender Offer from the viewpoint of protecting the interests of minority shareholders. In such discussions and negotiations, the Special Committee, which is composed of members who are independent of the Tender Offerors and other Involved Parties, has been substantially involved in the

negotiation process with MBK Partners, taking into consideration various factors, including the status of the share valuation by EY, premium levels in comparable transactions, and past share price trends of the Company's Ordinary Shares. In the process of such negotiations, in response to proposals regarding purchase conditions from the tender offerors, the Company's financial advisors explained to the Special Committee the analysis results of the proposal, as well as the response policy and draft response in each instance, and the Special Committee expressed its opinions as appropriate, and the Company responded to the tender offerors after appropriately reflecting the opinions of the Special Committee. As a result of such negotiations, a 150 yen increase in the tender offer price from their initial proposal was ultimately accomplished.

- ③ While the Special Committee, which is composed of members who are independent of the Tender Offerors and other Involved Parties, is substantially involved in the negotiation process, none of those with special interest in the Transaction, including Mr. Mitsuhiro Wakatsuki, are included among the Directors who are considering and negotiating this Transaction on behalf of the Company, and there are no facts suggesting that anyone with a special interest had any undue influence on the Company's side.
- ④ In making decisions regarding the Transaction, the Company will respect the opinions of the Special Committee, which is composed of members who are independent of the Tender Offerors and other Involved Parties, to the maximum extent possible.
- ⑤ In considering the Transaction, the Company has carefully reviewed and discussed the appropriateness of the terms and conditions of the Tender Offer, including the tender offer price, and the fairness of the series of procedures for the Transaction from the perspective of the improvement of the Company's corporate value and the common interests of its shareholders, while obtaining advice and opinions from EY and its legal advisor So & Sato Law Offices, which are financial advisors and third-party valuation agents independent of the Tender Offerors and other Involved Parties.
- ⑥ The Company requested EY, a third-party valuation agent independent of the Tender Offerors and other Involved Parties, to calculate the value of the Company's Ordinary Shares and obtained a share price valuation report dated November 10, 2023.
- ⑦ In the deliberations and resolutions of the Company's Board of Directors concerning this transaction, the influence of Directors holding vested interest was eliminated, and no circumstances that would impair fairness were found.
- ⑧ The Tender Offerors do not intend to set majority of minority conditions for the Tender Offer. In this regard, the Tender Offerors believe that setting the minimum number of shares to be purchased by the majority of minority shareholders will make the Tender Offer unstable and may not serve the interests of minority shareholders who wish to tender their shares in the Tender Offer. Considering the results of trial calculations by the Special Committee for the case of setting the majority-of-minority condition in the Tender Offer after deducting from the denominator the total number of Tendered Shares in accordance with the Tender Agreement with Mr. Nobuhiro Sakakibara, Hikari Tsushin, etc. and ITOCHU, the opinion of the Special Committee, which is, that setting a majority-of-minority condition in the Tender Offer may make its completion unstable and may not serve the interests of minority shareholders who wish to tender, is not unreasonable and instead is considered to have some veracity. However, since the Tender Offerors and the Company have implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, sufficient care is considered to have been given to the interests of the Company's minority shareholders.
- ⑨ In addition to the above items, the following measures to ensure fairness have already been taken or will be taken in the Transaction.
 - (a) The Tender Offerors and the Company have not entered into any agreement that would restrict the Company from being in contact with competing takeover proposers other than the Tender Offerors.
 - (b) Immediately after the completion of the settlement of the Tender Offer, there is a plan to make a request to the Company to hold an extraordinary general meeting of shareholders that includes a proposal to amend the

Articles of Incorporation partially to the effect that the provision of the number of shares per share unit will be abolished, subject to a reverse stock split and the effectuation of the reverse stock split based on the number of shares acquired by successful Tender Offer by the Tender Offerors, and methods that do not ensure the right to request purchase of shares or the right to propose a decision on prices for the shareholders of the Company have not been adopted.

- (c) The Tender Offer period is to be set at 30 business days, which is longer than the minimum period required by law (20 business days), to ensure that the Company's shareholders have an appropriate opportunity to decide on whether to tender their shares in the Tender Offer.

- (4) Reasons why the Transaction is not disadvantageous to the Company's minority shareholders based on Items (1) through (3) above

No events that would have a particularly adverse effect on the Company's minority shareholders were identified during the deliberations of the Special Committee, and after carefully considering the impact of the Transaction on the Company's minority shareholders in light of the matters described in Items (1) through (3) above, the Special Committee has concluded that the Transaction is not detrimental to the Company's minority shareholders.

- (5) Reasons why it is deemed reasonable for the Board of Directors to express an opinion in favor of the Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their shares in the Tender Offer

Based on the matters, etc. described in Items (1) through (3) above and the fact that the Transaction is not considered to be disadvantageous to the minority shareholders of the Company as described in Item (4) above, after careful consideration, the Company has expressed its opinion in favor of the Tender Offer and concluded that it is appropriate to recommend that the Company's shareholders and Stock Acquisition Rights Holders tender their shares in the Tender Offer.

- ④ Approval by all directors (including directors who are Audit & Supervisory Committee members) of the Company who are present at the meeting and have no interests

The Company carefully examined the terms and conditions of this deal based on the Share Price Valuation Report obtained from EY, legal advice from So & Sato Law Offices, several continuous discussions with the tender offerors, and other relevant documents, fully respecting the Report submitted by the Special Committee (for the composition and specific activities of the Special Committee, please see "③ Establishment of an independent Special Committee at the Company and acquisition of the Report" above).

As a result, as stated in "③ Decision-making process that led to the Company's agreement on the Tender Offer and its reason" of "(2) Basis and reasons for the opinion" above, the Company's Board of Directors has decided that the Transaction, including the Tender Offer, is expected to improve the Company's corporate value from the perspective of resolving the company's management issues, and in the light of the valuation results in the Share Price Valuation Report, the premium level of the Tender Offer Price, and the negotiation process with MBK Partners, and the like, the Tender Offer Price and other terms and conditions related to the Tender Offer are reasonable for the Company's shareholders, and the Tender Offer will provide the Company's shareholders with a reasonable sales opportunity for the Company's shares, and at the Board of Directors meeting held today, the Company's directors who participated in the deliberations and resolutions (5 directors out of a total of 8 directors, excluding Mr. Nobuhiro Sakakibara, Mr. Mitsuhiro Wakatsuki and Mr. Norio Shiraishi (that is, Mr. Housei Iwamura, Mr. Akio Hamaji, Mr. Masakatsu Sawada, Mr. Tetsuro Yoshioka, and Mr. Hiroyuki Oshida) including directors who are Audit & Supervisory Committee members) unanimously expressed opinions in favor of the Tender Offer, and resolved to recommend that all of the Company's shareholders apply for the Tender Offer.

The purchase price of the stock acquisition rights shall be an amount (20,400 yen) calculated based on the difference (204 yen) between the tender offer price (1,000 yen) and the exercise price per share (796 yen) of the Company's Ordinary Shares under the stock acquisition rights multiplied by the number of the Company's Ordinary Shares (100 shares per each Stock

Acquisition Right) to be issued for such stock acquisition rights. Since this price is calculated based on the tender offer price, the Company resolved to recommend the Stock Acquisition Right Holders to subscribe to the Tender Offer.

Since there may be conflicts of interest between Mr. Nobuhiro Sakakibara, who is the Representative Director of the Company, and the Company in this deal due to the subscription contract concluded with the tender offerors, he has not attended any deliberation and discussion in the Board of Directors meetings mentioned above, and has not participated in any discussion and negotiation with MBK Partners from the position of the Company. In addition, since there may be conflicts of interest between Mr. Mitsuhiro Wakatsuki, who is a director of the Company, and the Company in this deal as he plans to make investment after the tender offer, he has not attended any deliberation and discussion in the Board of Directors meetings mentioned above, and has not participated in any discussion and negotiation with MBK Partners and Mr. Nobuhiro Sakakibara from the position of the Company. Mr. Norio Shiraishi, a Director of the Company, was absent from the abovementioned meeting of the Board due to a business trip abroad, however he had been provided an explanation on the details of the said resolution to accept it prior to the meeting of the Board mentioned above, and did not express a dissenting opinion in the process of discussions and negotiations between the Company and MBK Partners

⑤ Securing the objective status that secures fairness of the Tender Offer

The Tender Offerors have set 30 business days as the purchase period for the Tender Offer, while the statutory minimum period is 20 business days. By setting a tender offer period longer than the minimum period required by law, they are attempting to secure an opportunity for shareholders and holders of the stock acquisition rights of the Company to appropriately decide on whether to subscribe to the Tender Offer; and to secure an opportunity for parties other than the Tender Offerors to purchase shares of the Company as a countermeasure, so that the fairness of the Tender Offer is secured.

4. Matters concerning material agreements between the Tender Offerors and the Company's shareholders concerning the Tender Offer and other matters relating to the Tender Offer

(1) Tender Agreement (Mr. Nobuhiro Sakakibara)

In implementing the Tender Offer, the Tender Offerors have executed the Tender Agreement (Mr. Nobuhiro Sakakibara) as of November 13, 2023 with Mr. Nobuhiro Sakakibara as stated in “① Overview of the Tender Offer” of “(2) Basis and reasons for the opinion” of “3. Details of, and basis and reason for opinion concerning the Tender Offer,” and agreed to apply for the Tender Offer for all of the shares of the Company in the possession of Mr. Nobuhiro Sakakibara. In the Tender Agreement (Mr. Nobuhiro Sakakibara), as assumptions for Mr. Nobuhiro Sakakibara to apply for the Tender Offer, it is stipulated (i) that the Tender Offer has been commenced and not withdrawn; (ii) that as of the date of execution of the Tender Agreement (Mr. Nobuhiro Sakakibara) and the commencement date of the Tender Offer, the Tender Offerors' representations and warranties (Note 1) are true and accurate in all material respects; (iii) the Tender Offerors have performed or complied with all the obligations (Note 2) to perform or comply with under the Tender Agreement (Mr. Nobuhiro Sakakibara) in material respects by the commencement date of the Tender Offer; (iv) the Company's Board of Directors has adopted a resolution to express an opinion in favor of the Tender Offer, and the resolution has been announced and the opinion has not been withdrawn, and (v) there have been no judgments, decisions, orders, judicial settlements, licenses, permissions, authorizations, notices, administrative guidance, or other judgments of courts and other judicial bodies, administrative bodies, financial instruments exchanges, and other self-regulatory bodies (hereinafter referred to as “judicial/administrative agency judgments, etc.”) to restrict or prohibit the Tender Offer or application for the Tender Offer by Mr. Nobuhiro Sakakibara under the Tender Offer Agreement (Mr. Nobuhiro Sakakibara). However, it is also stipulated that Mr. Nobuhiro Sakakibara may, at his discretion, waive any of the above assumptions and fulfill his obligation to tender in the Tender Offer.

(Note 1) In the Tender Agreement (Mr. Nobuhiro Sakakibara), the Tender Offerors have provided representations and warranties with regard to (i) the validity of its establishment and continuation, (ii) the lawful and valid conclusion and performance of the Tender Agreement (Mr. Nobuhiro Sakakibara), (iii) possession of funds for the Tender Offer, (iv) enforceability of the Tender Agreement (Mr. Nobuhiro Sakakibara), (v) acquisition of necessary authorizations for the Tender Offerors to conclude and execute the Tender Agreement (Mr. Nobuhiro Sakakibara),

(vi) nonexistence of conflicts with laws and regulations regarding the conclusion and performance of the Tender Agreement (Mr. Nobuhiro Sakakibara) by the Tender Offerors, and (vii) nonexistence of any relationship between the Tender Offerors and antisocial forces, etc.

(Note 2) In the Tender Agreement (Mr. Nobuhiro Sakakibara), the Tender Offerors have assumed (i) compensation obligations, (ii) confidentiality obligations, (iii) obligations of prohibition of assignment of status, under the Tender Agreement (Mr. Nobuhiro Sakakibara) or rights and obligations under the Tender Agreement (Mr. Nobuhiro Sakakibara).

However, under the Tender Agreement (Mr. Nobuhiro Sakakibara), if a party other than the Tender Offerors commences the tender offer targeting the common stock of the Company at an acquisition value that exceeds the Tender Offer Price by a certain degree, as long as Mr. Nobuhiro Sakakibara has not violated the obligations under the Tender Agreement (Mr. Nobuhiro Sakakibara), Mr. Nobuhiro Sakakibara bears no obligation to apply for the Tender Offer, and if Mr. Nobuhiro Sakakibara has already tendered for the Tender Offer, Mr. Sakakibara may withdraw his application for the Tender Offer, or terminate the agreement relating to purchase established by said application without making any payment of damage compensation, penalties or any money under other names, or without the imposition of any other obligations, burdens or conditions.

In addition, Mr. Sakakibara has agreed that (i) he will make no agreements or proposals that substantially conflict with the Tender Offer or make it difficult to complete the Tender Offer until the Settlement Commencement Date, and if such request is received from third parties regarding the transaction, promptly notify the Tender Offerors of the facts and contents thereof; (ii) he will not exercise the right to request the calling of a general meeting of shareholders of the Company, the right to propose agenda items or the right to make proposals, or other shareholder rights before the Settlement Commencement Date; (iii) he will exercise the voting rights related to the Tendered Shares (Mr. Nobuhiro Sakakibara) as instructed by the Tender Offerors at the general meeting of shareholders of the Company held with the day before the Settlement Commencement Date as the reference date for the exercise of rights; (iv) he will resign as a Director and Representative Director of the Company and as a director of Japan Small Amount Short-term Insurance as of the conclusion of the Ordinary General Meeting of Shareholders; and (v) he will not solicit or recommend the resignation, etc. of the officers and employees of the Company, its subsidiaries or affiliated companies before five (5) years have passed from the Settlement Commencement Date.

Furthermore, with the exception of the Tender Agreement (Mr. Nobuhiro Sakakibara), no contract regarding the Transaction has been concluded between the Tender Offerors and Mr. Nobuhiro Sakakibara, and, except for the payment of the Tender Offer Price, no benefits are being provided to Mr. Nobuhiro Sakakibara.

(2) Tender Agreement (Hikari Tsushin, etc.)

In implementing the Tender Offer, the Tender Offerors have executed the Tender Agreement (Hikari Tsushin, etc.) with Hikari Tsushin, etc. as of November 13, 2023, and have agreed to apply for the Tender Offer for all of the Company's shares that Hikari Tsushin, etc. owns or has the right to dispose of, as stated in "① Overview of the Tender Offer" of "(2) Basis and reasons for the opinion" of "3. Details of, and basis and reason for opinion concerning the Tender Offer" above. In the Tender Agreement (Hikari Tsushin, etc.), as assumptions for Hikari Tsushin, etc. to apply for the Tender Offer, it is stipulated (i) that the Tender Offer has been commenced and not withdrawn; (ii) that as of the date of execution of the Tender Agreement (Hikari Tsushin, etc.) and the commencement date of the Tender Offer, the Tender Offerors' representations and warranties (Note 3) are true and accurate in all material respects; (iii) the Tender Offerors have performed or complied with all the obligations (Note 4) to perform or comply with under the Tender Agreement (Hikari Tsushin, etc.) in material respects by the commencement date of the Tender Offer; (iv) the Company's Board of Directors has adopted a resolution to express an opinion in favor of the Tender Offer, and the resolution has been announced and the opinion has not been withdrawn, and (v) there have been no judicial/administrative agency judgments, etc. to restrict or prohibit the Tender Offer or application for the Tender Offer by Hikari Tsushin, etc., under the Tender Offer Agreement (Hikari Tsushin, etc.). However, it is also stipulated that Hikari Tsushin, etc. may, at its discretion, waive any of the above assumptions and fulfill its obligation to tender in the Tender Offer.

- (Note 3) In the Tender Agreement (Hikari Tsushin, etc.), the Tender Offerors have provided representations and warranties with regard to (i) the validity of its establishment and continuation, (ii) the lawful and valid conclusion and performance of the Tender Agreement (Hikari Tsushin, etc.), (iii) possession of funds for the Tender Offer, (iv) enforceability of the Tender Agreement (Hikari Tsushin, etc.), (v) acquisition of necessary authorizations for the Tender Offerors to conclude and execute the Tender Agreement (Hikari Tsushin, etc.), (vi) nonexistence of conflicts with laws and regulations regarding the conclusion and performance of the Tender Agreement (Hikari Tsushin, etc.) by the Tender Offerors, and (vii) nonexistence of any relationship between the Tender Offerors and antisocial forces, etc.
- (Note 4) In the Tender Agreement (Hikari Tsushin, etc.), the Tender Offerors have assumed (i) compensation obligations, (ii) confidentiality obligations, (iii) obligations of prohibition of assignment of status, under the Tender Agreement (Hikari Tsushin, etc.) or rights and obligations under the Tender Agreement (Hikari Tsushin, etc.).

In addition, under the Tender Agreement (Hikari Tsushin, etc.), Hikari Tsushin, etc. has agreed that (i) it will make no agreements or proposals that substantially conflict with the Tender Offer or make it difficult to complete the Tender Offer until the Settlement Commencement Date, and if such request is received from third parties regarding the transaction, promptly notify the Tender Offerors of the facts and contents thereof; (ii) it will not exercise the right to request the calling of a general meeting of shareholders of the Company, the right to propose agenda items or the right to make proposals, or other shareholder rights before the Settlement Commencement Date; (iii) it will exercise the voting rights related to the Tendered Shares (Hikari Tsushin, etc.) as instructed by the Tender Offerors at the general meeting of shareholders of the Company held with the day before the Settlement Commencement Date as the reference date for the exercise of rights; and (iv) Hikari Tsushin will receive delivery of all the Trust Shares by the business day preceding its application for the Tender Offer.

Furthermore, with the exception of the Tender Agreement (Hikari Tsushin, etc.), no contract regarding the Transaction has been concluded between the Tender Offerors and Hikari Tsushin, etc., and, except for the payment of the Tender Offer Price, no benefits are being provided to Hikari Tsushin, etc.

(3) Tender Agreement (ITOCHU)

In implementing the Tender Offer, the Tender Offerors have executed the Tender Agreement (ITOCHU) as of November 13, 2023 with ITOCHU as stated in “① Overview of the Tender Offer” of “(2) Basis and reasons for the opinion” of “3. Details of, and basis and reason for opinion concerning the Tender Offer,” and agreed to apply for the Tender Offer for all of the shares of the Company in the possession of ITOCHU.

In the Tender Agreement (ITOCHU), as assumptions for ITOCHU to apply for the Tender Offer, it is stipulated (i) that the Tender Offer has been commenced and not withdrawn; (ii) that as of the date of execution of the Tender Agreement (ITOCHU) and the commencement date of the Tender Offer, the Tender Offerors’ representations and warranties (Note 5) are true and accurate in all material respects; (iii) the Tender Offerors have performed or complied with all the obligations (Note 6) to perform or comply with under the Tender Agreement (ITOCHU) in material respects by the commencement date of the Tender Offer; (iv) the Company’s Board of Directors has adopted a resolution to express an opinion in favor of the Tender Offer, and the resolution has been announced and the opinion has not been withdrawn; (v) there have been no judicial/administrative agency judgments, etc. to restrict or prohibit the Tender Offer or application for the Tender Offer by ITOCHU under the Tender Offer Agreement (ITOCHU), and (vi) as of the commencement date of the Tender Offer and the last day thereof, there are no or are expected to be no important facts recognized by ITOCHU relating to business operations relating to the Company (referring to those provided in Article 166 (2) of the Act) or facts that are reasonably recognized to have a possibility of falling thereunder and that are not publicly disclosed. However, it is also stipulated that ITOCHU may, at its discretion, waive any of the above assumptions and fulfill its obligation to tender in the Tender Offer.

- (Note 5) In the Tender Agreement (ITOCHU), the Tender Offerors have provided representations and warranties with regard to (i) the validity of its establishment and continuation, (ii) the lawful and valid conclusion and performance of the Tender Agreement (ITOCHU), (iii) possession of funds for the Tender Offer, (iv) enforceability of the Tender Agreement (ITOCHU), (v) acquisition of necessary authorizations for the Tender Offerors to conclude

and execute the Tender Agreement (ITOCHU), (vi) nonexistence of conflicts with laws and regulations regarding the conclusion and performance of the Tender Agreement (ITOCHU) by the Tender Offerors, (vii) nonexistence of any relationship between the Tender Offerors and antisocial forces, etc., and (viii) nonexistence of insolvency proceedings.

(Note 6) In the Tender Agreement (ITOCHU), when the Tender Offerors (i) concretely recognize that there have been important facts or facts that are reasonably recognized to have a possibility of falling under important facts arising before the last day of the tender offer period, they shall bear the obligation to request the Company announce such facts promptly, (ii) the obligation of making efforts to cooperate with ITOCHU within a commercially reasonable scope to have the Company and its subsidiaries or affiliates execute business alliance agreements with ITOCHU or its subsidiaries or affiliates promptly after the effectuation date of the transaction for taking the Company private, (iii) compensation obligations, (iv) confidentiality obligations, and (v) obligations of prohibition of assignment of status, under the Tender Agreement (ITOCHU) or rights and obligations under the Tender Agreement (ITOCHU).

However, in the Tender Agreement (ITOCHU), if a third party initiates a tender offer for the Company's shares, if ITOCHU receives advice from counsel to the effect that not applying for a tender offer may end up breaching the due diligence obligations or duty of loyalty of directors of ITOCHU specifically, the Tender Offerors and ITOCHU are supposed to hold bona fide consultations with regard to handling. If negotiations are not completed within five business days after the Tender Offerors receive notice from ITOCHU that it desires to hold such consultations (however, the deadline is two business days before the last day of the tender offer period), ITOCHU shall not be obligated to apply for the Tender Offer, and if ITOCHU has already applied for the Tendered Shares (ITOCHU) in the Tender Offer, ITOCHU may terminate the agreement related to the purchase that was established as a result of such application.

In addition, ITOCHU has agreed that (i) it will make no agreements or proposals that substantially conflict with the Tender Offer or make it difficult to complete the Tender Offer until the Settlement Commencement Date, and if such request is received from third parties regarding the transaction, promptly notify the Tender Offerors of the facts and contents thereof; (ii) it will not exercise the right to request the calling of a general meeting of shareholders of the Company, the right to propose agenda items or the right to make proposals, or other shareholder rights before the Settlement Commencement Date; and (iii) it will exercise the voting rights related to the Tendered Shares (ITOCHU) as instructed by the Tender Offerors at the general meeting of shareholders of the Company held with the day before the Settlement Commencement Date as the reference date for the exercise of rights.

Furthermore, with the exception of the Tender Agreement (ITOCHU), no contract regarding the Transaction has been concluded between the Tender Offerors and ITOCHU, and except for the payment of the Tender Offer Price, no benefits are being provided to ITOCHU.

5. Details of Profit Sharing by the Tender Offerors or their Specially Related Parties

Not applicable.

6. Policy on Response to Basic Policy Concerning Control of the Company

Not applicable.

7. Questions to the Tender Offerors

Not applicable.

8. Request for Extension of Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to “② Background, purpose and decision-making process of the Tender Offerors, and management policy after the

Tender Offer and the Transaction” of “(2) Basis and reasons for the opinion” of “3. Details of, and basis and reason for opinion concerning the Tender Offer,” “(4) Prospect and reason for delisting” and “(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the two-step acquisition).”

10. Other

(1) Release of “Summary of Consolidated Financial Statements for the Year Ended September 30, 2023 (Based on Japanese GAAP)”

The Company has today announced its financial results for the fiscal year ended September 30, 2023. For details, please refer to the Company’s public announcement above.

(2) Release of “Notice Regarding Dividends of Surplus (No Dividend Payout) and Abolishment of Shareholder Special Benefit Plan”

As stated in the “Notice Regarding Dividends of Surplus (No Dividend Payout) and Abolishment of Shareholder Special Benefit Plan” released today, the Company’s Board of Directors resolved at its meeting held today to not pay a year-end dividend for the fiscal year ended September 30, 2023 and to abolish the shareholder special benefit plan subject to the completion of the Tender Offer. For details, please refer to the Company’s public announcement above.