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April 8, 2024

To All Parties Concerned

Company name	Hulic Co., Ltd.
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Representative	Takaya Maeda President, Representative Director Prime Market (Securities code: 3003)
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Announcement of the Commencement of a Tender Offer for Shares in Riso Kyoiku Co., Ltd. (Securities code: 4714), the Conclusion of an Amendment to Capital and Business Alliance Agreement with the Company and the Subscription of Shares to be Issued through a Third-party Allotment

Hulic Co., Ltd. (the “**Tender Offeror**”) hereby announces that, at the meeting on April 8, 2024, its Board of Directors has resolved to: acquire the common stock of Riso Kyoiku Co., Ltd. (the “**Target Company**,” listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “**TSE**”) under the securities code 4714) (the “**Target Company Stock**”) through a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “**Act**”) (the “**Tender Offer**”); enter into an amendment agreement on capital and business alliance dated as of April 8, 2024 (the “**Amendment to Capital and Business Alliance Agreement**,” and the amended capital and business alliance between the Tender Offeror and the Target Company based on the Amendment to Capital and Business Alliance Agreement is referred to as the “**Capital and Business Alliance**”) for further modifying the capital and business alliance agreement between the Tender Offeror and the Target Company dated as of September 29, 2020 (the “**Capital and Business Alliance Agreement on September 29, 2020**”) and the amendment agreement on the Capital and Business Alliance Agreement on September 29, 2020 dated as of October 27, 2021 (the “**Amendment to Capital and Business Alliance Agreement on October 27, 2021**” and the amended capital and business alliance between the Tender Offeror and the Target Company based on the Amendment to Capital and Business Alliance Agreement on October 27, 2021 is referred to as the “**Existing Capital and Business Alliance**”); and subscribe the shares to be issued and allotted by the Target Company subject to the consummation of the Tender Offer. (the “**Third-Party Allotment of Shares**”).

(1) Purpose of the Tender Offer

As of the date of this announcement, the Tender Offeror is the largest shareholder of the Target Company and holds 31,842,039 shares in the Target Company Stock listed on the Prime Market of the TSE (ownership percentage before capital increase: 20.57%, after capital increase : 18.69%), accounting for the Target Company as an equity method affiliate.

Through the resolution of Board of Directors dated April 8, 2024, the Tender Offeror has decided to enter into the Amendment to Capital and Business Agreement dated as of April 8, 2024 that further modifies the Existing Capital and Business Alliance Agreement; implement the Tender Offer; and subscribe the shares to be issued by the Target Company through the Third Party Allotment of Shares subject to the consummation of the Tender Offer, for the purpose of making

the Target Company its consolidated subsidiary through the Tender Offer and the Third Party Allotment of Shares (collectively, the “**Transactions**”). The Third Party Allotment will be implemented by issuing 15,596,330 shares of the Target Company to be subscribed by the Tender Offeror in the Third Party Allotment, at an issue price of 218 yen per share, for a total issue amount of 3,399,999,940 yen.

The Transactions are intended to make the Target Company a consolidated subsidiary of the Tender Offeror (to increase the ownership stake to 51.0% after capital increase) and are not intended to delist the Target Company Stock. The Tender Offeror and the Target Company intend to maintain the Target Company Stock to be publicly listed even if the Third-party Allotment of Shares is completed. For these reasons, the Tender Offeror sets out the maximum number of shares to be purchased through the Tender Offer at 39,447,200 shares (ownership percentage before capital increase: 25.49%, after capital increase: 23.15%), in order to provide selling opportunities to as many shareholders of the Target Company as possible and make the ownership stake after the capital increase to be 51.0% even if all of the outstanding shares of the Target Company (excluding the treasury shares) are tendered to the Tender Offer.

Additionally, although the Tender Offeror plans to subscribe 15,596,330 newly issued shares (ownership percentage after capital increase: 9.15%) through the Third-party Allotment of Shares to be made in consideration of the Target Company’s funding needs of approximately 3.4 billion yen, the planned subscription to the Third-party Allotment of Shares will be implemented subject to the consummation of the Tender Offer as the Tender Offeror intends to increase its ownership stake to 51.0% after the capital increase in order to make the Target Company its consolidated subsidiary.

The Tender Offeror group formulated New Medium-term Management Plan (2023-2025) and announced it on January 30, 2023. The new management plan, which represents the second phase of the group’s Medium and Long-Term Management Plan (2020-2029), follows the basic policy being “Paying attention to maintaining the credit rating level, create a high-quality leasing portfolio that addresses the changing circumstances, and continue to enhance the sustainable management.” The plan cited the following five actions as its Priority Challenges – (i) Create a high-quality leasing portfolio and maintain / enhance the flexible earnings structure; (ii) Expand pipelines for development / reconstruction and value-added projects, diversify exits to ensure profitability; (iii) Promote new businesses to diversify revenue source; (iv) Ensure financial soundness and manage risks to maintain credit ratings; and (v) Continue to promote the sustainable management to address environmental issues and human capital development, etc.

For “(iii) Promote new businesses to diversify revenue source,” the Tender Offeror group intends to actively work on alliances with other companies as well as M&As to expand existing business domains including those related to senior citizen, tourism and environment as well as children’s education business it is promoting with the Target Company and Konami Sports Co., Ltd.

In September 2020, the Target Company, the Tender Offeror and Konami Sports signed an education business alliance agreement to, among others, develop “Kodomo Depart” buildings, which house one-stop education services for children. The Target Company and the Tender Offeror concluded the “Capital and Business Alliance Agreement on September 29, 2020” in the month and signed the “Amendment to Capital and Business Alliance Agreement on October 27, 2021” in October 2021.

The Target Company on April 21, 2023 announced a medium-term management plan for three years from the fiscal year started in March 2023, in which it seeks average growth of 8.0% for consolidated net sales, more appropriate profit structure, and a new one-stop service strategy to retain students from the age of one by promoting the education-specific “Kodomo Depart” buildings under the cooperation with the Tender Offeror and Konami Sports.

The Tender Offeror and the Target Company concluded the “Capital and Business Alliance Agreement on September 29, 2020” to build and strengthen their long-term partnership, aiming to develop collaboration including joint examination of new education businesses, use of real estates owned and developed by the Tender Offeror group, real estate strategy support, and mutual utilization of the two’s expertise and network. The Tender Offeror acquired the Target Company Stock based on the agreement, and holds 31,842,039 shares in the Target Company Stock (ownership percentage before capital increase: 20.57%, after capital increase: 18.69%), as of the date of this announcement.

The Tender Offeror now sees a structurally weak incentive to further develop the two's collaboration, because its ownership percentage of the Target Company Stock being as low as 20.57% does not allow it to include the Target Company's profits in its group revenue, preventing it from enjoying direct synergy generated by its investment of management resources into the Target Company or information sharing between the two. The Tender Offeror is considering increasing the Target Company group's corporate value through M&A projects but sees difficulties in supporting Target Company for such M&A projects because the Tender Offeror, with its current ownership percentage, is prevented by confidentiality obligation from sharing information about M&A target companies with the Target Company. The Tender Offeror believes that it needs to extend more supports to enable the Target Company to find new business partners that are not currently accessible alone, so that the Existing Capital and Business Alliance will produce even more effects and the Target Company's corporate value will be heightened. This purpose will be achieved by making the Target Company a consolidated subsidiary, as that will enable the Tender Offeror to include the Target Company's profits in its group revenue, make active investment into the Target Company, and share with the Target Company its real estate information (room availability, sale, etc.), and network with tenants, real estate brokers as well as its real estate and other investees. The Tender Offeror has also found it appropriate to utilize its financial base to build a system in which it can quickly invest management resources into the Target Company for future strategic M&A deals.

After the Transactions are closed, the Tender Offeror will pursue even better communication with the Target Company, respect the Target Company's independence, and seek to achieve strategy for further growth based on the Target Company's policy, including efforts to differentiate its operation from competitors' under its one-on-one tutoring system and student retention strategy for children's education. The Target Company Stock will remain listed on the Tokyo Stock Exchange Prime Market and the Target Company will maintain independent management as a listed company even after the Transactions are closed.

(2) Overview of the Target Company

1.	Trade name	Riso Kyoiku Co., Ltd.	
2.	Address	3-1-40 Mejiro, Toshima-ku, Tokyo, Japan	
3.	Name and title of representative	Masahiko Tenbo (President and Representative Director)	
4.	Primary business lines	Operation of private tuition schools under TOMAS brand and education services "Shingakai" for children	
5.	Paid-in capital	2,890,415,000 yen (As of February 29, 2024)	
6.	Date of establishment	July 6, 1985	
7.	Major shareholders and shareholding ratios (As of February 29, 2024)	Hulic Co., Ltd.	20.62%
		Mitsugu Iwasa	10.22%
		Surugadai Gakuen Educational Institute	6.69%
		The Master Trust Bank of Japan (trust account)	6.48%
		Custody Bank of Japan, Ltd. (trust account)	3.34%
		Riso Kyoiku Employee Stock Ownership Association	0.96%
		STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	0.87%
		Japan Securities Finance Co., Ltd.	0.80%
		MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	0.68%
		Akihiko Masuda	0.64%
8.	Relationship between the Tender Offeror and the Target Company		
	Capital relationship	As of today, the Tender Offeror owns 31,842,039 shares of the Target Company Stock (an ownership percentage of 20.57% before capital	

	increase) and has the Target Company as its equity method affiliate.		
Personnel relationship	Saburo Nishiura, a Director of the Target Company, also serves as Representative Director, Chairman of the Tender Offeror.		
Transactional relationship	There are transactions for facility use and real estate leases between the Tender Offeror or its subsidiaries and the Target Company or its subsidiaries.		
Status as a related party	The Target Company is an equity-method affiliate of the Tender Offeror, and therefore it falls under a related party.		
9. Consolidated business results and consolidated financial position of the Target Company for the last three years			
Fiscal year	FY2022/2	FY2023/2	FY2024/2
Consolidated net assets	10,513,693,000 yen	9,351,653,000 yen	8,653,621,000 yen
Consolidated total assets	19,045,606,000 yen	18,252,000 yen	18,257,758,000 yen
Consolidated net assets per share	67.59 yen	59.96 yen	55.35 yen
Consolidated net sales	30,008,875,000 yen	31,488,432,000 yen	32,215,052,000 yen
Consolidated operating profit	3,030,260,000 yen	2,401,369,000 yen	2,586,929,000 yen
Consolidated ordinary profit	3,048,713,000 yen	2,442,617,000 yen	2,614,542,000 yen
Profit attributable to owners of parent	2,431,480,000 yen	1,492,552,000 yen	1,703,704,000 yen
Consolidated net income per share	16.25 yen	9.67 yen	11.04 yen
Dividend per share	16.00 yen	16.00 yen	10.00 yen

(Note1) “7. Major Shareholders and Shareholding Ratios (as of February 29, 2024)” are based on the “Status of Major Shareholders after Third-Party Allotment of Shares” stated in Securities Registration Statement submitted by the Target Company on April 8, 2024.

(Note 2) Figures for FY2024/2 in “9. Consolidated business results and consolidated financial position of the Target Company for the last three years” are based on figures reported by the Target Company in its summary of financial statements. The above figures, etc. have not been audited by an auditing firm under the provisions of Article 193-2 (1) of the Act. The above information is based on excerpts of reports and materials disclosed by the Target Company, and the Tender Offeror has not independently verified its accuracy and validity.

(3) Class of share certificates, etc. to be purchased

Common stock

(4) Schedule, etc.

(i) Schedule

Date of the resolution by the Board of Directors	April 8, 2024 (Monday)
Date of public notice of commencement of Tender Offer	April 9, 2024 (Tuesday) Public notice will be made electronically and a notice thereof will be published in the Nihon Keizai Shimbun (Japan Economic Newspaper) (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Date of filing the Tender Offer Registration Statement	April 9, 2024 (Tuesday)

(ii) Tender Offer period as of filing date

From April 9, 2024 (Tuesday) to May 22, 2024 (Wednesday) (29 business days)

(iii) Possibility of extending the above period upon request of the Target Company

Pursuant to the provision of Article 27-10, Paragraph 3 of the Act, if the Target Company files its position statement to the effect that it requested the extension of the Tender Offer period, the period shall be extended to 30 business days i.e., until May 23, 2024 (Thursday)

(iv) Contact information for confirmation of extension of the Tender Offer period

Contact Information	Hulic Co., Ltd. 7-3 Nihonbashi Odenmachi, Chuo-ku, Tokyo Phone +81-3-5623-8100 (the main switchboard number) Hajime Kobayashi (Director, Deputy President)
Confirmation reception hours	Weekdays from 9:00 to 17:00

(5) Purchase Price

320 yen per share of common stock

(6) Number of share certificates, etc. to be purchased

Class of share certificates, etc.	Number of share certificates, etc. to be purchased	Minimum number of share certificates, etc. to be purchased	Maximum number of share certificates, etc. to be purchased
Common stock	39,447,200 (shares)	— (shares)	39,447,200 (shares)
Total	39,447,200 (shares)	— (shares)	39,447,200 (shares)

(Note 1) If the total number of tendered share certificates, etc. is equal to or less than the maximum number of shares to be purchased (39,447,200 shares), the Tender Offeror will purchase all tendered share certificates, etc. If the total number of tendered Share Certificates, etc. exceeds the maximum number of shares to be purchased (39,447,200 shares), the Tender Offeror will not purchase all or part of the portion in excess of such amount, and will conduct the delivery or other settlement for the purchase of shares in accordance with the pro rata method set forth in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance.

(Note 2) The Tender Offeror does not intend to acquire any of the treasury shares owned by the Target Company through the Tender Offer.

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

(Note 4) Stock acquisition rights may be exercised on or prior to the last day of the Tender Offer period, and in that case, the Target Company Stock issued through such exercise are also subject to the Tender Offer.

(7) Forecasts for the Tender Offeror's financial results

The effect of the Transaction on the Tender Offeror's financial results is currently being examined; any matters that should be disclosed will be promptly released if they arise. .

-End-



Supplemental Materials on Stock Acquisition of Riso Kyoiku Co., Ltd.

April 8, 2024

HULIC CO., LTD.

Overview of the Tender Offer, etc.

- The series of transactions are intended to make Riso Kyoiku Co., Ltd. a consolidated subsidiary of Hulic Co., Ltd.
- Concluded the tender offer agreement with Mr. Mitsugu Iwasa who is a major shareholder of the Target Company
- Resolved to subscribe the shares to be issued and allotted by the Target Company subject to the consummation of the Tender Offer, etc.

Riso Kyoiku Co., Ltd. Company Overview

Company Name	Riso Kyoiku Co., Ltd.
Founded	Jul. 6, 1985
Headquarters	Mejiro 3-1-40, Toshima, Tokyo
Representative	Masahiko Tenbo
Capital	2,890,410,000 (yen) (As of Feb. 29, 2024)
Listed on	TSE Prime (Code 4714)
Business Overview	Managing and operating the TOMAS and Shingakai, dispatching of tutors, and providing English conversation classes, etc.

Overview of the Tender Offer

Tender Offeror	Hulic Co., Ltd.
Target Company	Riso Kyoiku Co., Ltd.
Tender Offer Price	320 (yen)
Tender Offer Period	Apr. 9, 2024 – May 22, 2024
Maximum Number of Shares to be Purchased	39,447,200 (shares)
Tender Offer Agent	Mizuho Securities Co., Ltd.

Overview of Third-party Allotment (Plan)

Date of the Resolution	Apr. 8, 2024
Payment Date	May 23, 2024 – Jul. 11, 2024
Issue Price	218 (yen)
Number of Shares Issue	15,596,330 (share)
Total Amount of Issue	3,399,999,940 (yen)
Allotee	Hulic Co., Ltd.

- Our corporate culture which allows us to constantly challenge in new business fields is one of our strengths. We have created new businesses in targeted fields that have unmet market needs and good growth prospects (ex., senior-related business, tourism-related business, environment)
- In the aim of strengthening our efforts to create further growth and business opportunities, we wish to welcome Riso Kyoiku Co., Ltd. to our group.
We entered children education business as part of our growth strategy in Sep. 2020

Environment

2011-

- Joined “RE100”, Started developing non-FIT solar power equipment
- Achieved RE100 in 2023
- Aiming to convert to 100% renewable energy at all company-owned buildings by 2029

Tourism

2011-

- “THE GATE HOTEL” operated by HULIC Group (4 hotels) , High-end Ryokans “FUFU” (11 ryokans)
- Acquisition of Nippon View Hotels in 2019
- Acquired prime location hotels ex., Grand Nikko Tokyo Daiba, Grand Nikko Tokyo Bay Maihama (shared) : A long-term master leasing to 3rd party operators

Senior-related business

2010-

- Predicted that social demands for nursing and medical care increases with the aging of the population
- Development and acquisition of nursing home (4,800 rooms are confirmed as of Dec. 2023)
- Operating a membership club “Hulic Premium Club Nihonbashi”, and business for active seniors

Children Education Business

2020 onward

Newly entered this business area in 2020 to seize the business opportunities created by increasing dual income households, changes of education contents (ex., global education・STEAM) and increasing needs for after-school activities

We have decided to go for the tender offer and third-party allotment to welcome Riso Kyoiku Co., Ltd. with whom we concluded capital & business alliance to our group



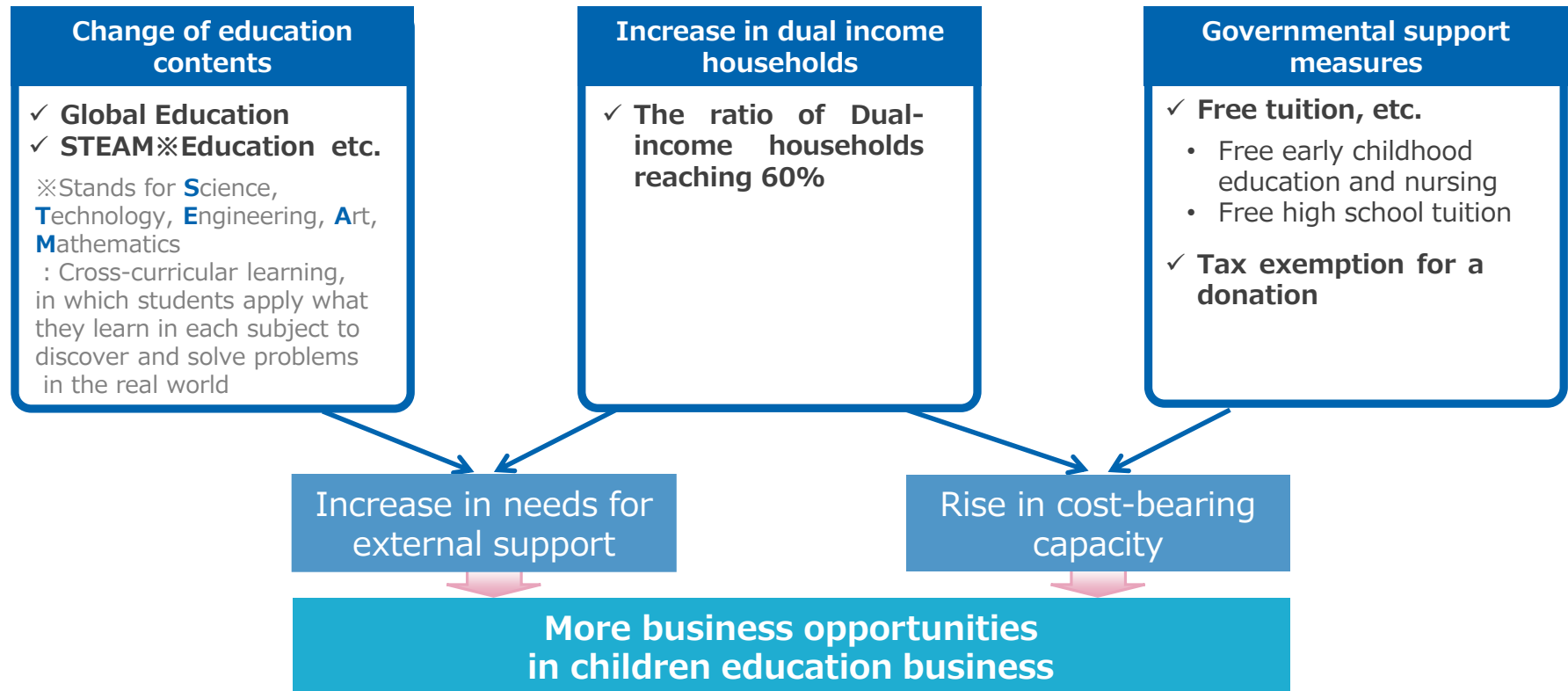
■ Business opportunities in children education will expand

① Needs in nursery schools or after-school activities are growing

→ The number of dual income households is increasing and education contents are changing

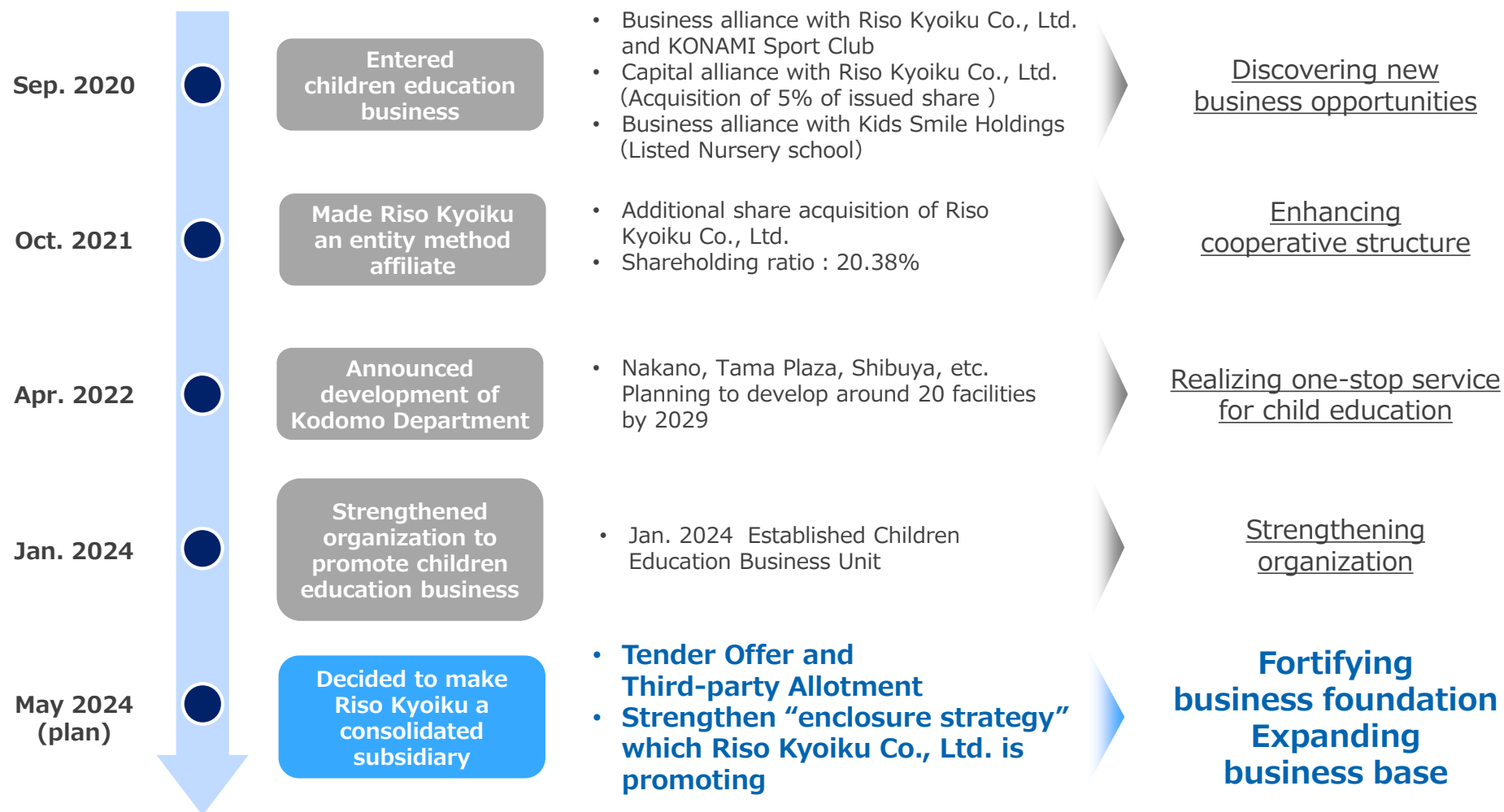
② Children education-related cost-bearing capacity is rising

→ Government enhances support measures such as “free early childhood education and nursing” and “tax exemption for a donation of educational expenses” and higher household income due to increase in ratio of dual income households



History of Initiatives for Children Education Business

- Entered into children education business in 2020, have enhanced alliance with Riso Kyoiku Co., Ltd. Aims to further expand the business and “enclosure strategy” which Riso Kyoiku Co., Ltd. is promoting through business alliance including openings of tutoring classes in Kodomo Department



Aim

- Discovering new business opportunities and expansion of children education business

Purpose of this case

- Promoting business alliance through openings of tutoring classes in education-focused buildings “Kodomo Department”
- Expanding the business and “enclosure strategy” which Riso Kyoiku Co., Ltd. is promoting

Expected Synergies

- Offering one-stop service for children
- Introducing prime location buildings (ex., close to the stations) to Riso Kyoiku Co., Ltd. so as to increase competitiveness of their classrooms

Development of “Kodomo Department” series

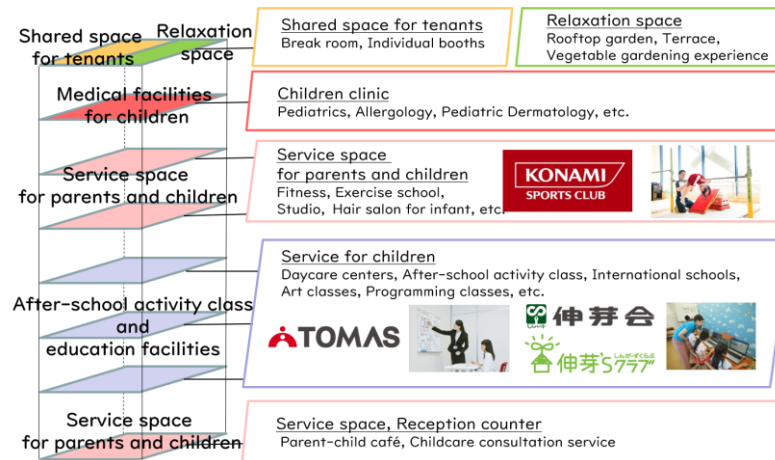
- Plan developing around 20 facilities mainly in Greater Tokyo area by 2029

Project Pipeline

		Completion in
1	(Tentative) Kodomo Depart Nakano	2025
2	(Tentative) Kodomo Depart Tama Plaza	2025
3	Shibuya 1-chome Area Joint Development Project	2026
4	Project A	2026
5	Project B	2027
6	Project C	2027



(Tentative) Kodomo Depart Nakano

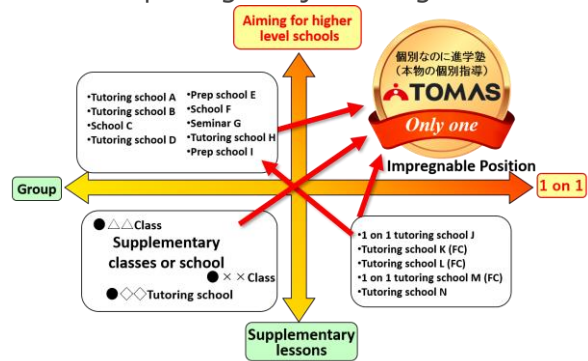


(Tentative) Kodomo Depart Tama Plaza Exterior Image

Strengths of Riso Kyoiku Co., Ltd., "Enclosure Strategy"



- 1-on-1 tutoring
- Personalized curriculum
- Highly successful results in entrance exam for the most prestigious junior high schools



- Pioneer (founded in 1956) of entrance exam for prestigious kindergartens and elementary schools (M&A in 2003)
- Education that develops imagination, not indoctrination
- Top-class results in the entrance exam industry



- 100% professional instructors
- Higher results in entrance exams, especially Faculty of Medicine

1-6 year-old kids

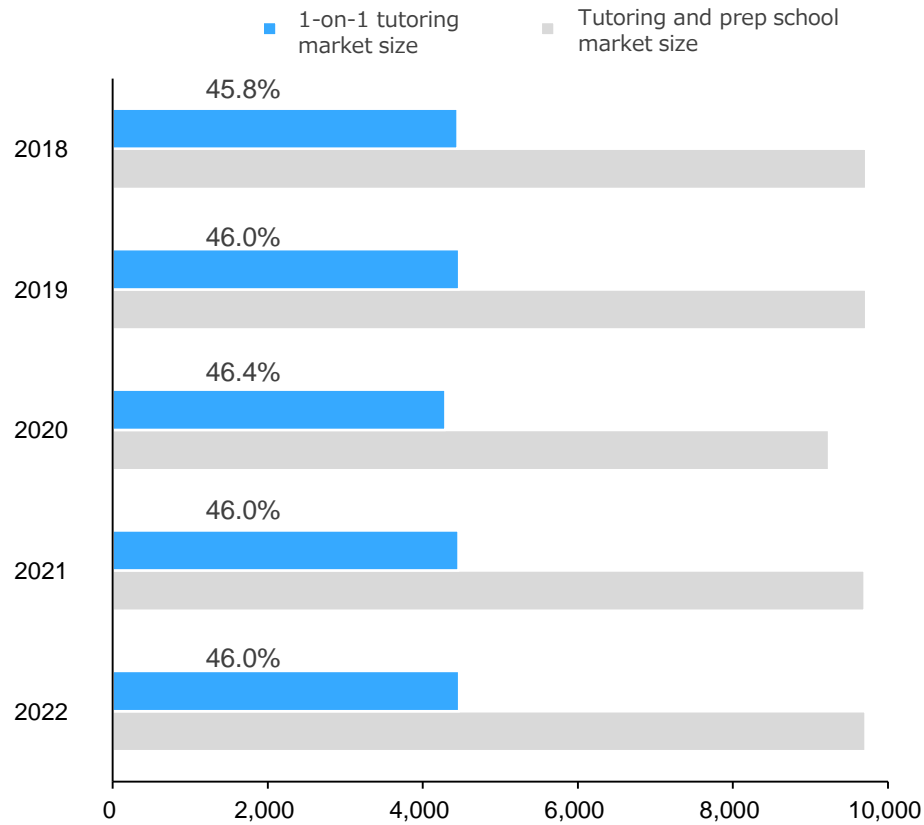
Elementary to high school students

University Students
Working Adults



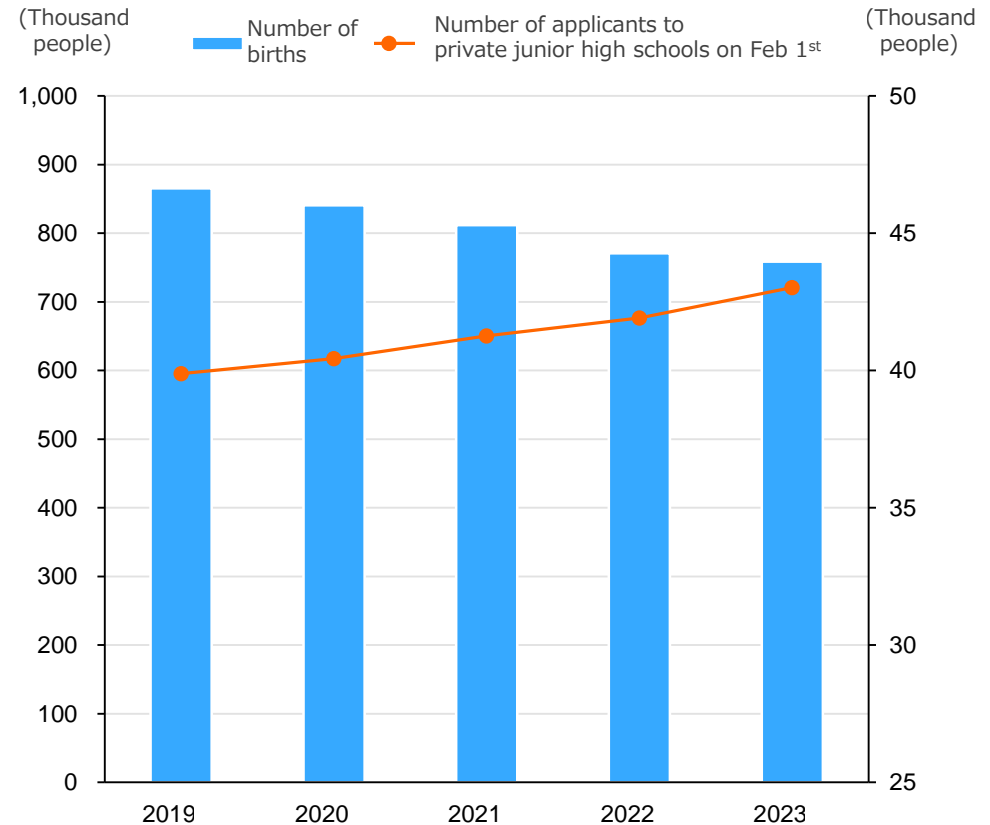
Tutoring and prep school market size is approx. JPY1 trillion
 The number of applicants to private junior high schools is increasing despite declines in number of births

Market Size of Tutoring and Prep School



Source: Yano Research Institute Ltd. "Education Industry White Paper 2022"

Number of Births and Applicants to Private Schools



Source: Ministry of Health, Labour and Welfare "Vital Statistics"
 Morigami Kyoiku Kenkyujo. "Number of Applicants and Percentage of Examinees Taking the Entrance Exam"