



MEMBERSHIP

May 1, 2024

To whom it may concern,

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Representative: Keisuke Suzuki, President and CEO
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Japan Lifeline Announces the acquisition of Treasury Shares and Tender Offer of treasury shares

Japan Lifeline Co., Ltd. ("the Company") announced that the Company resolved at a meeting of its Board of Directors held on May 1, 2024 to acquire treasury shares and to conduct a tender offer for its own shares (the "Tender Offer") as a specific method of treasury shares, based on the provision of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), as applied pursuant to the provision of Article 165, Paragraph 3 of the same act, and the Company's Articles of Incorporation.

1. Purpose of the Tender Offer

The Company's basic policy is to continue to pay stable dividends while securing the necessary internal reserves, taking into consideration our business performance and the capital needs of future business development, as well as other factors.

In addition, the Company's Articles of Incorporation stipulate that the Company may purchase its own shares by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act. The purpose of this is to improve capital efficiency and to execute a flexible capital policy in response to changes in the business environment.

To date, the Company has repurchased its own shares in order to implement a flexible capital policy in response to changes in the business environment and as part of measures to improve capital efficiency and shareholder returns. Specifically, each of the following is described below.

- (1) Acquisition of the Company's common shares through over-the-counter (OTC) off-hours trading based on a resolution of the Company's Board of Directors meeting held on July 4, 2002 (number of shares acquired: 200,200 shares (ownership ratio at the time of acquisition (Note 1): 1.63%); acquisition date: July 5, 2002; total purchase price: 136,136,000yen)
- (2) Acquisition of the Company's common shares through over-the-counter (OTC) off-hours trading based on a resolution of the Company's Board of Directors meeting held on November 20, 2002 (number of shares acquired: 790,000 shares (ownership ratio at the time of acquisition (Note 2): 6.64%); acquisition date: November 21, 2002; total purchase price: 458,200,000 yen).
- (3) Acquisition of the Company's common shares through over-the-counter (OTC) off-hours trading based on a resolution of the Company's Board of Directors meeting held on July 16, 2003 (number of shares acquired: 696,000 shares (ownership ratio at time of acquisition (Note 3): 6.74%); acquisition date: July 17, 2003; total purchase price: 506,688,000 yen)
- (4) Acquisition of the Company's common shares through over-the-counter (OTC) off-hours trading based on a resolution of the Company's Board of Directors meeting held on February 18, 2004 (number of shares acquired: 20,000 shares (ownership ratio at the time of acquisition (Note 4): 0.22%); acquisition date: February 19, 2004; total purchase price: 18,060,000 yen)
- (5) Acquisition of the Company's common shares through over-the-counter (OTC) off-hours trading based on a resolution

of the Company's Board of Directors meeting held on November 25, 2004 (number of shares acquired: 310,000 shares (ownership ratio at the time of acquisition (Note 5): 3.49%); acquisition date: November 26, 2004; total purchase price: 243,350,000yen).

- (6) Acquisition of shares of common shares of the Company by way through fixed price transactions on the JASDAQ Securities Exchange, Inc. based on a resolution of the Company's Board of Directors meeting held on August 3, 2005, (number of shares acquired: 149,000 shares (ownership ratio (Note 6) at the time of acquisition: 1.61%); acquisition date: August 4, 2005; total purchase price: 150,490,000 yen)
- (7) Acquisition of shares of common shares of the Company by way of market purchase through a trust method at the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") based on a resolution of the Company's Board of Directors meeting held on December 3, 2007 (number of shares acquired: 73,300 shares (ownership ratio at time of acquisition (Note 7): 0.67%); period of purchase, etc. December 4, 2007 to June 3, 2008; total purchase price: 44,569,700 yen)
- (8) Acquisition of the Company's common shares by way of tender offer based on a resolution of the Company's Board of Directors meeting held on April 30, 2015 (number of shares acquired: 1,500,000 shares (ownership ratio at the time of acquisition (Note 8): 13.89%); period of purchase, etc.: May 1, 2015 to June 2, 2015; total purchase price: 1,950,000,000yen).
- (9) Acquisition of common shares of the Company by way of market purchase on the Tokyo Stock Exchange based on a resolution of the Company's Board of Directors meeting held on February 25, 2022 (number of shares acquired: 2,500,000 shares (ownership ratio at time of acquisition (Note 9): 3.11%); period of purchase, etc.: from February 28, 2022 to July 1, 2022, ;Total purchase price: 2,487,115,477 yen)
- (10) Acquisition of common shares of the Company by way of market purchase on the Tokyo Stock Exchange based on a resolution of the Company's Board of Directors meeting held on May 10, 2023 (number of shares acquired: 3,000,000 shares (ownership ratio at the time of acquisition (Note 10): 3.85%); Tender Offer period: May 11, 2023 to February 29, 2024, ;Total purchase price: 3,319,770,616 yen)

(Note 1) The percentage (rounded to two decimal places; the same shall apply hereinafter in the calculation of the percentage of ownership at the time of acquisition) of the number of shares (12,302,407 shares) obtained by deducting the number of treasury shares (90 shares) held by the Company as of March 31, 2002 from the total number of issued shares(12,302,497 shares) as of the same date.

(Note 2) The percentage of the number of shares (11,901,757 shares) obtained by deducting the number of treasury shares (200,370 shares) held by the Company as of September 30, 2002 from the total number of issued shares (12,102,127 shares) as of the same date.

(Note 3) The percentage of the number of shares (10,321,557 shares) obtained by deducting the number of treasury shares (990,470 shares) held by the Company as of March 31, 2003 from the total number of issued shares (11,312,027 shares) as of the same date.

(Note 4) The percentage of the number of shares (8,929,557 shares) obtained by deducting the number of treasury shares (1,686,470 shares) held by the Company as of September 30, 2003 from the total number of issued shares (10,616,027 shares) as of the same date.

(Note 5) The percentage of the number of shares (8,889,557 shares) obtained by deducting the number of treasury shares (1,706,470 shares) held by the Company as of September 30, 2004 from the total number of issued shares (10,596,027 shares) as of the same date.

(Note 6) The percentage of the number of shares (9,269,557 shares) obtained by deducting the number of treasury shares (1,016,470 shares) held by the Company as of March 31, 2005 from the total number of issued shares (10,286,027 shares) as of the same date.

(Note 7) The percentage of the number of shares (10,875,547 shares) obtained by deducting the number of treasury shares (426,950 shares) held by the Company as of September 30, 2007 from the total number of issued shares (11,302,497 shares) as of the same date.

(Note 8) The percentage of the number of shares (10,801,956 shares) obtained by deducting the number of treasury shares (500,593 shares) held by the Company as of March 31,2015 from the total number of issued shares (11,302,497

shares) as of the same date.

(Note 9) The percentage of the number of shares (80,420,435 shares) obtained by deducting the number of treasury shares (4,999,541 shares) held by the Company as of December 31, 2021 from the total number of issued shares (85,419,976 shares) as of the same date..

(Note 10) The percentage of the number of shares (77,920,415 shares) obtained by deducting the number of treasury shares (4,999,561 shares) held by the Company as of March 31, 2023 from the total number of issued shares (82,919,976 shares) as of the same date.

Under this environment, in early December 2023, the Company's largest shareholder, MT Shokai Corporation ("MT Shokai"), which is engaged in the asset management business of the Company's founding family, (number of shares held at that time: 9,860,800 shares; ownership ratio at that time: 12.96% (Note 11)), informed us that it intended to sell approximately 5,000,000 shares (ownership ratio at that time: 6.57%), which was part of the common shares held by MT Shokai, in order to strengthen the financial position of MT Shokai, etc.

(Note 11) The percentage of the number of shares (76,082,770 shares) obtained by deducting the number of treasury shares (6,837,206 shares) held by the Company as of September 30, 2023 from the total number of issued shares (82,919,976 shares) as of the same date, as stated in the Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 ("the Second Quarter Financial Results") released by the Company on November 6, 2023.

In response to this, in early December 2023, the Company began to consider the pros and cons of acquiring the Company's common shares as treasury shares, as well as the method and number of shares to be acquired if the Company acquires the shares as treasury shares, taking into consideration the impact on the liquidity and market price of the Company's common shares that could occur if a large number of shares were temporarily released to the market due to the sale of some of the Company's common shares owned by MT Shokai, the Company's financial situation, and other factors.

As a result of our review, we have determined that the repurchase of our common shares as treasury shares will contribute to improving our net income per share (EPS), return on equity (ROE), and other capital efficiency, as well as to returning profits to our shareholders. The Company plans to use all of the funds required for the share repurchase from cash on hand. The Company's consolidated liquidity on hand (cash and deposits) as of December 31, 2023, as stated in the Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 ("the Third Quarter Financial Results") released by the Company on February 2, 2024, is 10.4 billion yen (liquidity ratio on hand: 2.5 months) (Note 12), and even after 6.5 billion yen (Note 13) is used to fund the assumed acquisition of treasury shares, the Company's consolidated liquidity on hand is expected to be 3.9 billion yen (liquidity ratio on hand: 0.9 months), and the Company expects to generate continuous operating cash flow and has secured flexibility and stability in fund procurement by concluding a commitment line agreement. The Company has confirmed that the acquisition of treasury shares does not violate the Company's basic policy of securing internal reserves for flexible and strategic development and investment.

(Note 12) Liquidity on hand (cash and deposits) as of December 31, 2023, as shown in the Third Quarter Financial Results, divided by sales per month (one-ninth cumulative consolidated sales for the nine months ended December 31, 2023) (rounded to second decimal place).

(Note 13) Tentative amount calculated by multiplying 1,300 yen, rounded to the nearest hundred yen, which is the simple average closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market during the second and third weeks of January 2024 (January 9, 2024 to January 19, 2024), by 5,000,000 shares, the approximate number of shares MT Shokai has expressed its intention to sell.

Furthermore, after considering the specific method of acquiring treasury shares, we determined that the tender offer method, which provides shareholders other than MT Shokai with a certain period of consideration and ensures that they have an opportunity to tender their shares while observing market price trends, is the most appropriate from the perspective of equality

among shareholders and the transparency of the transaction.

In determining the purchase price for the Tender Offer (the "Tender Offer Price"), the Company took into consideration the fact that the Company's common shares is listed on a financial instruments exchange and that acquisitions of treasury shares by listed companies are often conducted through market purchases through financial instruments exchanges, so market prices should be used as the basis. In addition, from the viewpoint of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares, The Company has determined that it is desirable to purchase the Company's common shares at a certain discount to the market price in order to minimize outflow of assets from outside the Company as much as possible.

With respect to the discount rate, the number of publicly announced cases from January 31, 2022 to December 26, 2023 (the "Cases") as examples of tender offers of treasury shares at a discount price where the Company plans to acquire the shares from certain shareholders similar to the Tender Offer was the largest among the 39 Cases. Of the 39 cases, the largest number of cases (30) were those in which the discount rate to the underlying share price was around 10% (9% to 11%), and we determined that a discount rate of 10% was appropriate in light of the volatility of the Company's common shares price.

As for the price of the Company's common shares to be used as the basis for the discount, since the market price of the Company's common shares can fluctuate on a daily basis due to economic conditions and various other conditions. Therefore, while taking into consideration the share price fluctuation over a certain period of time, the Company determined that it would be appropriate to select these cases as candidates, since the largest number of 36 cases were calculated based on either the closing price on the business day immediately preceding the date of announcement of the Tender Offer, the simple average of closing prices for the past one month until that date, or the simple average of closing prices for the past three months until that date, out of 39 cases. Furthermore, by using the lowest of the aforementioned prices as the basis, the Company considered that the possibility of the market price during the period of the Tender Offer (the "Tender Offer Period") being lower than the Tender Offer Price is reduced and the possibility of the total number of subscriptions to the Tender Offer exceeding the number of shares to be purchased would be reduced, which would increase the certainty of the sale of the Company's common shares by MT Shokai and would also lead to the suppression of outflow of the Company's assets outside the Company and benefit other shareholders who do not tender their shares in the Tender Offer. Based on the above, The Company determined that it is appropriate to use the lowest price among the closing price of our common shares on the Tokyo Stock Exchange on the business day immediately preceding the announcement of the Tender Offer, the simple average closing price of our common shares for the past one month until that date, and the simple average closing price of our common shares for the past three months until that date.

Then, in late March 2024, the Company proposed to MT Shokai that the Tender Offer Price will be the price calculated by applying a 10% discount rate to the lowest of the closing price of our common shares on the Tokyo Stock Exchange on the business day immediately preceding the announcement of the Tender Offer, the simple average of the closing prices of our common shares for the past one month until that date, and the simple average of the closing prices of our common shares for the past three months until that date. And in late March 2024, the Company received an informal consent from MT Shokai, it will accept the Tender Offer about 5,000,000 shares (ownership ratio at that time: 6.63%) (Note 14) (the "Shares Intended to be Sold"), which is part of the common shares of the Company held by MT Shokai, if the Company conducts the Tender Offer under the terms and conditions thereof.

(Note 14) The percentage of the number of shares (75,361,670 shares) obtained by deducting the number of treasury shares (7,558,306 shares) held by the Company as of December 31, 2023 from the total number of issued shares (82,919,976 shares) as of the same date, as stated in the Third Quarter Financial Results.

Then, on April 30, 2024, the closing price of our common shares on the Tokyo Stock Exchange Prime Market on April 30, 2024, which is the business day immediately preceding the announcement of the Tender Offer, 1,165yen, and the simple average of closing price of our common shares for the past one month until that date 1,161yen (Rounded to the nearest yen. The same shall apply hereinafter in the calculation of the simple average of the closing price.) ,and the simple average of closing price for the past three month until that date 1,235yen. The Company proposed to MT Shokai that the Tender Offer Price be 1,045yen, which is the price obtained by discounting by 10% the lowest price of 1,161yen (rounded to the nearest

yen. The same shall apply hereinafter in the calculation of the Tender Offer Price) On the same day, the Company received a response from MT Shokai stating that it intends to tender the Intended Shares for the Tender Offer if we conduct the Tender Offer under such conditions.

Based on the above, at the Board of Directors meeting held on May 1, 2024, all 15 directors (Keisuke Suzuki, Atsuhiko Suzuki, Kenji Yamada, Tatsuya Murase, Toru Takamiya, Tadashi Idei, Yumiko Hoshiba, Takeyoshi Egawa, Fumihiko Sasaki, Yoshiaki Ikei, Yusuke Naiki, Shogo Takahashi, Masahiko Nakamura, Daizo Asari and Yutaka Karigome) participated in the discussion and resolution. (i) to acquire treasury shares and to conduct the Tender Offer as a specific method of treasury shares, based on the provision of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), as applied pursuant to the provision of Article 165, Paragraph 3 of the same act, and the Company's Articles of Incorporation, and (ii) to set the Tender Offer Price at 1,045 yen per share, a 10% discount from the simple average of closing price of our common shares for the past one month until that date 1,161yen.

The Tender Offer Price of 1,045yen represents a discount of 10.30% (rounded to two decimal places; the same shall apply hereinafter) on the closing price of 1,165 yen of the Company's common shares on the Tokyo Stock Exchange Prime Market on April 30, 2024, the business day immediately preceding the date on which the Board of Directors resolved to implement the Tender Offer. The same shall apply hereinafter in the calculation of the discount). The amount of the discount shall be 9.99% of the simple average 1,161yen of the closing price of the our common shares for the past one month, 15.38% of the simple average 1,235yen of the closing price of our common shares for the past three months, 14.27% of the simple average 1,219yen of the closing price of the Company's common shares for the past six months.

In terms of the number of shares to be purchased in the Tender Offer, out of the 39 cases, the largest number of 25 cases set the number of shares to be purchased at an additional 10% (9% to 11%) to the shares that MT Shokai has agreed to tender, from the viewpoint of providing an opportunity for shareholders other than MT Shokai to tender their shares, From the viewpoint of providing an opportunity for shareholders other than MT Shokai to tender their shares, the Board of Directors resolved at its meeting held on May 1, 2024 to set the number of shares to be purchased at 5,500,000 shares (ownership ratio: 7.34%) (Note 15), which is 10% more than the 5,000,000 shares that MT Shokai intends to tender for sale.

(Note 15) The percentage of the number of shares (74,929,270 shares) obtained by deducting the number of treasury shares (829,200 shares) held by the Company as of March 31, 2024 from the total number of issued shares (75,758,470 shares) as of the same date, as stated in the Summary of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 ("the Financial Results") released by the Company on May 1, 2024.

If the total number of shares tendered in the Tender Offer (the "Tendered Shares") exceeds the Number Scheduled to be Purchased, the purchase will be made on a pro rata basis and the Company will acquire a portion of the Shares Intended to be Sold. the Company has received a response that if the number of shares sold through the Tender Offer is less than 5,000,000 shares, MT Shokai expects to continue to hold the shares of common shares of the Company that the Company was unable to acquire out of the shares of Intent to Sell.

In addition, the Company has received an explanation from MT Shokai that it currently intends to continue to hold 4,860,800 shares (shareholding ratio: 6.49%) of the Company's common shares other than the Shares Intended to be Sold held by MT Shokai.

As announced in the "Japan Lifeline Announces Disposal of Treasury Stock as Restricted Stock Incentive Plan for Employee Shareholding Association" dated May 1, 2024, a portion of the treasury shares acquired through the Tender Offer is planned to be allocated to the Company's Employee Stock Ownership Group, but the Company's other However, other uses and dispositions of treasury shares acquired through the Tender Offer have not yet been determined at this time.

2. Details of the Board of Directors' resolution regarding the acquisition of treasury shares

(1) Details of resolution

Type of Share Certificates, etc.	Total Number of Shares	Total acquisition cost
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common shares	5,500,100 shares (maximum)	5,747,604,500yen (maximum)
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(Note 1) Total number of issued shares: 75,758,470 (as of May 1, 2024)

(Note 2) The percentage of total issued shares 7.26% (rounded to two decimal places)

(Note 3) Period of acquisition From Thursday, May 2, 2024 to Friday, June 28, 2024

(Note 4) Since the number of shares tendered exceeded the number of shares planned to be purchased, and as a result of unit adjustment based on the pro rata ratio, the total number of shares to be purchased in the Board of Directors' resolution was calculated by adding one unit (100 shares) to the number of shares planned to be purchased.

(2) Listed share certificates, etc. pertaining to treasury shares already acquired based on such resolution

Not applicable.

3. Summary of the Tender Offer, etc.

(1) Time Table

(i)	Date of resolution by the Board of Directors	Wednesday, May 1, 2024
(2)	Date of Public Notice of Commencement of Tender Offer	Thursday, May 2, 2024 Electronic public notice will be made and a notice to that effect will be published in the Nihon Keizai Shimbun. Electronic Public Notice Address (https://disclosure2.edinet-fsa.go.jp/)
(iii)	Filing date of the Tender Offer Registration Statement	Thursday, May 2, 2024
4)	Period of the Tender Offer, etc.	From Thursday, May 2, 2024 Through Monday, June 3, 2024 (21 business days)

(2) Tender Offer Price

1,045yen per share of common shares

(3) Basis of Calculation of Tender Offer Price, etc.

(i) Basis of calculation

In determining the Tender Offer Price, took into consideration the fact that the Company's common shares is listed on a financial instruments exchange and that repurchases of treasury shares by listed companies are often conducted through market purchases through financial instruments exchanges, market prices should be used as the basis. In addition, from the viewpoint of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares. The Company has determined that it is desirable to purchase the Company's common shares at a certain discount to the market price in order to minimize outflow of assets from outside the Company as much as possible.

With respect to the discount rate, the largest number of cases (30) out of 39 cases in this case study set the discount rate to the underlying stock price at around 10% (9% to 11%), and we determined that a discount rate of 10% was appropriate in light of the volatility of the Company's common shares price.

As for the price of the Company's common shares to be used as the basis for the discount, since the market price of the Company's common shares can fluctuate on a daily basis due to economic conditions and various other conditions. Therefore, while taking into consideration the share price fluctuation over a certain period of time, the Company determined that it would be appropriate to select these cases as candidates, since the largest number of 36 cases were calculated based on either the closing price on the business day immediately preceding the date of announcement of the Tender Offer, the simple average of closing prices for the past one month until that date, or the simple average of closing prices for the past three months until that date, out of 39 cases. Furthermore, by using the

lowest of the aforementioned prices as the basis, the Company considered that the possibility of the market price during the period of the Tender Offer being lower than the Tender Offer Price is reduced and the possibility of the total number of subscriptions to the Tender Offer exceeding the number of shares to be purchased would be reduced, which would increase the certainty of the sale of the Company's common shares by MT Shokai and would also lead to the suppression of outflow of the Company's assets outside the Company and benefit other shareholders who do not tender their shares in the Tender Offer. Based on the above, The Company determined that it is appropriate to use the lowest price among the closing price of our common shares on the Tokyo Stock Exchange on the business day immediately preceding the announcement of the Tender Offer, the simple average closing price of our common shares for the past one month until that date, and the simple average closing price of our common shares for the past three months until that date.

Based on the above, at the Board of Directors meeting held on May 1, 2024, all 15 directors (Keisuke Suzuki, Atsuhiko Suzuki, Kenji Yamada, Tatsuya Murase, Toru Takamiya, Tadashi Idei, Yumiko Hoshiba, Takeyoshi Egawa, Fumihiko Sasaki, Yoshiaki Ikei, Yusuke Naiki, Shogo Takahashi, Masahiko Nakamura, Daizo Asari and Yutaka Karigome) participated in the discussion and resolution. (i) to acquire treasury shares and to conduct the Tender Offer as a specific method of treasury shares, based on the provision of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), as applied pursuant to the provision of Article 165, Paragraph 3 of the same act, and the Company's Articles of Incorporation, and (ii) to set the Tender Offer Price at 1,045 yen per share, a 10% discount from the simple average of closing price of our common shares for the past one month until that date 1,161yen.

The Tender Offer Price of 1,045 yen represents a discount of 10.30% (rounded to two decimal places; the same shall apply hereinafter) on the closing price of 1,165 yen of the Company's common shares on the Tokyo Stock Exchange Prime Market on April 30, 2024, the business day immediately preceding the date on which the Board of Directors resolved to implement the Tender Offer. The same shall apply hereinafter in the calculation of the discount). The amount of the discount shall be 9.99% (rounded to the second decimal place) of the simple average 1,161yen of the closing price of the our common shares for the past one month, 15.38% of the simple average 1,235yen of the closing price of our common shares for the past three months, 14.27% of the simple average 1,219yen of the closing price of the Company's common shares for the past six months.

(2) Background of Calculation

In determining the Tender Offer Price, took into consideration the fact that the Company's common shares is listed on a financial instruments exchange and that repurchases of treasury shares by listed companies are often conducted through market purchases through financial instruments exchanges, market prices should be used as the basis. In addition, from the viewpoint of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares. The Company has determined that it is desirable to purchase the Company's common shares at a certain discount to the market price in order to minimize outflow of assets from outside the Company as much as possible.

With respect to the discount rate, the largest number of cases (30) out of 39 cases in this case study set the discount rate to the underlying stock price at around 10% (9% to 11%), and we determined that a discount rate of 10% was appropriate in light of the volatility of the Company's common shares price.

As for the price of the Company's common shares to be used as the basis for the discount, since the market price of the Company's common shares can fluctuate on a daily basis due to economic conditions and various other conditions. Therefore, while taking into consideration the share price fluctuation over a certain period of time, the Company determined that it would be appropriate to select these cases as candidates, since the largest number of 36 cases were calculated based on either the closing price on the business day immediately preceding the date of announcement of the Tender Offer, the simple average of closing prices for the past one month until that date, or the simple average of closing prices for the past three months until that date, out of 39 cases. Furthermore, by using the lowest of the aforementioned prices as the basis, the Company considered that the possibility of the market price during the period of the Tender Offer being lower than the Tender Offer Price is reduced and the possibility of the total number of subscriptions to the Tender Offer exceeding the number of shares to be purchased would be reduced, which would increase the certainty of the sale of the Company's common shares by MT Shokai and would also lead to the

suppression of outflow of the Company's assets outside the Company and benefit other shareholders who do not tender their shares in the Tender Offer. Based on the above, The Company determined that it is appropriate to use the lowest price among the closing price of our common shares on the Tokyo Stock Exchange on the business day immediately preceding the announcement of the Tender Offer, the simple average closing price of our common shares for the past one month until that date, and the simple average closing price of our common shares for the past three months until that date.

Then, in late March 2024, the Company proposed to MT Shokai that the Tender Offer Price will be the price calculated by applying a 10% discount rate to the lowest of the closing price of our common shares on the Tokyo Stock Exchange on the business day immediately preceding the announcement of the Tender Offer, the simple average of the closing prices of our common shares for the past one month until that date, and the simple average of the closing prices of our common shares for the past three months until that date. And in late March 2024, the Company received an informal consent from MT Shokai, it will accept the Tender Offer about 5,000,000 shares, which is part of the common shares of the Company held by MT Shokai ,if the Company conducts the Tender Offer under the terms and conditions thereof.

Then, on April 30, 2024, the closing price of the our common shares on the Tokyo Stock Exchange Prime Market on April 30, 2024, which is the business day immediately preceding the announcement of the Tender Offer, 1,165yen, and the simple average of closing price of our common shares for the past one month until that date 1,161yen (Rounded to the nearest yen. The same shall apply hereinafter in the calculation of the simple average of the closing price.) ,and the simple average of closing price for the past three month until that date1,235yen.The Company proposed to MT Shokai that the Tender Offer Price be 1,045 yen, which is the price obtained by discounting by 10% the lowest price of 1,161 yen (rounded to the nearest yen) On the same day, the Company received a response from MT Shokai stating that it intends to tender the Intended Shares for the Tender Offer if we conduct the Tender Offer under such conditions.

Based on the above, at the Board of Directors meeting held on May 1, 2024, all 15 directors (Keisuke Suzuki, Atsuhiko Suzuki, Kenji Yamada, Tatsuya Murase, Toru Takamiya, Tadashi Idei, Yumiko Hoshiba, Takeyoshi Egawa, Fumihiko Sasaki, Yoshiaki Ikei, Yusuke Naiki, Shogo Takahashi, Masahiko Nakamura, Daizo Asari and Yutaka Karigome) participated in the discussion and resolution. (i) to acquire treasury shares and to conduct the Tender Offer as a specific method of treasury shares, based on the provision of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), as applied pursuant to the provision of Article 165, Paragraph 3 of the same act, and the Company's Articles of Incorporation, and (ii) to set the Tender Offer Price at 1,045 yen per share, a 10% discount from the simple average of closing price of our common shares for the past one month until that date 1,161yen.

(4) Number of Share Certificates, etc. to be Purchased

Type of Share Certificates, etc.	Number of shares to be purchased	Number of planned excess	plan
common shares	5,500,000 shares	- share	5,500,000 shares

(Note 1) If the total number of shares, etc. tendered does not exceed the number planned to be purchased (5,500,000 shares), all of the tendered shares, etc. will be purchased. If the total number of tendered share certificates, etc. exceeds the number planned to be purchased (5,500,000 shares), all or part of the excess portion will not be purchased, and the Company will not purchase any of the tendered share certificates, etc. The delivery and settlement of the purchase of share certificates, etc. will be conducted through the Pro Rata Method in accordance with the proportional allocation method specified in Article 27-22-2, Paragraph 2 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) applicable pursuant to Article 27-13, Paragraph 5 ,and with Article 21 of the Cabinet Ordinance on Disclosure of Tender Offer Bids for Publicly-Traded Stock Certificates, etc. by the Issuer (Ministry of Finance Ordinance No.95 of 1994, as amended)

(Note 2) Shares constituting less than one unit are also subject to the Tender Offer. In the event that shareholders exercise

their right to request purchase of shares constituting less than one unit in accordance with the Companies Act, the Company may purchase its own shares during the Tender Offer Period in accordance with applicable laws and regulations.

(5) Funds required for purchase, etc.

5,799,823,200Yen

(Note) The amount is the sum of the purchase price in the event that all of the shares to be purchased (5,500,000 shares) are purchased, plus the estimated amount of purchase fees and other expenses (the cost of public notice regarding the Tender Offer and printing expenses for the Tender Offer Explanatory Statement and other necessary documents and other expenses).

(6) Method of settlement

(i) Name and location of the head office of the financial instruments business operator, bank, etc. in charge of settlement of purchases, etc.

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

(ii) Settlement start date

Tuesday, June 25, 2024

(iii) Method of Settlement

Without delay after the end of the Tender Offer Period, a notice of purchase, etc. through the Tender Offer shall be sent to the person who accepts the offer to purchase shares, etc. under the Tender Offer or makes an offer to sell shares, etc. (hereinafter referred to as "Tendering Shareholders, etc."). (including shareholders, etc. (including corporate shareholders, etc.) who are residents of a foreign country and who do not have an account with the Tender Offer Agent that allows them to trade in the Tender Offer. (In the case of a foreign resident who does not have an account with the Tender Offer Agent (including corporate shareholders, etc.; hereinafter referred to as "Foreign Shareholders, etc."), the standing proxy) The Tender Offer Agent will mail the Tender Offer Registration Statement to the address of the Tendering Shareholder (or the "Tendering Shareholder's Standing Proxy" in the case of a shareholder who is a resident of a foreign country and does not have an account with the Tender Offer Agent).

The purchase will be made in cash. Tendering shareholders will be entitled to receive the proceeds of the Tender Offer, less any applicable withholding tax (Note), in the manner that they have instructed, such as by remittance, without delay after the commencement date of settlement. (A remittance fee may be charged)

(Note) Taxation on shares purchased through the tender offer

*Please consult with a tax accountant or other professional for specific tax-related questions and make your own decisions.

Individual Shareholders

(a) When the tendering shareholder is a resident or a non-resident who has a permanent establishment in Japan

If the amount of money to be received by applying for the Tender Offer exceeds the amount of the portion of the Company's capital, etc. that corresponds to the shares underlying the delivery (i.e., if the purchase price per share exceeds the amount of capital, etc. per share of the Company), the excess amount will be deemed to be a dividend and taxed as such. In addition, the portion of the amount of money to be received by tendering shares in the Tender Offer, excluding the amount deemed to be a dividend, will be income from the transfer of shares. If there is no amount deemed as a dividend (i.e., if the purchase price per share is less than or equal to the amount of capital, etc. per share of the Company), all of the amount of money to be delivered will be transferable income.

The amount deemed as dividends is subject to withholding equal to 20.315% (15.315% in income taxes and the Special Reconstruction Income Tax under the Act on Special Measures concerning

Securing Financial Resources Necessary for Implement Measures for Reconstruction in Response to the Great East Japan Earthquake (Law No. 117 of 2011, including subsequent revisions; referred to as the “Special Reconstruction Income Tax”) and 5% in resident taxes; nonresidents with a permanent domestic establishment are specially exempt from the 5% resident tax); provided, however, that in the case where a shareholder is a large shareholder specified in Article 4-6-2, paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Law No. 43 of 1957, including subsequent revisions; referred to as the “Act on Special Measures Concerning Taxation”) (“Large Shareholder, etc.”), 20.42% of the payment is withheld (income tax and Special Reconstruction Income Tax only).

In addition, if the ratio of the total number of shares issued by a corporation that falls under the category of family corporation under the Corporation Tax Act when the tendering shareholder, etc. who receives payment of the amount deemed to be a dividend and the tendering shareholder, etc. are the shareholders who are the basis for the determination, is added together, and the ratio to the total number of shares issued is 3/100 or more, then the amount deemed to be a dividend is subject to comprehensive taxation. The amount deemed as such dividend is subject to comprehensive taxation.

In principle, the amount obtained by deducting the acquisition cost of such shares from the transfer income is subject to the separate taxation on declaration.

In the case where shares in a tax-free account (“Tax-Free Account”) specified in Article 37-14 of the Act on Special Measures Concerning Taxation (tax-free status of income from transfers relating to small amounts of publicly-traded shares in Tax-Free Accounts) are tendered pursuant to the Self Tender Offer and the financial instruments broker with which the tax-free account was opened is Nomura Securities Co.,Ltd., income from the transfer of shares pursuant to the Self Tender Offer is in principle tax free. If the tax-free 13 account was opened with a financial instruments broker other than Nomura Securities Co.,Ltd., the treatment described above may not apply.

(b) When the tendering shareholder is a non-resident who does not have a permanent establishment in Japan

An amount of 15.315% (income tax and special income tax for recovery only) will be withheld at source from the amount deemed as dividends. In the case of a major shareholder, 20.42% (income tax and special income tax for recovery only) will be withheld at source. In principle, income arising from such transfer is not taxed.

Corporate Shareholders

If the amount of money to be delivered to a corporate shareholder upon the application for the Tender Offer exceeds the amount of the portion of the capital stock, etc. of the Company corresponding to the shares underlying the delivery, the amount of such excess portion shall be deemed to be a dividend. As a general rule, an amount of 15.315% (income tax and special income tax for recovery only) will be withheld at source from the portion deemed to be a dividend.

In addition, the Tendering Shareholders, etc. (limited to corporations having their head office or principal office in Japan (domestic corporations)) who directly own more than one-third of the total number of issued shares, etc. of the Company as of the record date for the payment of such dividend, etc. shall be deemed to receive the dividend paid by the Company, (a corporation having its head office or principal office in Japan (limited to a domestic corporation)) will not be subject to income tax and special income tax for recovery on the amount deemed as dividends to be paid by the Company, and no withholding tax will be imposed on such amount.

Foreign shareholders, etc. who wish to receive income tax reduction or exemption on such deemed dividend amount in accordance with applicable tax treaties are requested to submit a tax treaty notification form to the Tender Offer Agent together with the Tender Offer Application Form when applying for the Tender Offer.

(7) Others

(i) The Self Tender Offer is not being conducted in the United States or for the United States, either directly or indirectly, and is not being conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and also is not being conducted through any securities exchange facilities in the United States. No subscriptions to the Self Tender Offer may be made through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

Furthermore, this document and related documents regarding the Self Tender Offer are not being sent to or distributed, and may not be sent or distributed, in the United States or from the United States by means of mail or any other method. The Company will not accept any subscriptions to the Self Tender Offer that directly or indirectly violate the aforementioned restrictions.

Subscribing shareholders and other relevant parties (standing proxies in case of foreign shareholders) are requested to make the following representations and warranties to the Tender Offer agent when tendering shares pursuant of the Self Tender Offer:

Subscribing shareholders and other relevant parties: (i) are not in the United States at the time of subscription and submission of the tender offer subscription; (ii) have not received or sent any information regarding the Self Tender Offer (including any copies), directly or indirectly, in the United States, to the United States, or from the United States; (iii) have not used, directly or indirectly, any U.S. mail, other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), or any securities exchange facilities in the United States, when signing and delivering any offer or tender offer subscription forms; and (iv) are not acting as any other party's agent, trustee or mandatary without discretionary power (except when such other party gives all instructions regarding the offer from the outside of the United States).

(ii) On May 1, 2024, the Company received a response from MT Shokai that it would accept the Tender Offer for 5,000,000 shares (ownership ratio: 6.67%) of the shares it intends to sell.

The Company has received an explanation from MT Shokai that it currently intends to continue to hold the shares of common shares of the Company (4,860,800 shares, ownership ratio: 6.49%, if all of the Intent to Sell Shares are purchased), which will be held by MT Shokai after the Tender Offer.

(Reference) Ownership of treasury shares as of March 31, 2024

Total number of issued shares (excluding treasury shares) 74,929,270 shares

Number of treasury shares 829,200 shares