

August 20, 2024

To whom it may concern

Company name : Asante, Inc.
(Code : 6073)
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Contact : Yoshiyuki Nakao,
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Notice Concerning Acquisition of Treasury Shares through Tender Offer

Asante, Inc. ("the Company") announces that at the Board of Directors Meeting held on August 20, 2024, the Company resolved to acquire treasury shares through tender offer (hereinafter referred to as the "Tender Offer") in accordance with the provisions of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter referred to as the "Companies Act") and its Articles of Incorporation as applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act.

1. Objective of the Tender Offer

The Company aims to enhance its corporate value over the medium to long term by balancing the enhancement of shareholders' equity while placing the highest priority on returning profits to shareholders. As a policy to enhance corporate value, the Company's medium-term management plan (Fiscal year ending March 31, 2025 - Fiscal year ending March 31, 2027) includes the consideration of appropriate capital policies, including acquisition of treasury shares. Dividends on retained earnings are determined based on the maintenance of stable dividends, while comprehensively taking into consideration such factors as the strengthening of the corporate structure and the enhancement of internal reserves. For the fiscal year ended March 31, 2024, the Company paid a dividend of 62 yen per share (including an interim dividend of 31 yen and a year-end dividend of 31 yen), with a payout ratio of 125.9%. In addition, the Company's Articles of Incorporation stipulate that the Company may acquire its treasury shares through market transactions, etc. by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act in order to enable the execution of a flexible capital policy in response to changes in economic conditions.

At the meeting of the Board of Directors held on November 20, 2020, the Company resolved matters related to the acquisition of treasury shares for the period from November 25, 2020 to September 1, 2021. Based on this resolution, the Company purchased 1,260,300 shares of its common stock (Shareholding ratio at the time of the 2020 Acquisition (*Note 1): 10.20%) for 1,863,983,700 yen through an off-floor purchase transaction (ToSTNeT-3) at the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on November 25, 2020, and it also purchased a total of 124,100 shares of its common stock (Shareholding ratio at the time of the 2020 Acquisition: 1.00%) for 189,845,100 yen through market purchase on the Tokyo Stock Exchange through the period from December 9, 2020 to September 1, 2021. The objective of the acquisition is to

improve capital efficiency and to enable the execution of a flexible capital policy in response to future changes in the business environment, as well as to mitigate the impact on the supply and demand for the Company's common stock following the stock offering resolved at the Board of Directors meeting held on the same day.

(Note 1) "Shareholding ratio at the time of the 2020 Acquisition" refers to the ratio (rounded down to two decimal places) to 12,348,205 shares, which is the number of shares after deducting 295 shares of treasury shares held by the Company as of September 30, 2020 from the total number of outstanding shares of 12,348,500 shares as of September 30, 2020 as stated in the Company's Quarterly Report for the 48th Period filed by the Company on November 6, 2020. The same applies hereinafter.

Under these circumstances, in mid-December 2023, the Company received a proposal from Munemasa Corporation ("Munemasa"), the largest and major shareholder of the Company and the asset management company of the founding family (the number of shares held by Munemasa as of mid-December 2023: 1,250,000 shares, shareholding ratio as of mid-December 2023 (*Note 2): 11.36%, shareholder ranking as of September 30, 2023: 1st; the number of shares held as of today: 1,250,000 shares, shareholding ratio (*Note 3): 11.36%, shareholder ranking as of March 31, 2024: 1st), to sell 1,250,000 shares of the Company's common stock (the "Shares Intended to be Sold"), all of which it owns, for the purpose of converting them into cash. Munemasa is an asset management company represented by Yoshi Munemasa, a major shareholder of the Company (739,463 shares held as of today, shareholding ratio: 6.72%; shareholder ranking as of March 31, 2024: 3rd), who holds 100% of the voting rights (as of today).

(Note 2) "Shareholding ratio as of mid-December 2023" refers to the ratio (rounded down to two decimal places) to 11,000,538 shares, which is the number of shares after deducting 1,347,962 shares of treasury shares held by the Company as of September 30, 2023 from the total of 12,348,500 outstanding shares of the Company as of September 30, 2023 stated in the Company's Quarterly Report for the 51st Period filed by the Company on November 7, 2023. The same applies hereinafter.

(Note 3) "Shareholding ratio" refers to the ratio (rounded down to two decimal places) to 11,000,301 shares, which is the number of shares after deducting 1,348,199 treasury shares held by the Company as of June 30, 2024 from 12,348,500 shares, which is the total number of issued shares of the Company as of June 30, 2024 as stated in the "Summary of Business Results for the First Quarter Ended June 30, 2024 [Japan GAAP] (Consolidated)" (hereinafter the "Summary of Financial Results"), which was released by the Company on August 6, 2024. The same applies hereinafter.

In response to this, the Company, mindful of the impact on the liquidity and market price of the Company's common stock from the temporary release of more than a certain number of shares to the market, and in view of the Company's financial circumstances, etc., began to examine in detail from mid-January 2024 whether or not to acquire the Shares Intended to be Sold.

As a result, in mid-May 2024, the Company's acquiring the Shares Intended to be Sold (if calculated by multiplying the simple average of closing prices of the Company's common stock on the Tokyo Stock Exchange Prime Market from May 13 to May 20, 2024, of 1,675 yen (rounded to the nearest yen) by the number of the Shares Intended to be Sold (1,250,000 shares),

equivalent to approximately 2.1 billion yen) as treasury stock was determined to contribute to improving the Company's capital efficiency, including earnings per share (EPS) and return on equity (ROE), and to lead to the return of profits to shareholders. The acquisition of treasury stock is to be funded entirely by the Company's own funds, and the Company's on-hand liquidity (cash and deposits) on a consolidated basis as of March 31, 2024, as listed on the Securities Report for the 51st Fiscal Year filed by the Company on June 24, 2024 (hereinafter referred to as "Securities Report for the 51st Fiscal Year"), is approximately 8.7 billion yen (on-hand liquidity ratio of 7.6 months) (*Note 4), and even after using approximately 2.1 billion yen as funds for the acquisition of treasury stock, the Company's on-hand liquidity is expected to be approximately 6.6 billion yen (on-hand liquidity ratio of 5.8 months). Therefore, the Company determined that the acquisition would not have a significant impact on the Company's financial circumstances or dividend policy. In addition, with respect to the specific method of acquiring treasury stock, bearing in mind (1) equality among shareholders, (2) transparency of transactions, (3) the possibility of purchasing the Company's common stock at a price at a certain discount from the market price, which, if purchased at the discounted price, would lead to suppressing the outflow of the Company's assets outside the Company, and (4) the desirability of providing shareholders other than Munemasa a certain amount of time for consideration as well as an opportunity to tender their shares based on trends in market prices, and other considerations, the Company, after careful consideration, in early June 2024, determined that a tender offer would be appropriate.

(Note 4) Cash and deposits as of March 31, 2024 as stated in the 51st Annual Securities Report divided by sales per month (consolidated sales for the fiscal year ended March 31, 2024 divided by 12) (rounded down to the first decimal place).

On that basis, regarding the calculation of the purchase price etc. per share in the Tender Offer (hereinafter referred to as "the Tender Offer Price"), the Company believed that the market price of the Company's common stock should be the basis for the Tender Offer Price, taking into consideration the fact that the Company's common stock is listed on a financial instruments exchange and emphasizing the clarity and objectivity of the share price criteria on which the Tender Offer Price is calculated. And from the viewpoint of respecting the interests of shareholders who are not tendering their shares in the Tender Offer but continue to hold the Company's common stock, the Company determined that it would be desirable to purchase the shares at a certain discount to the market price in order to minimize the outflow of assets outside the Company as much as possible.

In early June 2024, the Company proceeded to consider the Tender Offer Price, and regarding the rate discounted from the market price, in order to understand how the discount rate was set for a certain number of recent cases in which conditions were similar, decided to refer to cases where a tender offer was made at a price discounted from the market price from among cases of tender offers for treasury stock that were resolved on or after January 1, 2022, and whose tender offer period ended by May 31, 2024 (hereinafter referred to as "Studied Cases"). Regarding the 43 Studied Cases, 31, the largest number, of the cases adopted a discount rate of approximately 10% (9% to 11%), and therefore the Company determined that adopting a discount rate of 10% would be appropriate. As for the market price of the Company's common stock to be used as the basis for the calculation of the Tender Offer Price, the Company determined that it would be desirable to take into consideration fluctuations in the stock price over a certain period of time, since the market price can fluctuate on a daily basis due to economic conditions and other various

circumstances. On the other hand, since the Company believed that using the market price from more recent times would reflect the Company's recent performance in the share price to a fuller extent, the Company determined that it would be appropriate to designate as a candidate one from among either the closing price on the business day immediately preceding the date of the Board of Directors' resolution regarding the implementation 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. Regarding the 43 Studied Cases, while the largest number of cases, 38, based calculations on either the closing price on the business day immediately preceding the date of the resolution regarding the implementation of a 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, only one case was based on calculations on the simple average of closing prices for the past six months until that date. However, in light of recent trends in the Company's share price, the Company believed that there was little likelihood of a short-term sudden fluctuation in Company's share price that would warrant the use of the average price over a longer period of time as the basis for calculations. Therefore, the Company determined that the rationale for designating the simple average of closing prices for the past six months up to that date as a candidate could not be accepted. Furthermore, by using the lowest among the aforementioned prices as the basis, the Company believed that the possibility of the market price falling below the Tender Offer Price during the period of the Tender Offer (hereinafter referred to as the "Tender Offer Period") would be reduced, thereby increasing the certainty of the sale of the Company's common stock by Munemasa, leading to the suppression of the outflow of the Company's assets outside the Company and benefitting shareholders who did not tender their shares in the Tender Offer. Based on the above, the Company determined that it would be appropriate to base the price on whichever is the lowest price from among the closing price of the Company's common stock on August 19, 2024, which is the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024), the simple average of closing prices of the Company's common stock for the past one month until that date, or the simple average of closing prices of the Company's common stock for the past three months until that date on the Tokyo Stock Exchange Prime Market.

Based on the above considerations, in mid-June 2024, the Company approached Munemasa to inquire whether it would accept, if a tender offer was made at a price discounted 10% from whichever was the lowest price from among the closing price of the Company's common stock on the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer, the simple average of closing prices of the Company's common stock for the past one month until that date, and the simple average of closing prices of the Company's common stock for the past three months until that date on the Tokyo Stock Exchange Prime Market, with August 20, 2024, the date of the regular meeting of the Company's Board of Directors following the announcement of the financial results for the first quarter of the fiscal year ending March 31, 2025, as the date of the Board of Directors' resolution. As a result, on July 4, 2024, the Company was able to receive a response from Munemasa stating that it would positively consider the Tender Offer based on the details described above.

In response, the Company proposed to Munemasa that the Tender Offer Price be 1,532 yen (rounded to the nearest yen), a price that represents a 10% discount to 1,702 yen, which was the price that was lowest from among 1,702 yen, the closing price of the Company's common stock on August 19, 2024, the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024), 1,724 yen, the simple average of closing

prices of the Company's common stock for the past one month until that date (rounded to the nearest yen), and 1,728 yen, the simple average of closing prices of the Company's common stock for the past three months until that date (rounded to the nearest yen) on the Tokyo Stock Exchange Prime Market. As a result, on that day, the Company received a response from Munemasa stating that it would accept the Tender Offer for the Shares Intended to be Sold, if the Company implemented the Tender Offer under such conditions.

Since the Tender Offer will be a tender offer using the pro rata method in which, if the total number of share certificates, etc. tendered in the Tender Offer (hereinafter referred to as the "Tendered Share Certificates, etc.") exceeds the maximum number to be purchased, the excess will not be purchased either in all or in part, as stipulated in the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments; hereinafter referred to as the "Act") Article 27-13, Paragraph 5, which applies mutatis mutandis to Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, including subsequent amendments; hereinafter referred to as the "Ordinance"), the Company will acquire a portion of the Shares Intended to be Sold; the Company has received a response from Munemasa stating that it has not yet determined how to proceed regarding the ownership or disposal of the shares of the Company's common stock that were tendered but which the Company could not acquire through the Tender Offer.

After the above considerations and discussions, the Company resolved at its Board of Directors meeting held on August 20, 2024 to acquire treasury stock, using the specific method of the Tender Offer, and to set the Tender Offer Price at 1,532 yen (rounded to the nearest yen), which is the result of applying a 10% discount to 1,702 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on August 19, 2024, the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024).

With respect to the number of shares to be purchased in the Tender Offer, in 26 out of 43 Studied Cases, the largest number of cases, the number of shares to be purchased was set at 10% (9% to 11%) more than the number of shares agreed to be tendered. Therefore, in order to provide an opportunity for shareholders other than Munemasa to tender their shares, the Company has decided to set the number of shares to be purchased at 1,375,000 shares (shareholding ratio: 12.49%), which is 10% more than the 1,250,000 shares (shareholding ratio: 11.36%) that Munemasa has agreed to tender (Shares Intended to be Sold). The Company's on-hand liquidity (cash and deposits) on a consolidated basis as of June 30, 2024, as stated in this Quarterly Financial Report, is approximately 9.1 billion yen (on-hand liquidity ratio of 6.4 months) (*Note 5), and since, even after using approximately 2.1 billion yen to fund the acquisition of treasury stock, the Company's on-hand liquidity is expected to be approximately 7 billion yen (on-hand liquidity ratio of 4.9 months), the Company has determined that the acquisition will not have a significant impact on the Company's financial circumstances or dividend policy.

(Note 5) Cash and deposits as of June 30, 2024, as shown in the quarterly consolidated financial statements attached to the Summary of Financial Results, divided by sales per month (first-quarter cumulative consolidated sales for the period ending March 31, 2025 divided by three) (rounded down to the first decimal place).

As of today, Munemasa falls under the category of the Company's principal shareholder and

the largest shareholder. However, depending on the total number of Tendered Share Certificates, etc. in the Tender Offer and the number of Tendered Share Certificates, etc. by Munemasa, which are to be purchased by us, Munemasa will not fall under the category of the Company's principal shareholder and the largest shareholder, which is the major shareholder, and there is a possibility of a change in the status of the major shareholder and the largest shareholder, which is the major shareholder.

In addition, the Company's policy for the disposition of treasury shares acquired through the Tender Offer has not been determined at this time.

2. Details of the Resolution of the Board of Directors on the Acquisition of Treasury Shares

(1) Details of resolution

Type of share certificates	Total number	Total acquisition cost
Common stock	1,375,100 shares (Upper limit)	2,106,653,200 yen (Upper limit)

(Note 1) Total number of shares issued: 12,348,500 shares (As of August 20, 2024)

(Note 2) Percentage of the number of share certificates planned for purchase to the total shares issued: 11.14% (rounded down to the second decimal place)

(Note 3) Acquisition period: From Wednesday, August 21, 2024 to Thursday, October 31, 2024

(2) Listed shares, etc. that are own shares already acquired in accordance with said resolution

Not applicable.

3. Outline of the Tender Offer, etc.

(1) Schedule, etc.

1) Date of Resolution of Board of Directors	Tuesday, August 20, 2024
2) Publication date for commencing the Tender Offer	Wednesday, August 21, 2024 Electronic public notice will be posted, and the posting will be published in the Nihon Keizai Shimbun. (Internet address for electronic public notice: https://disclosure2.edinet-fsa.go.jp/ (in Japanese only))
3) Filing date for the Tender Offer registration statement	Wednesday, August 21, 2024
4) Period of the Tender Offer	From Wednesday, August 21, 2024 to Wednesday, September 18, 2024 (20 business days)

(2) Tender Offer Price

1,532 yen per share of common stock

(3) Basis for Calculation of the Tender Offer Price

1) Basis for Calculation

Regarding the calculation of the Tender Offer Price, the Company believed that the market price of the Company's common stock should be the basis for the Tender Offer Price, taking into consideration the fact that the Company's common stock is listed on a financial

instruments exchange and emphasizing the clarity and objectivity of the share price criteria on which the Tender Offer Price is calculated. And from the viewpoint of respecting the interests of shareholders who are not tendering their shares in the Tender Offer but continue to hold the Company's common stock, the Company determined that it would be desirable to purchase the shares at a certain discount to the market price in order to minimize the outflow of assets outside the Company as much as possible.

Accordingly, the Company has reviewed the discount rate used in calculating the Tender Offer Price and the market price of its common stock, which is used as the basis for calculating the Tender Offer Price, and have made the following judgment. Regarding the rate discounted from the market price, in order to understand how the discount rate was set for a certain number of recent cases in which conditions were similar, the Company decided to refer to cases where a tender offer was made at a price discounted from the market price from the Studied Cases of tender offers for treasury stock that were resolved on or after January 1, 2022, and whose tender offer period ended by May 31, 2024. Regarding the 43 Studied Cases, 31, the largest number, of the cases adopted a discount rate of approximately 10% (9% to 11%), and therefore the Company determined that adopting a discount rate of 10% would be appropriate. As for the market price of the Company's common stock to be used as the basis for the calculation of the Tender Offer Price, the Company determined that it would be desirable to take into consideration fluctuations in the stock price over a certain period of time, since the market price can fluctuate on a daily basis due to economic conditions and other various circumstances. On the other hand, the Company believes that its most recent market price is sufficiently reflected in its share price, and it has determined that it is appropriate to make a candidate for either the closing price on the business day prior to the date of resolution of the Board of Directors for the Tender Offer, the simple average of the closing price for the past 1 month period up to the same date or the simple average of the closing price for the past 3 months. Accordingly, the Company has determined that the lowest of the closing price of its common stock on August 19, 2024, the business day prior to the date of resolution of the Board of Directors for the Tender Offer on the Tokyo Stock Exchange Prime Market (August 20, 2024), the simple average of the closing price of its common stock for the past 1 month period up to the same date, and the simple average of the closing price of its common stock for the past 3 months, is reasonable.

As a result of discussions with Munemasa based on the above considerations, the Company received a response from Munemasa on August 19, 2024, to the effect that Munemasa would accept the Tender Offer for the Shares Intended to be Sold if the Company conducts the Tender Offer under such conditions, and the Board of Directors decided at its meeting held on August 20, 2024 that the Tender Offer Price shall be set at 1,532 yen.

The Tender Offer Price of 1,532 yen is calculated by discounting 9.99% (rounded to the third decimal place; the same shall apply in the calculation of the discount rate) of the closing price of 1,702 yen of its common stock on the Tokyo Stock Exchange Prime Market on August 19, 2024, the business day prior to the date of the Board of Directors' resolution (August 20, 2024), discounting 11.14% of the simple average closing price of 1,724 yen (rounded to the nearest yen) of its common stock for the past one month period up to the same date, and discounting 11.34% of the simple average closing price of 1,728 yen (rounded to the nearest yen) of its common stock for the past three months up to the same date.

2) Calculation Background

In calculating the Tender Offer Price, the Company considered that its common stock was listed on a financial instruments exchange, and considered that the market price of its common stock should be the basis of the Tender Offer Price, with an emphasis on the clarity and objectivity of the standards of the share price underlying the calculation of the Tender Offer

Price. And from the viewpoint of respecting the interests of shareholders who are not tendering their shares in the Tender Offer but continue to hold the Company's common stock, the Company determined that it would be desirable to purchase the shares at a certain discount to the market price in order to minimize the outflow of assets outside the Company as much as possible.

In early June 2024, the Company proceeded to consider the Tender Offer Price, and regarding the rate discounted from the market price, in order to understand how the discount rate was set for a certain number of recent cases in which conditions were similar, decided to refer to cases where a tender offer was made at a price discounted from the market price from among cases of tender offers for treasury stock that were resolved on or after January 1, 2022, and whose tender offer period ended by May 31, 2024 (hereinafter referred to as "Studied Cases"). Regarding the 43 Studied Cases, 31, the largest number, of the cases adopted a discount rate of approximately 10% (9% to 11%), and therefore the Company determined that adopting a discount rate of 10% would be appropriate. As for the market price of the Company's common stock to be used as the basis for the calculation of the Tender Offer Price, the Company determined that it would be desirable to take into consideration fluctuations in the stock price over a certain period of time, since the market price can fluctuate on a daily basis due to economic conditions and other various circumstances. On the other hand, since the Company believed that using the market price from more recent times would reflect the Company's recent performance in the share price to a fuller extent, the Company determined that it would be appropriate to designate as a candidate one from among either the closing price on the business day immediately preceding the date of the Board of Directors' resolution regarding the implementation 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. Regarding the 43 Studied Cases, while the largest number of cases, 38, based calculations on either the closing price on the business day immediately preceding the date of the resolution regarding the implementation of a 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, only one case was based on calculations on the simple average of closing prices for the past six months until that date. However, in light of recent trends in the Company's share price, the Company believed that there was little likelihood of a short-term sudden fluctuation in Company's share price that would warrant the use of the average price over a longer period of time as the basis for calculations. Therefore, the Company determined that the rationale for designating the simple average of closing prices for the past six months up to that date as a candidate could not be accepted. Furthermore, by using the lowest among the aforementioned prices as the basis, the Company believed that the possibility of the market price falling below the Tender Offer Price during the Tender Offer Period would be reduced, thereby increasing the certainty of the sale of the Company's common stock by Munemasa, leading to the suppression of the outflow of the Company's assets outside the Company and benefitting shareholders who did not tender their shares in the Tender Offer. Based on the above, the Company determined that it would be appropriate to base the price on whichever is the lowest price from among the closing price of the Company's common stock on August 19, 2024, which is the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024), the simple average of closing prices of the Company's common stock for the past one month until that date, or the simple average of closing prices of the Company's common stock for the past three months until that date on the Tokyo Stock Exchange Prime Market.

Based on the above considerations, in mid-June 2024, the Company approached Munemasa to inquire whether it would accept, if a tender offer was made at a price discounted 10% from whichever was the lowest price from among the closing price of the Company's

common stock on the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer, the simple average of closing prices of the Company's common stock for the past one month until that date, and the simple average of closing prices of the Company's common stock for the past three months until that date on the Tokyo Stock Exchange Prime Market, with August 20, 2024, the date of the regular meeting of the Company's Board of Directors following the announcement of the financial results for the first quarter of the fiscal year ending March 31, 2025, as the date of the Board of Directors' resolution. As a result, on July 4, 2024, the Company was able to receive a response from Munemasa stating that it would positively consider the Tender Offer based on the details described above.

In response, the Company proposed to Munemasa that the Tender Offer Price be 1,532 yen (rounded to the nearest yen), a price that represents a 10% discount to 1,702 yen, which was the price that was lowest from among 1,702 yen, the closing price of the Company's common stock on August 19, 2024, the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024), 1,724 yen, the simple average of closing prices of the Company's common stock for the past one month until that date (rounded to the nearest yen), and 1,728 yen, the simple average of closing prices of the Company's common stock for the past three months until that date (rounded to the nearest yen) on the Tokyo Stock Exchange Prime Market. As a result, on that day, the Company received a response from Munemasa stating that it would accept the Tender Offer for the Shares Intended to be Sold, if the Company implemented the Tender Offer under such conditions.

After the above considerations and discussions, the Company resolved at its Board of Directors meeting held on August 20, 2024 to acquire treasury stock, using the specific method of the Tender Offer, and to set the Tender Offer Price at 1,532 yen (rounded to the nearest yen), which is the result of applying a 10% discount to 1,702 yen, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on August 19, 2024, the business day immediately preceding the date of the Board of Directors' resolution regarding the Tender Offer (August 20, 2024).

(4) Number of Share Certificates Planned for Purchase

Type of share certificates	Number of share certificates planned for purchase	Number of share certificates planned to be in excess	Total
Common stock	1,375,000 shares	- shares	1,375,000 shares

(Note 1) If the total number of Tendered Share Certificates, etc. does not exceed the number of share certificates planned for purchase (1,375,000 shares), the Company will purchase all of the Tendered Share Certificates, etc. If the total number of the Tendered Share Certificates, etc. exceeds the number of share certificates planned for purchase (1,375,000 shares), the purchase, etc. shall not be made in whole or in part, and delivery or other settlement shall be made in relation to the purchase of share certificates, etc. in a proportionate manner as set forth in Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Ordinance (in cases where each Tendered Share Certificates, etc. contains a portion of less than 1 unit (100 shares), the number of shares to be purchased calculated in a proportionate manner shall not exceed the number of each Tendered Share Certificates, etc.

(Note 2) Even if the shares are less than one unit, such shares are also subject to the Tender Offer. If the shareholders exercise their right to demand purchase of shares 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 the procedures under laws and regulations.

(5) Funds Required for Tender Offer

2,160,500,000 yen

(Note) The amount of funds required for the purchase, etc. is the total of the purchase price (2,106,500,000 yen), purchase commission, and other estimated expenses such as newspaper notice regarding the Tender Offer and printing costs for the Tender Offer Explanatory Statement and other necessary documents.

(6) Settlement Method

1) Name and address of registered headquarters of securities company, bank, etc. responsible for settlement of purchase, etc.

(Tender Offer Agent)

Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd., 1-9-2 Otemachi, Chiyoda-ku, Tokyo

2) Commencement Date of Settlement

Friday, October 11, 2024

3) Settlement Method

When the Tender Offer Period ends, a written notice for purchase, etc. will be sent by mail without delay to the address or location of any person who consents to the application for the purchase, etc., or persons who apply for the sale, etc. of share certificates in relation to the Tender Offer (the "Tendering Shareholders" (standing proxies in the case of shareholders, who are residents of foreign countries (including corporate shareholders, the "Foreign Shareholders.")).

The purchase will be made in cash. The amount obtained by subtracting the application amount of withholding tax (*Note) from the sales proceeds of the purchased share certificates shall be remitted from the Tender Offer Agent to the place designated by the Tendering Shareholders (or, in the case of Foreign Shareholders, its standing proxy) without delay after the settlement start date as instructed by the Tendering Shareholders (or its standing proxy in the case of Foreign Shareholders).

(Note) Regarding tax-related matters on shares purchased through the tender offer

* Shareholders should make their own decisions after consulting a certified tax accountant or other professional regarding any specific questions and concerns on tax matters.

(a) In the case of individual shareholders

(i) If the Tendering Shareholders are residents of Japan or non-residents holding permanent establishments in Japan

If the amount of money received by subscription to the Tender Offer exceeds the amount of its capital stock, etc. that corresponds to the shares underlying the tender offer (if the purchase price per share exceeds its capital stock, etc.), the amount of such excess will be taxed as a dividend. In addition, the amount obtained by deduction of the amount deemed to be dividend income out of the amount of money to be delivered by tendering in the Tender Offer shall be the income from the transfer of share certificates. In the event that there is no amount deemed to be a dividend (the purchase price per share is less than or equal to its

capital per share), the entire amount of money to be delivered will be the transfer proceeds.

As a general rule, the amount equivalent to 20.315% will be withheld for the amount deemed as dividend. (The income tax and the special income tax for reconstruction (pursuant to the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake," (Act No. 117 of 2011, including subsequent revisions) (the "Special Income Tax for Reconstruction")) of 15.315% and the 5% inhabitants tax) (Special collection of 5% inhabitants tax will not be made for non-residents holding permanent establishments in Japan.). Provided, however, that the amount of 20.42% (income tax and reconstruction special income tax only) shall be withheld if the shareholder falls under the category of major shareholder, etc. prescribed in Article 9-3 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including subsequent revisions; hereinafter referred to as the "Act on Special Measures Concerning Taxation") (hereinafter referred to as the "Large Shareholder"). In addition, if the total amount of dividends to be paid on or after October 1, 2023, which is the sum of the subscribing shareholders, etc. who receive the payment, and the percentage of the shares held by a corporation that falls under the holding of a family company under the Corporation Tax Act when the subscribing shareholders, etc. are the shareholders on which the determination is based, and the percentage of the total number of issued shares, etc. is 3/100 or more, the amount deemed to be such dividends is subject to comprehensive taxation as dividend income.

As a general rule, the amount after deducting the acquisition cost of shares from income from the transfer of shares is subject to separate self-assessment taxation.

When applying for the Tender Offer with shares in the tax-free accounts (the "Tax-Free Accounts") provided in Article 37-14 (tax exemptions on income from transfers of small amounts of publicly-traded shares in the Tax-Free Accounts) of the Act on Special Measures Concerning Taxation, if the Tax-Free Accounts are accounts opened at Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd., which is a financial instruments business operator, as a general rule, tax will be exempted on income from the transfer of shares in the Tender Offer. In the case where the Tax-Free Accounts are accounts at financial instruments business operators other than Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd., the treatment may differ from the above.

- (ii) In the case where the Tendering Shareholders are non-residents not holding permanent establishments in Japan

For the amount deemed as dividend, the amount of 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld. In the case of applicability as a Large Shareholder, the amount of 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld. Income incurred due to such transfer of shares shall not be taxed in Japan, as a general rule.

- (b) In the case of corporate shareholders

When the amount of money to be received by tendering shareholders, etc. in the event of a corporate shareholder, exceeds the amount of its capital stock, etc. corresponding to the shares underlying the tender offer (if the purchase price per share exceeds the amount of its capital stock, etc.), the amount of such excess

amount will be deemed as a dividend and withheld at a source equal to 15.315% (only for income tax and special income tax for reconstruction).

On or after October 1, 2023, as of the record date for the payment of dividends, etc., tendering shareholders, etc. (limited to domestic corporations that have their head office or principal office in Japan) who directly hold more than 1-third of the total number of its issued shares, etc. shall not be subject to income tax and special income tax for reconstruction, and shall not be withheld.

- (c) Foreign Shareholders, etc. (referring to shareholders (including corporate shareholders) who are foreign residents, etc. as stipulated in the tax treaties to which they are applicable) who wish to receive a reduction or exemption from income tax and special income tax for reconstruction on the amount deemed to be such dividends pursuant to the applicable tax treaties shall notify the Tender Offer Agent of their filing of a statement concerning the tax treaty by September 18, 2024, and also submit the same statement to the Tender Offer Agent by the business day prior to the commencement date of settlement (October 10, 2024).

(7) Other

- 1) The Tender Offer is not carried out within the United States or aimed at the United States, directly or indirectly, or implemented using United States mail or methods or means of interstate commerce or international commerce (including but not limited to telephone, telex, facsimile, electronic mail, and internet communication) or through securities exchange facilities in the United States. Application to the Tender Offer cannot be conducted by using the aforementioned methods or means or through the aforementioned facilities or from within the United States.

In addition, the tender offer registration statement and related purchase documents for the Tender Offer will not be sent or distributed by mail or by other methods in, to, or from the United States, and such dispatch or distribution may not be conducted. Applications for the Tender Offer that violate the aforementioned restrictions directly or indirectly cannot be accepted. When applying for the Tender Offer, the Applicant Shareholder, etc. (in the case of a foreign shareholder, his/her standing proxy) may be required to make the following representations and warranties to the Tender Offer Agent.

(i) The tendering shareholders, etc. are not located in the United States at the time of the subscription or at the time of sending the application for tender offer. (ii) No information relating to the Tender Offer, including copies thereof, has been received or transmitted, directly or indirectly, in or to the United States or from the United States. (iii) Not to use, directly or indirectly, U.S. mail or other interstate or international commerce means (including, but not limited to, telephone, telex, facsimile, e-mail and Internet communications) or U.S. stock exchange facilities with respect to the signing of any Tender Offer or Tender Offer Application. (iv) Not acting as an agent or trustee without the discretion of any other person (except where such other person has given all instructions concerning the Purchase, etc. from outside the United States)

- 2) The Company has received a response from Munemasa (shareholder ranking: No. 1 as of March 31, 2024) that it will tender all of its 1,250,000 shares of common stock (shareholding ratio: 11.36%) in the Tender Offer. The Company has received a response from Munemasa that, as a result of the Tender Offer being made on a pro rata basis, the Company has not yet determined the policy of ownership or disposition of its common stock that it subscribed to but were unable to acquire. For details, please refer to "1. Objective of the Tender Offer" above.

- 3) On August 6, 2024, the Company announced the Summary of Business Results for the First Quarter Ended June 30, 2024 [Japan GAAP] (Consolidated). An overview of the Company's Financial Results for the First Quarter based on the relevant announcement is as follows. The quarterly consolidated financial statements attached to this first quarter financial report have been voluntarily reviewed by an auditing firm. See the relevant announcement for details.

Outline of the Summary of Business Results for the First Quarter Ended June 30, 2024 [Japan GAAP] (Consolidated) (April 1, 2024 - June 30, 2024)

(a) Profit and loss (Consolidated)

Accounting period	First quarter of the fiscal year ending March 31, 2025 (From April 1, 2024 to June 30, 2024)
Net sales	4,276,537 thousand yen
Cost of sales	1,183,501 thousand yen
Selling, general and administrative expenses	2,350,127 thousand yen
Non-operating profit	2,867 thousand yen
Non-operating expenses	4,669 thousand yen
Profit attributable to owners of the parent	497,645 thousand yen

(b) Per share information (consolidated)

Accounting period	First quarter of the fiscal year ending March 31, 2025 (From April 1, 2024 to June 30, 2024)
Earnings per share	45.24 yen
Dividend per share	- yen

(Reference) Treasury stock held as of August 20, 2024

Total number of shares issued (excluding treasury shares): 11,012,579 shares

Number of treasury shares: 1,335,921 shares

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.