

December 12, 2025

Company name: **Paramount Bed Holdings Co., Ltd.**
 Representative: Tomohiko Kimura, President and Chief Executive Officer
 (Securities code: 7817 TSE Prime)
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Notice Regarding Share Consolidation, Abolishment of Provisions on Number of Shares per Unit, and Partial Amendment to Articles of Incorporation

Paramount Bed Holdings Co., Ltd. (the “Company”) hereby announces that by the resolution of the Company’s Board of Directors dated today, the Company decided, as set forth below, to submit proposals for share consolidation, abolishment of provisions on the number of shares per unit, and partial amendment to the Articles of Incorporation at the Company’s extraordinary shareholders’ meeting to be held on January 19, 2026 (the “Extraordinary Shareholders’ Meeting”).

In the process of the above procedures, the Company’s common shares (the “Company Shares”) will fall under the delisting criteria stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the “TSE”). As a result, the Company Shares will be delisted on February 5, 2026. Please note that, after the delisting, the Company Shares may no longer be traded on the Prime Market of the TSE (the “TSE Prime Market”).

I. Share Consolidation

1. Purpose of and reason for share consolidation

As described in the “Notice Regarding the Implementation of MBO and Recommendation to Tender” announced on September 24, 2025 (the “Press Release Stating the Company’s Opinion”), TMKR Co., Ltd. (the “Offeror”) decided to implement a tender offer (the “Tender Offer”) on September 24, 2025, as part of a series of transactions (the “Transaction”) for the purpose of a so-called management buyout (MBO) (Note 2) with the intention of privatizing the Company Shares listed on the TSE Prime Market by acquiring all of the Company Shares (including the Company’s restricted shares issued to the Company and the officers and employees of its subsidiaries as restricted shares (consideration) (the “Restricted Shares for the Officers and Employees”) and the Company’s restricted shares issued to the employee shareholding association of the Company (the “Shareholding Association of the Employees”) as restricted share incentives (the “Restricted Shares for the Shareholding Association of the Employees”, and collectively with the Restricted Shares for the Officers and Employees, the “Restricted Shares”), and excluding the treasury shares held by the Company and Non-Tendered Shares (Note 1)).

(Note 1) “Non-Tendered Shares” refers to the total of 16,869,065 Company Shares (Shareholding Ratio (Note 3): 30.08% in total) held by (i) Mr. Tomohiko Kimura, President and Chief Executive Officer of the Company (“Mr. Tomohiko Kimura”), (ii) CTOK Co., Ltd., an asset management company of Mr. Tomohiko Kimura (“CTOK”), (iii) WISE LIGHT Co., Ltd., an asset management company of Mr. Tomohiko Kimura (“WISE LIGHT”), (iv) LAPIS LAZULI Co., Ltd., an asset management company of Mr. Tomohiko Kimura (“LAPIS LAZULI”), (v) Mr. Kenji Kimura, a relative of Mr. Tomohiko Kimura (“Mr. Kenji Kimura”), (vi) LLAG WOOD Co., an asset management company of Mr. Yosuke Kimura (“Mr. Yosuke Kimura”), a relative of Mr. Tomohiko Kimura (“LLAG WOOD”), and (vii) SION Co., Ltd., an asset management company of Mr. Yosuke Kimura (“SION”), each of which (or whom) entered into a non-tender agreement dated September 24, 2025 with the Offeror, and held by (viii) Mr. Michihide Kimura, a relative of Mr. Tomohiko Kimura as well as a special advisor of the Company (“Mr.

Michihide Kimura”) and (ix) RAMOON Co., Ltd., an asset management company of Mr. Michihide Kimura (“RAMOON”, and collectively with Mr. Michihide Kimura, “Mr. Michihide Kimura Related Shareholders”), each of which (or whom) entered into a tender/non-tender agreement dated September 24, 2025 with the Offeror.

(Note 2) A “management buyout (MBO)” generally refers to a transaction in which the management of a target company, by contributing all or part of the acquisition funds, acquires shares of the target company, on the premise that the business of the target company will be continued.

(Note 3) “Shareholding Ratio” refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the Shareholding Ratio) calculated by dividing the number of shares (56,085,684 shares; the “Standard Number of Shares”) obtained by deducting the number of treasury shares held by the Company as of September 30, 2025 (1,513,008 shares) from the total number of issued and outstanding shares as of September 30, 2025 (57,598,692 shares), both as stated in the “Summary of Consolidated Financial Results for the Second Quarter (Interim Period) Ending March 2026 (Based on Japanese GAAP)” announced by the Company on October 30, 2025.

Subsequently, as described in the “Notice Regarding the Results of the Tender Offer for Company Shares by TMKR Co., Ltd. and Changes to Parent Company and Major Shareholder That Is the Largest Shareholder” announced by the Company on November 18, 2025, as a result of implementing the Tender Offer from September 25, 2025 to November 17, 2025, the Offeror came to own 28,388,255 Company Shares (Shareholding Ratio: 50.62%) on November 25, 2025 (commencement date of settlement for the Tender Offer). Details of the purposes and background of the Transaction including the Share Consolidation (as defined below) are described in the Press Release Stating the Company’s Opinion, but the Company will provide an overview again below. The statements regarding the Offeror are based on explanations given by the Offeror.

The Offeror is a stock company established on August 29, 2025 by Mr. Tomohiko Kimura (number of shares held: 1,780,701 shares (Note 4), Shareholding Ratio: 3.17%, the fifth largest shareholder of the Company), for the principal purpose of obtaining and holding the Company Shares listed on the TSE Prime Market through the Tender Offer. As of today, CTOK (number of shares held: 4,266,300 shares, Shareholding Ratio: 7.61%, the second largest shareholder of the Company), Mr. Tomohiko Kimura, and Mr. Kenji Kimura (number of shares held: 1,728,512 shares, Shareholding Ratio: 3.08%, the sixth largest shareholder of the Company) own all of the shares of the Offeror, and Mr. Tomohiko Kimura is the Representative Director of the Offeror.

(Note 4) The 1,780,701 Company Shares held by Mr. Tomohiko Kimura includes 31,803 Restricted Shares for the Officers and Employees; hereinafter the same applies with respect to Mr. Tomohiko Kimura’s shares.

In the business environment described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, the Company received a non-binding letter of intent (the “Proposal Document”) outlining the background and purpose behind Mr. Tomohiko Kimura’s proposal of the Transaction, as well as the scheme, etc. pertaining to the Transaction, from Mr. Tomohiko Kimura on June 12, 2025. Therefore, as stated in “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” and “(II) Procurement of advice from an independent law firm by the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below, to eliminate the arbitrariness in the decision-making of the Company and the Company’s Board of Directors regarding the Transaction and to ensure the fairness, transparency, and objectivity of the decision-making process, the Company appointed, based on the resolution of the meeting of the Company’s Board of Directors held on June 20, 2025, Mizuho Securities Co., Ltd. (“Mizuho Securities”) as a financial advisor and a third-party valuator independent of the Offeror, the Company, the Non-Tendering Shareholders (Note 5), the Founding Family Agreed Tendering Shareholders (Note 6), and the Kimura Foundation for Nursing Education (the “Kimura Nursing Foundation”; the Offeror, the Company, the Non-Tendering Shareholders, the Founding Family Agreed Tendering Shareholders, and the

Kimura Nursing Foundation are referred to collectively as the “Tender Offer Related Parties”), and TMI Associates as a legal advisor independent of the Tender Offer Related Parties, respectively.

(Note 5) “Non-Tendering Shareholders” refers to Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, SION, and Mr. Michihide Kimura Related Shareholders.

(Note 6) “Founding Family Agreed Tendering Shareholders” refers to Mr. Yosuke Kimura, Mr. Kyosuke Kimura, who is a relative of Mr. Tomohiko Kimura, Ms. Chieko Kimura, who is a relative of Mr. Tomohiko Kimura, Ms. Kazue Kimura, who is a relative of Mr. Tomohiko Kimura, Ms. Maiko Koga, who is a relative of Mr. Tomohiko Kimura, and Mr. Shigenori Koga, each of whom entered into a tender agreement dated September 24, 2025 with the Offeror.

In addition, the Transaction constitutes a so-called management buyout (MBO) and there is an issue of structural conflicts of interest with the Company or its general shareholders. Therefore, for the purpose of ensuring careful deliberation in decision-making by the Company regarding the Transaction and eliminating arbitrariness and the risk of conflicts of interest in the Company’s Board of Directors’ decision-making process and ensuring its fairness, the Company established a special committee (the “Special Committee”; for the composition and specific activities etc. of the Special Committee, please refer to “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below) based on the resolution of the meeting of the Company’s Board of Directors held on June 20, 2025, and established a system for consideration of, negotiations concerning, and judgment regarding the Transaction.

Subsequently, as described in “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below, at the meeting of the Special Committee held on July 7, 2025, it was confirmed that there were no issues regarding the independence, expertise, or track record of TMI Associates, the Company’s legal advisor, or of Mizuho Securities, the Company’s financial advisor and third-party valuator, and their appointments were approved. In addition, since receiving the Proposal Document from Mr. Tomohiko Kimura on June 12, 2025, the Company has established a system within the Company system for consideration of, negotiations concerning, and judgment regarding the Transaction (including the scope of the management personnel of the Company involved in the consideration of, negotiations concerning, and judgment regarding, and their duties) from a position independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, the Founding Family Agreed Tendering Shareholders, and the Kimura Nursing Foundation. On July 7, 2025, the Special Committee approved that this review system has no issues regarding independence and fairness (for details of the establishment of a review system by the Company, please refer to “(VI) Establishment of an independent review system by the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below). Furthermore, on July 16, 2025, the Special Committee appointed Plutus Consulting, Co., Ltd. (“Plutus Consulting”) as its own third-party valuator after confirming that there were no issues regarding its independence, expertise, or track record.

The Company, under the aforementioned system, considering its management environment and business conditions, has continuously held discussions and negotiations with the Offeror and has carefully reviewed the advisability of the Transaction and the fairness of its terms and conditions, including the purchase price per Company Share in the Tender Offer (the “Tender Offer Price”), based on the negotiation policy confirmed in advance by the Special Committee and the opinions, instructions, and requests from the Special Committee while receiving advice from TMI Associates and Mizuho Securities.

Specifically, after the Special Committee was established on June 20, 2025, the Company proceeded with the considerations and discussions within the Special Committee. On July 17, 2025, the Special Committee sent questions in writing to Mr. Tomohiko Kimura on matters including the background and purpose of the Transaction, the measures the Offeror anticipates implementing after the Transaction, and other terms and conditions of the Transaction and received responses in writing on July 24, 2025. The Special Committee, after reviewing the response, sent additional questions in writing to Mr. Tomohiko Kimura on July 30, 2025, including those on the merits of implementing the Transaction and

measures the Offeror anticipates implementing after the Transaction, and received a response in writing on August 5, 2025. Furthermore, the Special Committee had a direct meeting with Mr. Tomohiko Kimura on August 20, 2025, and conducted a question-and-answer session based on his responses to the aforementioned questions and additional questions.

Furthermore, regarding the Tender Offer Price, the Company received a proposal from Mr. Tomohiko Kimura on August 22, 2025, to set the Tender Offer Price at 3,000 yen, based on the premise that the Company would not pay interim or year-end dividends for the fiscal year ending March 2026 and would abolish its shareholder benefit plan starting from the fiscal year ending March 2026. Since then, the Company has engaged in repeated discussions and deliberations with Mr. Tomohiko Kimura and the Offeror.

Specifically, on August 22, 2025, the Company received from Mr. Tomohiko Kimura an initial price proposal in which the Tender Offer Price was set at 3,000 yen (this reflects a premium of 12.78% over the closing price of 2,660 yen for the Company Shares on the TSE Prime Market on the business day preceding the date of the price proposal, a 14.90% premium over the simple average closing price of 2,611 yen for the past one month up to that date, a 17.19% premium over the simple average closing price of 2,560 yen for the past three months up to that date, and a 19.57% premium over the simple average closing price of 2,509 yen for the past six months up to that date). In response, on August 27, 2025, the Special Committee requested an increase in the proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on August 28, 2025, the Company received from Mr. Tomohiko Kimura the second price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,200 yen (this reflects a premium of 21.86% over the closing price of 2,626 yen of the Company Shares on the TSE Prime Market on the business day preceding the date of the second price proposal, 21.90% over the simple average closing price of 2,625 yen for the past one month up to that date, 24.42% over the simple average closing price of 2,572 yen for the past three months up to that date, and 27.49% over the simple average closing price of 2,510 yen for the past six months up to that date). In response, on September 1, 2025, the Special Committee requested a raise of the second proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on September 2, 2025, the Company received from Mr. Tomohiko Kimura the third price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,350 yen (this reflects a premium of 27.09% over the closing price of 2,636 yen of the Company Shares on the TSE Prime Market on the business day preceding the date of the third price proposal, a 26.89% premium over the simple average closing price of 2,640 yen for the past one month up to that date, a 29.90% premium over the simple average closing price of 2,579 yen for the past three months up to that date, and a 33.41% premium over the simple average closing price of 2,511 yen for the past six months up to that date). In response, on September 3, 2025, the Special Committee requested an increase in the third proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on September 9, 2025, the Company received from Mr. Tomohiko Kimura the fourth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,450 yen (this reflects a premium of 26.70% over the closing price of 2,723 yen of the Company Shares on the TSE Prime Market on the business day preceding the date of the fourth price proposal, a 30.04% premium over the simple average closing price of 2,653 yen for the past one month up to that date, a 33.36% premium over the simple average closing price of 2,587 yen for the past three months up to that date, and a 37.34% premium over the simple average closing price of 2,512 yen for the past six months up to that date). In response, on September 10, 2025, the Special Committee requested an increase in the fourth proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fourth proposed price, from the perspective of protecting general shareholders' interests, it is necessary to set a so-called "Majority of Minority" (the "MoM") for the minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 12, 2025, the Company received from Mr. Tomohiko Kimura the fifth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,500 yen (this reflects a premium of 29.68% over the closing price of 2,699 yen of the Company Shares on the TSE Prime Market on the business day preceding the date of the fifth price proposal, a 31.58% premium over the simple average closing price of 2,660 yen for the past one month up to that date, a 34.98% premium over the simple average closing price of 2,593 yen for the past three months up to that date, and a 39.17% premium over the simple average closing price of 2,515 yen for the past six months up to that date), and a MoM would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer. In response, on September 12, 2025, the Special Committee requested an increase in the fifth proposed price, including consideration of setting the Tender Offer Price at 3,800 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fifth proposed price, from the perspective of protecting general shareholders' interests, it is necessary to set a MoM for the minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 17, 2025, the Company received from Mr. Tomohiko Kimura the sixth price proposal taking into fullest consideration the price presented by the Special Committee., the Tender Offer Price was set at 3,530 yen (this reflects a premium of 30.45% over the closing price of 2,706 yen of the Company Shares on the TSE Prime Market on the business day preceding the date of the sixth price proposal, a 32.46% premium over the simple average closing price of 2,665 yen for the past one month up to that date, a 35.93% premium over the simple average closing price of 2,597 yen for the past three months up to that date, and a 40.25% premium over the simple average closing price of 2,517 yen for the past six months up to that date), a MoM would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer, and considering the burden of repaying the loan from financial institutions after the Transaction in consideration of the Company's financial situation, a further increase of the Tender Offer Price is not realistically expected. In response, on September 17, 2025, the Special Committee requested a raise of the sixth proposed price, including consideration of setting the Tender Offer Price at 3,650 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that provided that the Offeror seriously consider raising the proposed price, from the perspective of protecting general shareholders' interests, it would accept the Offeror's not setting a MoM.

Subsequently, on September 19, 2025, the Company received a seventh price proposal from Mr. Tomohiko Kimura. After considering the practical feasibility of the Transaction in light of the Company's financial condition and the post transaction borrowing repayment burden, Mr. Tomohiko Kimura reiterated in the seventh price proposal that the sixth proposal represented his final offer made with maximum consideration for the interests of the Company's general shareholders and confirmed that he would maintain the Tender Offer Price at 3,530 yen and that the Transaction would provide the Company's general shareholders with an attractive and adequate opportunity to sell their shares at a fair price that includes an appropriate premium over the market price, and that the loss of this opportunity through a failure to execute the Transaction would not be in the interests of the Company's general shareholders. In response, in light of its final decision that a tender offer price of 3,530 yen was fair to the Company's general shareholders, and of the negotiation process in which the seventh proposed price had been obtained following a succession of price increases in response to the Special Committee's repeated requests for price increases, and represented a final reply that no further price increases could be accommodated, the Special Committee, considering that it would be difficult to raise the price any further, replied on September 19, 2025 that it would accept the seventh proposed price.

Under the above circumstances, the Company has received necessary legal advice from its legal advisor, TMI Associates, regarding the methods and processes of decision-making by the Company's Board of Directors including various procedures concerning the Transaction and other points of attention. The Company also received a report (the "Report") from the Special Committee dated September 22, 2025 (for an overview of the Report and details of the Special Committee's specific

activities, please refer to “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below).

Furthermore, the Company has received a share valuation report pertaining to the Company Shares from Mizuho Securities dated September 22, 2025 (the “Share Valuation Report (Mizuho Securities)”) (for an overview of the Share Valuation Report (Mizuho Securities), please refer to “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below).

Moreover, the Special Committee has received from Plutus Consulting a share valuation report pertaining to the Company Shares dated September 22, 2025 (the “Share Valuation Report (Plutus)”), and a fairness opinion (the “Fairness Opinion”) stating that the Tender Offer Price (3,530 yen) is fair to the Company’s general shareholders from a financial perspective (for an overview of the Share Valuation Report (Plutus) and the Fairness Opinion, please refer to “(IV) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below).

Subsequently, based on legal advice received from TMI Associates, the financial advice received from Mizuho Securities, the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, and the Share Valuation Report (Plutus) and the Fairness Opinion submitted through the Special Committee, while maximally respecting the content of the Report submitted by the Special Committee, the Company carefully discussed and examined whether the Transaction would enhance its corporate value, and whether the terms and conditions of the Transaction including the Tender Offer Price were fair.

As a result, the Company determined that, considering the following and other points, the measures contemplated by the Offeror as described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion are reasonable and that privatizing the Company Shares through the Transaction would contribute to enhancing the Company’s corporate value.

(A) Expanding investment in healthcare and nursing care services

As described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, it is recognized that, although Japan is demonstrably aging as all baby boomers will be 75 or older in 2025, under the government’s basic policy of “from hospital to home”, the number of hospital beds is expected to decrease. It is also believed that the environment will continue to be harsh to medical and elderly care facility operations as the continuous shortage of labor is an issue that needs to be tackled and utilities fees and materials prices are persistently high in Japan. The Company believes that a transition from the one-time sale business model to the recurring revenue business model of high-performance beds and products and services that mitigate the burden on nursing and care staff is important to improve the medium-to-long-term business value and strengthen the relationship between the Company and customers, which will lead to the expansion of Company business in the medium-to-long term. However, the expansion of the recurring revenue businesses and the improvement of profitability above require, in addition to up-front investment in recurring assets, investment etc. in maintenance bases for recurring products as well as up-front investment in development of applications and software to utilize technologies necessary to expand the recurring revenue businesses and promote digital transformation (DX).

It will take considerable time to establish the recurring revenue businesses as a pillar of revenue for the entire

Company Group (meaning the Company, its 19 subsidiaries, and one affiliate; hereinafter the same), and there is a risk of short-term deterioration of cash flow or profitability; therefore, it is believed that the Company may not be fully valued in the capital market.

Delisting of Company Shares through the Transaction will enable bold up-front investment from the perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit, which is considered advantageous because the Company will be able to focus on expanding the recurring revenue businesses more than ever.

(B) Expansion of brand strength through product development and promotion enhancement in the health promotion business

As described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, the Company, in order to enhance the corporate value in the medium-to-long term, the Company is focusing on the health promotion business, the market of which is expected to grow going forward, and aiming to make the health promotion business the third pillar after the healthcare and nursing care services businesses, but while the Company enjoys high name recognition as a medical and nursing care bed manufacturer, general individual consumers are not familiar with its health promotion business-related products. For that reason, it is necessary to make up-front investment in new product development, and expansion of brand strength through heightened promotion to general individual consumers. It will take considerable time to turn such investment to revenue, and thus, it is difficult to strike a balance with monetization from a short-term perspective.

As with (A) above, it is believed advantageous that delisting of Company Shares through the Transaction will enable bold up-front investment from the perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit.

(C) Overseas business expansion

As described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, the overseas business is considered an area in which the market is expected to grow going forward as economic growth and the improvement of medical infrastructures are expected, particularly in Asia. Meanwhile, it cannot be said that the Company is well known in Asia, and it is necessary to make up-front investment to enhance name recognition and secure work-ready local human resources in each country. In this regard, as with (A) and (B) above, although it takes time to expand business and improve profitability, it is believed advantageous that delisting of Company Shares through the Transaction will enable bold up-front investment from the perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit.

On the other hand, the Company has examined the potential disadvantages associated with the privatization of the Company Shares through the Transaction. While the Company intends to delist as a result of implementing the Transaction, this could potentially impact its ability to secure talent and maintain or expand business relationships which have been facilitated by the enhanced social credibility and name recognition it has enjoyed as a listed company. The Company recognizes that it already enjoys high name recognition and credibility within the medical and nursing care bed industry and has established a certain level of brand strength. Therefore, the Company believes the delisting will have limited impact on maintaining and expanding its business relationships. With regard to securing talent, the Company recognizes that, in addition to its high name recognition, credibility, and brand strength within the industry, many talented individuals who seek employment with the Company find meaning in contributing to society through the Company’s business activities. Since their reason for joining is not necessarily limited to the Company being listed, the Company believes that

the impact of privatization will be limited.

Furthermore, while privatization would preclude fundraising through equity financing in the capital markets, the Company believes the need for large-scale financing via equity financing is low, given its current financial position of having already secured the necessary funds for its business activities.

For these reasons, the Company's Board of Directors determined at its meeting held on September 24, 2025 that the benefits of privatization of the Company Shares outweigh the disadvantages.

Additionally, the Company has determined based on the issues described in (i) through (vi) below that the Tender Offer Price (3,530 yen) secures the benefits to be enjoyed by the Company's general shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares at a price with appropriate premiums.

- (i) According to the share valuation results for the Company Shares in the Share Valuation Report (Mizuho Securities) by Mizuho Securities described in "(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company" under "(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest" under "3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation" below, the Tender Offer Price exceeds the maximum price calculated by the market price standard method and comparable multiple valuation method, and exceeds the median of the per-share value range based on the discounted cash flow method (the "DCF method").
- (ii) According to the share valuation results for the Company Shares in the Share Valuation Report (Plutus) by Plutus Consulting as described in "(IV) Procurement of a share valuation report and procurement of a fairness opinion from an independent third-party valuator retained by the Special Committee" under "(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest" under "3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation" below, (a) the Tender Offer Price exceeds the maximum price calculated by the market price method, and is within the range of the per-share value range based on the DCF method, and (b) Plutus Consulting expresses a fairness opinion that the Tender Offer Price (3,530 yen) is fair to the Company's general shareholders from a financial perspective.
- (iii) The Tender Offer Price represents a 31.37% premium over the closing price of 2,687 yen for the Company Shares on the TSE Prime Market with a record date of September 22, 2025, the business day immediately prior to the announcement date of the Tender Offer, a 32.06% premium over the simple average closing price of 2,673 yen for the past one month up to that date, a 35.51% premium over the simple average closing price of 2,605 yen for the past three months up to that date, and a 40.08% premium over the simple average closing price of 2,520 yen for the past six months up to that date. Thus, it is considered to carry a reasonable premium generally compared with the median premium levels observed in 36 cases of tender offers announced on or after June 28, 2019, the publication date of the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry, and completed by September 22, 2025, which involved management buyouts (MBOs) aiming at privatization of companies listed on the TSE Prime Market (or, in cases announced prior to the reorganization of the TSE market segments on April 4, 2022, companies listed on the First Section of the Tokyo Stock Exchange), excluding cases where the initial tender offer failed but was subsequently completed following a re-tender offer. Specifically, the median premiums in such cases were a 40.83% premium over the closing price on the business day immediately prior to the announcement date of the Tender Offer, a 44.92% premium over the simple average closing price for the past one month up to that date, a 44.62% premium over the simple average closing price for the past three months up to that date, and a 43.33% premium over the simple average closing price for the past six months up to that date. Furthermore, the Tender Offer Price represents a 19.26% premium over the Company's historical highest share price of 2,960 yen (recorded in intraday trading on February 1, 2018).
- (iv) As described in "(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company" under "(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest" under "3. Basis for the amount of money expected to be delivered to the

shareholders upon the processing of fractions in connection with the Share Consolidation” below, the Tender Offer Price was determined after taking measures to ensure the fairness of the Tender Offer, and it is recognized that the interests of general shareholders were considered.

- (v) The Tender Offer Price was determined after sincere and continuous discussions and negotiations between the Company and Mr. Tomohiko Kimura and the Offeror, following the implementation of the above measures.
- (vi) As described in “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below, the Report procured from the Special Committee also offers the opinion that the Tender Offer Price is a fair price.

The Company resolved at the meeting of the Company’s Board of Directors held on September 24, 2025, based on the above, to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer. It should be noted that this resolution by the Company’s Board of Directors was based on the following assumption: that the Company Shares will be delisted, through the implementation of the Tender Offer, with the Offeror having entered, with each of Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, and SIO, into non-tender agreements (the “Non-Tender Agreements”) dated September 24, 2025 under which said parties each agree not to tender any of their Company Shares (total number of shares held: 16,048,613 shares, Shareholding Ratio: 28.61%) in the Tender Offer; it was also assumed that a series of squeeze-out procedures (the “Squeeze-Out Procedures”) at an Extraordinary Shareholders’ Meeting will result in the Offeror, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, and Mr. Kenji Kimura, as the only shareholders of the Company and the Company Shares delisted.

For details of the above board resolution, please refer to “(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” below.

Thereafter, as described above, although the Tender Offer was successfully completed, the Offeror was unable to acquire all Company Shares (including Restricted Shares, but excluding treasury shares held by the Company and Non-Tendered Shares) through the Tender Offer; therefore, in order to make the Offeror and Mr. Tomohiko Kimura the Company’s only shareholders through the series of procedures described in “(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning ‘two-step acquisition’)” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, the Company decided that, as detailed in “(2) Details of Share Consolidation” under “2. Outline of Share Consolidation” below, it would conduct a share consolidation to consolidate 16,034,050 Company Shares into one share (the “Share Consolidation”) and would submit a resolution for such Share Consolidation before the Extraordinary Shareholders’ Meeting.

The number of the Company Shares held by shareholders other than the Offeror and Mr. Tomohiko Kimura is expected to be fractions of less than one share based on the Share Consolidation.

2. Outline of Share Consolidation

(1) Schedule of Share Consolidation

Public Notice of record date for Extraordinary Shareholders’ Meeting	November 11, 2025 (Tuesday)
Record date for Extraordinary Shareholders’ Meeting	November 26, 2025 (Wednesday)
Resolution date for Board of Directors’ Meeting	December 12, 2025 (Friday)

Date of Extraordinary Shareholders' Meeting	January 19, 2026 (Monday) (planned)
Delisting designation date	January 19, 2026 (Monday) (planned)
Final trading date	February 4, 2026 (Wednesday) (planned)
Delisting date	February 5, 2026 (Thursday) (planned)
Effective date of Share Consolidation	February 9, 2026 (Monday) (planned)

(2) Details of Share Consolidation

(I) Type of shares to be consolidated

Common shares

(II) Ratio of Consolidated Shares

16,034,050 shares will be consolidated into one share of the Company Shares.

(III) Total number of issued and outstanding shares to be reduced

56,075,836 shares

(Note) The total number of issued and outstanding shares to be reduced is based on the number of shares obtained by subtracting, from the Company's total number of issued and outstanding shares (57,598,692 shares) as of November 26, 2025, the number of treasury shares (1,522,853 shares) that the Company has decided to cancel by a resolution of its Board of Directors dated December 12, 2025, said treasury shares being scheduled for cancellation on February 6, 2026. The relevant number of treasury shares (1,522,853 shares) is the number of shares obtained by adding the number of Restricted Shares for the Officers and Employees that the Company intends to acquire without consideration as treasury shares in the future (8,463 shares), to all treasury shares held by the Company as of November 26, 2025 (1,514,390 shares).

(IV) Total number of issued and outstanding shares before the Share Consolidation takes effect

56,075,839 shares

(Note) The total number of issued and outstanding shares before the Share Consolidation takes effect is the number of shares obtained by subtracting, from the Company's total number of issued and outstanding shares (57,598,692 shares) as of November 26, 2025, the number of treasury shares (1,522,853 shares) that the Company has decided to cancel by a resolution of its Board of Directors dated December 12, 2025, said treasury shares being scheduled for cancellation on February 6, 2026. The relevant number of treasury shares (1,522,853 shares) is the number of shares obtained by adding the number of Restricted Shares for the Officers and Employees the Company intends to acquire without consideration as treasury shares in the future (8,463 shares), to all treasury shares held by the Company as of November 26, 2025 (1,514,390 shares).

(V) Total number of issued and outstanding shares after the Share Consolidation takes effect

3 shares

(VI) Total number of authorized shares as of the effective date

12 shares

(VII) Processing method if fractions of less than one share are produced, and the amount of money expected to be delivered to shareholders by this processing

- (a) Whether treatment under the provisions of Article 235, Paragraph 1 of the Companies Act or under the provisions of Article 234, Paragraph 2 of said Act as applied mutatis mutandis under Article 235, Paragraph 2 of said Act is expected, and reasons therefor

As described above in "1. Purpose of and reason for share consolidation", the number of the Company Shares held

by the shareholders other than the Offeror and Mr. Tomohiko Kimura is expected to be fractions of less than one share based on the Share Consolidation.

The number of shares equivalent to the total sum of the fractional shares (in cases where the total sum includes a fractional share, pursuant to the provisions of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), such fractional share is to be rounded down) in regard to fractions of less than one share produced as a result of the Share Consolidation will be sold in accordance with the provisions of Article 235 of the Companies Act and other related laws and regulations. Furthermore, proceeds obtained from the sale will be delivered to shareholders in proportion to the fractional shares attributed to them.

Regarding such sale, the Company plans to sell these fractional shares to the Offeror with the court's permission pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act, which apply *mutatis mutandis* to Article 235, Paragraph 2 of the same Act, taking into account that the Share Consolidation is to be conducted as part of the Transaction with the intention of privatizing the Company Shares, and that the possibility for a buyer to appear in the auction is considered to be low because the Company Shares are expected to be delisted on February 5, 2026 and they will become shares without a market price.

The sale amount in such case, if the court's permission can be obtained as expected, is to be set at a price that will enable each shareholder listed or recorded in the final Company Ledger of Shareholders of February 8, 2026 (the day prior to the effective date of the Share Consolidation) to receive delivery of money equivalent to the amount obtained by multiplying 3,530 yen (the same amount as the Tender Offer Price) by the number of Company Shares held by such shareholder. In the event the court's permission cannot be obtained or adjusting the fractions by a calculation is required, however, the amount actually delivered to a shareholder might differ from the above.

(b) Name of person(s) expected to buy shares in connection with this sale

TMKR Co., Ltd. (the Offeror)

(c) Method for person(s) expected to buy shares in connection with this sale to secure funds for paying the sale proceeds, and appropriateness of the method

The Offeror plans to secure the necessary funds for settling the Tender Offer by borrowing up to a total of 141,626 million yen from Mizuho Bank, Ltd. ("Mizuho Bank") as the funds related to implementing the Transaction, including the necessary funds for acquiring the Company Shares equivalent to the total number of fractions produced by the Share Consolidation (the "Bank Loan").

The Company has confirmed the loan certificate etc. related to the Bank Loan in the implementation procedures of the Transaction, and according to the Offeror, no event has arisen that could cause an impediment to paying the sales proceeds for the Company Shares equivalent to the total number of fractions of less than one share produced as a result of the Share Consolidation. Furthermore, the Company is unaware of any possibility for such an event to arise in the future. Accordingly, the Company determined that the method to secure funds for paying the sales proceeds of the Company Shares equivalent to the total number of fractions of less than one share produced as a result of the Share Consolidation is reasonable.

(d) Timing for the sale and expected timing for delivering to the shareholders the proceeds obtained from the sale

The Company plans to file around mid-February 2026 a petition to the court requesting permission to sell to the Offeror the Company Shares equivalent to the total number of fractions of less than one share produced as a result of the Share Consolidation, pursuant to the provisions in Article 234, Paragraph 2 of the Companies Act, which apply *mutatis mutandis* to Article 235, Paragraph 2 of the same Act. After obtaining the court's permission, the Company is expected to sell these Company Shares to the Offeror around mid-March 2026, and subsequently, after undertaking the necessary preparation for delivering to the shareholders the proceeds obtained from the sale, to deliver to the shareholders the proceeds around mid-May 2026.

Taking into consideration the time needed for the series of procedures related to the sale from the effective date of the Share Consolidation, as described above, the Company decided to carry out the sale of the Company Shares

equivalent to the total number of fractions of less than one share produced as a result of the Share Consolidation, as well as to deliver the sales proceeds to the shareholders at the above-indicated respective timings.

3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation

(1) Basis and reasons for the amount of money expected to be delivered to the shareholders upon the processing of fractions

(I) If there is a parent company etc., matters to be noted to avoid harming the interests of shareholders other than the parent company etc.

The Offeror and the Company, recognizing that the Tender Offer is conducted as part of the Transaction falling under a so-called management buyout (MBO) and that structural conflicts of interest exist, and the like, have implemented the following measures as described in “Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below to ensure the fairness of the Transaction including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating the arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest.

(II) Processing method if fractions of less than one share are produced, the amount of money expected to be delivered to shareholders by this processing, and matters related to appropriateness of the amount

For the Share Consolidation, the Company plans to deliver to the shareholders monies equivalent to the amount obtained by multiplying 3,530 yen (the same amount as the Tender Offer Price) by the number of the Company Shares held by the shareholders.

Additionally, the Company has determined based on the issues described in (i) through (vi) below that the Tender Offer Price (3,530 yen) secures the benefits that should be enjoyed by the Company’s general shareholders, and that the Tender Offer provides the Company’s shareholders with a reasonable opportunity to sell their shares at a price with appropriate premiums.

(i) According to the share valuation results for the Company Shares in the Share Valuation Report (Mizuho Securities) by Mizuho Securities described in “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below, the Tender Offer Price exceeds the maximum price calculated by the market price standard method and comparable multiple valuation method, and exceeds the median of the per-share value range based on the DCF method.

(ii) According to the share valuation results for the Company Shares in the Share Valuation Report (Plutus) by Plutus Consulting as described in “(IV) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below, (a) the Tender Offer Price exceeds the maximum price calculated by the market price method, and is within the range of the per-share value range based on the DCF method, and (b) Plutus Consulting expresses a fairness opinion that the Tender Offer Price (3,530 yen) is fair to the Company’s general shareholders from a financial perspective.

(iii) The Tender Offer Price represents a 31.37% premium over the closing price of 2,687 yen for the Company Shares on the TSE Prime Market with a record date of September 22, 2025, the business day immediately prior to the announcement date of the Tender Offer, a 32.06% premium over the simple average closing price of 2,673 yen for the past one month up to that date, a 35.51% premium over the simple average closing price of 2,605 yen for the past three months up to that date, and a 40.08% premium over the simple average closing price of 2,520 yen for the past six months up to that date. Thus, it is considered to carry a reasonable premium generally compared with the median premium levels observed in 36 cases of tender offers announced on or after June 28, 2019, the publication date of the “Fair M&A Guidelines” formulated by the Ministry of Economy, Trade and Industry, and completed by September 22, 2025, which involved management buyouts (MBOs) aiming at privatization of companies listed on the TSE Prime Market (or, in cases announced prior to the reorganization

of the TSE market segments on April 4, 2022, companies listed on the First Section of the Tokyo Stock Exchange), excluding cases where the initial tender offer failed but was subsequently completed following a re-tender offer. Specifically, the median premiums in such cases were a 40.83% premium over the closing price on the business day immediately prior to the announcement date of the Tender Offer, a 44.92% premium over the simple average closing price for the past one month up to that date, a 44.62% premium over the simple average closing price for the past three months up to that date, and a 43.33% premium over the simple average closing price for the past six months up to that date. Furthermore, the Tender Offer Price represents a 19.26% premium over the Company's historical highest share price of 2,960 yen (recorded in intraday trading on February 1, 2018).

- (iv) As described in “(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below, the Tender Offer Price was determined after taking measures to ensure the fairness of the Tender Offer, and it is recognized that the interests of general shareholders were considered.
- (v) The Tender Offer Price was determined after sincere and continuous discussions and negotiations between the Company and Mr. Tomohiko Kimura and the Offeror, following the implementation of the above measures.
- (vi) As described in “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below, the Report procured from the Special Committee also offers the opinion that the Tender Offer Price is a fair price.

In addition, after expressing its opinion in support of the Tender Offer and recommending that the shareholders tender their shares in the Tender Offer, the Company confirmed no material change exists up to today's date for the terms and conditions, which constitute the foundation for the Company's decision regarding the Tender Offer Price.

For all the above reasons, the Company determined that the amounts of money expected to be delivered to the Company's shareholders based on the processing of fractions are reasonable.

(III) Disposal of important assets, assumption of significant obligations, and other events causing material impact on the status of the Company's property occurring in the Company after the last day of the most recent business year

(a) Tender Offer

As described above in “1. Purpose of and reason for share consolidation”, as a result of implementing the Tender Offer from September 25, 2025 to November 17, 2025, the Offeror came to own 28,388,255 Company Shares (Shareholding Ratio: 50.62%) on November 25, 2025, the commencement date of settlement for the Tender Offer.

(b) Non-implementation of surplus dividends

As described in the “Notice Regarding Revision of Dividend Forecast (No Dividends) for the Fiscal Year Ending March 2026 and Abolition of Shareholder Benefit Plan” of September 24, 2025, the Company resolved at the meeting of the Company's Board of Directors held on the same date not to distribute year-end dividends for the fiscal year ending March 2026. For details, please refer to the Notice's content.

(c) Cancellation of treasury shares

The Company decided by the resolution of the Company's Board of Directors dated December 12, 2025 to cancel the Company's treasury shares on February 6, 2026 (1,522,853 shares) (equal to the number of shares obtained by adding the number of Restricted Shares for the Officers and Employees that the Company intends to acquire without consideration as treasury shares in the future (8,463 shares), to all the treasury shares held by the Company as of November 26, 2025 (1,514,390 shares)). The cancellation of these treasury shares is subject to approval of the proposal relating to the Share Consolidation at the Extraordinary Shareholders' Meeting as originally proposed. Consequently, the total number of issued and outstanding shares after cancelling the treasury shares and the Share

Consolidation will become 3 shares.

(2) Possibility for delisting

(I) Delisting

As described in “1. Purpose of and reason for share consolidation” above, the Company will implement the Share Consolidation in order to privatize the Company Shares and finally make the Offeror, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, and Mr. Kenji Kimura the Company’s only shareholders, subject to obtaining the shareholders’ approval at an Extraordinary Shareholders’ Meeting. As a result, the Company Shares are expected to be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE.

As for the schedule therefor, the shares for delisting will be designated between January 19, 2026 and February 4, 2026, and the designated shares are expected to then be delisted on February 5, 2026. After the delisting, the Company Shares may no longer be traded on the TSE Prime Market.

(II) Reasons for aiming for delisting

As described in “1. Purpose of and reason for share consolidation” above, the Company determined that the benefits of privatization of the Company Shares outweigh the disadvantages, and that privatizing the Company Shares through the Transaction would contribute to enhancing the Company’s corporate value.

(III) Impact on general shareholders and thinking with respect thereto

As described in “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” below, on September 22, 2025, the Company obtained the Report from the Special Committee which stated that the Transaction was fair to the Company’s general shareholders.

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

The Offeror and the Company, recognizing that the Tender Offer is to be conducted as part of the Transaction falling under a so-called management buyout (MBO) and that structural conflicts of interest exist, have implemented the following measures to ensure the fairness of the Transaction including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating the arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest.

The Offeror believes that setting a minimum number of shares to be purchased under the MoM in the Tender Offer would destabilize the successful completion of the Tender Offer, which in turn might not serve the interests of the Company’s minority shareholders who wish to tender in the Tender Offer, and therefore, it has not set a minimum number of shares to be purchased under the MoM in the Tender Offer. However, the Offeror and the Company took the following measures as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore, the Offeror believes that adequate consideration has been given to the interests of the Company’s general shareholders.

The following measures which have been implemented by the Offeror are based on explanations given by the Offeror.

(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company

(i) Name of the valuator and its relationship with the Company and the Offeror

The Company requested Mizuho Securities, a financial advisor and third-party valuator independent of the Tender Offer Related Parties, to evaluate the Company Shares, and obtained the Share Valuation Report (Mizuho Securities) on September 22, 2025. Mizuho Securities is not a party related to the Tender Offer Related Parties. Although Mizuho Securities has the status of a Company shareholder, Mizuho Bank, a group company of Mizuho Securities, plans to finance purchase funds for the Offeror and conduct financing transactions as a part of ordinary bank transactions with the Company, according to Mizuho Securities, in accordance with Article 36 of the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; the “FIEA”) and Article 70-4 of the Cabinet Office Order on

Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has taken appropriate measures to prevent adverse effects, such as information firewall measures between the department in charge of financial advisor work and valuation work for the Company Shares and the department which holds the Company's shares etc. within Mizuho Securities and has established and implemented appropriate conflicts of interest management systems such as appropriate information firewall measures between Mizuho Securities and Mizuho Bank, and conducted the share valuation of the Company Shares from a standpoint independent of Mizuho Securities' status as a shareholder and Mizuho Bank's status as a lender. When having the share valuation of the Company Shares conducted, the Company determined that Mizuho Securities has established and implemented appropriate conflicts of interest management systems, and selected Mizuho Securities as its third-party valuator. In view of other measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest implemented in connection with the Transaction (for specific details, please refer to "(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)" through "(VII) Securing objective conditions to ensure the fairness of the Tender Offer", the Company believes that adequate consideration has been given to the interests of the Company's general shareholders, and the Company has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities. In addition, the fees paid to Mizuho Securities in relation to the Transaction do not include any contingency fees to be paid subject to the successful completion of the Transaction etc.

(ii) Overview of calculation

Based on the results of considering the calculation methods to be used in the Tender Offer, Mizuho Securities, based on its view that it is appropriate to evaluate the Company Shares from a multifaceted perspective under the assumption that the Company is a going concern, calculated the per-share value of the Company Shares using: the market price standard method since the Company Shares are listed on the TSE Prime Market and there is a market price for the Company Shares; the comparable multiple valuation method since there are several comparable and similar listed companies and the share value can be estimated by comparison with the market values of the comparable listed companies; and the DCF method to reflect the status of future business activities of the Company in the calculation.

The range of the per-share value of the Company Shares calculated by Mizuho Securities using the above valuation methods is as follows:

Market price standard method:	From 2,520 yen to 2,687 yen
Comparable multiple valuation method:	From 2,038 yen to 2,406 yen
DCF method:	From 2,149 yen to 4,225 yen

Under the market price standard method, the record date is set at September 22, 2025, and the per-share value of the Company Shares was calculated to range from 2,520 yen to 2,687 yen, based on the following prices of the Company Shares on the TSE Prime Market: the closing price on the record date (2,687 yen); the simple average of the closing prices for the past one month up to that date (2,673 yen); the simple average of the closing prices for the past three months up to that date (2,605 yen); and the simple average of the closing prices for the past six months up to that date (2,520 yen).

Under the comparable multiple valuation method, after Tokai Corp., France Bed Holdings Co., Ltd., Nippon Care Supply Co., Ltd., and Kowa Co., Ltd. were selected as listed companies engaging in businesses relatively similar to that of the Company, the per-share value of the Company Shares was calculated using the EBITDA multiple to range from 2,038 yen to 2,406 yen.

Under the DCF method, the enterprise value and the share value of the Company were calculated by discounting to present value the free cash flow expected to be generated by the Company starting from the second quarter of the fiscal year ending March 2026 at a certain discount rate, based on various factors such as financial projections under the business plan (the "Business Plan") prepared by the Company for the four fiscal years from the fiscal year ending

March 2026 to the fiscal year ending March 2029, which cover the period reasonably forecastable at present in light of the recent revenue environment and historical business performance of the Company, the Company's financial information for the first quarter of the fiscal year ending March 2026, and publicly disclosed information. Using this method, the per-share value of the Company Shares was calculated to range from 2,149 yen to 4,225 yen. The discount rate was the weighted average cost of capital, ranging from 5.9% to 7.3 %. The perpetual growth rate method and the exit multiple method were used to calculate the going concern value, and the perpetual growth rate under the perpetual growth rate method was set to range from 0.0 % to 1.4%, and the going concern value was calculated to range from 133,140 million yen to 195,676 million yen, with comprehensive consideration given to the external environment and other factors. The EBITDA multiple to the enterprise value under the exit multiple method was set to range from 3.2 times to 4.0 times, taking into account the levels of the listed companies selected under the comparable multiple valuation method, whereby the going concern value was calculated to range from 78,496 million yen to 100,504 million yen.

Additionally, as non-business assets, investment securities were added to the Company's enterprise value.

The financial projections based on the Business Plan, which Mizuho Securities used as a basis for the calculation under the DCF method, are as follows. The financial projections do not include any fiscal years in which a significant increase or decrease in profit is expected, but include fiscal years in which a significant increase or decrease in free cash flow is expected. Specifically, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to an increase in capital investment and an increase in working capital in conjunction with an increase in sales, and in the fiscal year ending March 2028, a significant increase in free cash flow is expected due to a decrease in the range of increase in working capital. In the fiscal year ending March 2029, a significant increase in free cash flow is expected due to the impact of a reduction of the amount of capital investment.

The Business Plan was prepared in view of the impact of changes to the economic environment such as price increases and wage increases on the Company's recent business condition, business environment, etc. for the purpose of considering the fairness of transactional terms and conditions of the Transaction; the Offeror, Mr. Tomohiko Kimura and Mr. Yosuke Kimura were not involved in the preparation process.

Synergy effects expected to be realized through the Transaction are not reflected since it is difficult to specifically estimate their impact on the revenue at present.

	(in million yen)			
	Fiscal year ending March 2026 (nine months)	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Sales	90,742	121,698	128,933	136,470
Operating income	12,714	14,022	14,940	16,097
EBITDA	22,313	27,479	29,378	31,517
Free Cash Flow	4,010	111	3,202	7,072

(Note1) In calculating the value of the Company Shares, in principle, Mizuho Securities has adopted the information provided by the Company and publicly disclosed information as is, assuming that all such materials and information are accurate and complete, and Mizuho Securities has not independently verified their accuracy or completeness. Further, Mizuho Securities has not conducted any independent evaluation or assessment of the assets and liabilities of the Company and its affiliates (including off-the-book assets and liabilities and other contingent liabilities), nor has it requested any third party to conduct an evaluation or assessment therefor. In addition, it assumes that the information relating to the financial projections of the Company was reasonably prepared based on the currently available best projections and judgments by the management of the Company.

(II) Procurement of advice from an independent law firm by the Company

The Company appointed TMI Associates as a legal advisor independent of the Tender Offer Related Parties and obtained necessary legal advice from TMI Associates on the method and process of the decision-making by the Company's Board of Directors and other points of attention including procedures for the Transaction including the Tender Offer, to ensure the fairness and appropriateness of the decision-making by the Company's Board of Directors with respect to the Transaction including the Tender Offer. For the avoidance of doubt, TMI Associates is not a party related to the Tender Offer Related Parties, nor does it have any material interest in the Transaction including the Tender Offer that should be disclosed. Also, the Special Committee has approved TMI Associates as the legal advisor of the Company. Fees to TMI Associates are calculated by multiplying the hourly rate by working hours regardless of whether the Transaction is successfully completed or not, and do not include an incentive fee payable on condition of successful completion of the Transaction.

(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)

(i) Establishment of a special committee

Given that the Transaction constitutes a management buyout (MBO), and there are typically structural conflicts of interest with the Company or its general shareholders, for the purpose of ensuring careful decision-making by the Company regarding the Transaction and eliminating arbitrariness and conflicts of interest within the decision-making process of the Company's Board of Directors and ensuring the fairness thereof, based on a resolution of the Company's Board of Directors at a meeting held on June 20, 2025, the Company established a special committee consisting of two members, Mr. Yoshikazu Goto (outside director (audit and supervisory committee member) of the Company and outside director of Sodick Co., Ltd.) and Ms. Yukari Oka (attorney-at-law, outside director (audit and supervisory committee member) of the Company), who are independent from both the Tender Offer Related Parties and have no interests in the success or failure of the Transaction.

Subsequently, on July 1, 2025, before the first meeting of the Special Committee was held, the Special Committee additionally appointed as members of the Special Committee Ms. Arei Shirai (General Manager of DE&I Business Development Department of Benesse Corporation University & Working Adult Company) and Ms. Naoko Harima (certified public accountant), both having been elected as outside directors (audit and supervisory committee members) of the Company at the ordinary Shareholders' Meeting of the Company held on June 27, 2025. Ms. Arei Shirai and Ms. Naoko Harima are independent from both the Tender Offer Related Parties and the outcome of the Transaction.

Furthermore, as for Mr. Kazuo Takahashi, outside director (audit and supervisory committee member) of the Company, since he had served as an advisor to Daiwa Securities, the financial advisor to the Offeror, until March 31, 2023, he was not appointed as a member of the Special Committee so as to thoroughly ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the process of deciding to implement the Tender Offer, and avoid conflicts of interest.

Subsequently, Ms. Yukari Oka, due to personal reasons that could potentially prevent her from fully participating in the deliberations of the Special Committee, resigned from her position as a member of the Special Committee as of August 18, 2025, following the fourth meeting of the Special Committee, at her own request. Other than Ms. Yukari Oka's resignation, there have been no changes to the members of the Special Committee.

By mutual election of the Special Committee, Mr. Yoshikazu Goto was selected as the chairperson of the Special Committee. Each member of the Special Committee will receive a fixed remuneration as consideration for their duties, regardless of the content of the Report.

Based on the above-mentioned resolution of the Company's Board of Directors, the Company entrusted the Special Committee to inquire into and submit the Report to the Company regarding (a) the advisability of the Transaction (including whether the Transaction would contribute to enhancing the Company's corporate value), (b) the fairness of the transactional terms and conditions of the Transaction (including whether the acquisition price, method of acquisition, type of consideration, and other terms are fair), (c) the fairness of the procedures relating to

the Transaction (including whether sufficient procedures to ensure the fairness of the transactional terms and conditions have been implemented), and, based on the above items (a) through (c) and other relevant matters, (d) whether the Transaction is fair to the Company's general shareholders (items (a) through (d) are hereinafter referred to as the "Inquired Matters").

In referring these matters to the Special Committee, the Company's Board of Directors resolved to fully respect the opinions of the Special Committee in making decisions regarding the Transaction, including whether or not to support the Tender Offer, and that if the Special Committee determines that the Transaction is not appropriate, the Company's Board of Directors will not resolve to proceed with the Transaction. Furthermore, based on the above-mentioned resolution of the Company's Board of Directors, the Company granted the Special Committee the following authorities: (a) the authority to directly negotiate and discuss with the Offeror; (b) the authority to have officers and employees of the Company (limited to those without conflicts of interest) participate in negotiations and discussions at the discretion of the Special Committee, the authority to receive timely reports on the status of negotiations carried out by the Company and its advisors with the Offeror, and to substantially influence the negotiation process over the transactional terms and conditions of the Transaction by, among other things, giving opinions, instructions, or requests at critical stages; (c) the authority to, when deemed necessary by the Special Committee, retain its own legal counsel, valuers, certified public accountants, or other advisors at the expense of the Company and appoint or request changes to the Company's advisors as well as give necessary instructions to such advisors; (d) the authority, when deemed necessary by the Special Committee, to appoint outside directors or external experts who are independent from Mr. Tomohiko Kimura and the outcome of the Transaction as members of the Special Committee.

(ii) Review process by the Special Committee

The Special Committee met a total of 11 times between July 7, 2025 and September 22, 2025, where it carefully reviewed and discussed the Inquired Matters.

Specifically, on July 7, 2025, the Special Committee first confirmed that Mizuho Securities, as the financial advisor and third-party valuator, and TMI Associates as the legal advisor, had no problems concerning their independence from the Tender Offer Related Parties or expertise and approved the appointment of each as advisors to the Company. The Special Committee also decided to obtain expert advice from the Company's advisors as necessary, confirmed that there were no issues in independence, expertise, or track record among candidates for third-party valuers, and on July 16, 2025, selected Plutus Consulting as its own third-party valuator, requesting that it perform a valuation of the Company Shares and issue fairness opinion. In addition, the Special Committee confirmed and approved that the internal structure established by the Company for reviewing the Transaction posed no issues from the perspective of independence and fairness, after receiving explanations from the Company.

The Special Committee received explanations from TMI Associates concerning the background to the requirement for establishing a special committee and its roles and discussed measures to ensure the procedural fairness based on the legal advice regarding the process and methods for decision-making as well as points to consider in the process of decision-making regarding the Transaction. The Special Committee collected and examined various materials and information submitted by Mr. Tomohiko Kimura and the Offeror as well as the Company, and sent questions, including matters such as the background and purpose of the Transaction, measures expected to be taken by the Offeror after the Transaction, and other terms of the Transaction, to Mr. Tomohiko Kimura and received answers. Additional questions, including points such as the merits of implementing the Transaction and measures expected to be taken by the Offeror after the Transaction, were sent to Mr. Tomohiko Kimura, and after receiving the answers, the Special Committee interviewed the Company about the background and purpose of the Transaction, the reasons for considering the implementation of the Transaction to be necessary, and the Company's views on the management structure after the implementation of the Transaction and planned measures to be implemented.

Furthermore, the Special Committee had a direct meeting with Mr. Tomohiko Kimura, where the Special Committee received explanations concerning the detail, background, significance and purpose of the Transaction as well as planned measures to be taken following the Transaction, based on the above-mentioned questions and

additional questions.

Further, the Special Committee confirmed that the Business Plan was prepared by parties independent from the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders, and the Kimura Nursing Foundation, received explanations regarding key assumptions from the Company, and confirmed and approved the rationality of the contents, key assumptions, and history of the creation of the final Business Plan.

Moreover, the Special Committee received explanations from Mizuho Securities on the Share Valuation Report (Mizuho Securities) and from Plutus Consulting on the Share Valuation Report (Plutus) and the Fairness Opinion and conducted hearings on the premises and other matters relating to the valuation of the Company Shares.

As described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” of the Press Release Stating the Company’s Opinion, after the Company received a proposal from Mr. Tomohiko Kimura on August 22, 2025, to set the Tender Offer Price at 3,000 yen, the Company, based on advice including the results of the share valuation by Mizuho Securities as the third-party valuator of the Company and the share valuation by Plutus Consulting as the independent third-party valuator for the Special Committee, and advice including the Fairness Opinion and policies for negotiations with the Offeror, as well as advice from TMI Associates regarding measures to ensure the fairness of the Transaction, including the significance and role of the special committee, and measures to avoid conflicts of interest, the Special Committee carefully considered the Tender Offer Price through fair procedures excluding the influence of the Offeror, and substantially participated in the process of negotiation with the Offeror regarding the transactional terms and conditions of the Transaction via Mizuho Securities.

(iii) Determinations by the special committee

Under these circumstances, after careful discussion and consideration of the Inquired Matters, the Special Committee, on September 22, 2025, submitted the Report containing the following main points to the Company’s Board of Directors, with the unanimous consent of all members. For details of the Report including grounds for the Report, please refer to the Report in Appendix 1 of the Press Release Stating the Company’s Opinion.

- (a) The Transaction is found to contribute to enhancing the Company’s corporate value (that is, the purpose of the Transaction is appropriate).
- (b) The transactional terms and conditions of the Transaction are fair.
- (c) The procedures pertaining to the Transaction are fair.
- (d) In light of (a) through (c) above and other matters, the Transaction is fair to the Company’s general shareholders.

(IV) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee

(i) Name of the valuator and its relationship with the Company and the Offeror

When considering the Inquired Matters, in order to ensure the fairness of the transactional terms and conditions including the Tender Offer Price, the Special Committee requested Plutus Consulting, its own third-party valuator independent of the Tender Offer Related Parties and the Transaction including the Tender Offer, to value Company Shares and express an opinion on the fairness of the Tender Offer Price from a financial perspective (a fairness opinion), and obtained the Share Valuation Report (Plutus) and the Fairness Opinion dated September 22, 2025.

Plutus Consulting is not a related party of the Tender Offer Related Parties, and has no material interest in relation to the Transaction including the Tender Offer that should be disclosed. The fees paid to Plutus Consulting in connection with the Transaction are limited to fixed fees to be paid regardless of whether the Transaction is successfully completed or not, and do not include any contingency fees to be paid subject to the public announcement

or successful completion of the Transaction.

(ii) Overview of calculation

Based on the results of considering the calculation method to be used in the Tender Offer, Plutus Consulting, based on its view that it is appropriate to evaluate the Company Shares from a multifaceted perspective under the assumption that the Company is a going concern, calculated the per-share value of the Company Shares using: the market price method since the Company Shares are listed on the TSE Prime Market and there is a market price for the Company Shares; and the DCF method to reflect the status of future business activities of the Company in the calculation.

The range of the per-share value of the Company Shares calculated by Plutus Consulting using the above valuation methods is as follows:

Market price method:	From 2,520 yen to 2,687 yen
DCF method:	From 3,291 yen to 3,935 yen

Under the market price method, the record date is set at September 22, 2025, and the per-share value of the Company Shares was calculated to range from 2,520 yen to 2,687 yen, based on the following prices of the Company Shares on the TSE Prime Market: the closing price on the record date (2,687 yen); the simple average of the closing prices for the past one month (2,673 yen); the simple average of the closing prices for the past three months (2,605 yen); and the simple average of the closing prices for the past six months (2,520 yen).

Under the DCF method, the enterprise value and the share value of the Company were calculated by discounting to present value the free cash flow expected to be generated by the Company in and after the second quarter of the fiscal year ending March 2026 at a certain discount rate, based on various factors such as financial projections under the Business Plan prepared by the Company covering the period reasonably forecastable at present in light of the recent revenue environment and historical business performance of the Company, the Company's performance trends up to recently, and publicly disclosed information. Using this method, the per-share value of the Company Shares was calculated to range from 3,291 yen to 3,935 yen. The discount rate was the weighted average cost of capital, ranging from 6.10% to 7.53%. The perpetual growth rate method was used to calculate the going concern value, and the perpetual growth rate under the perpetual growth rate method was set to 0% in view of a theoretically anticipated long-term economic environment, whereby the going concern value was calculated to range from 157,282 million yen to 194,037 million yen.

Additionally, as non-business assets, surplus cash and deposits (calculated by deducting the amount of cash and deposits estimated as necessary for business operations, based on a comprehensive consideration of past cash flow performance, from the Company's total cash and deposits) together with investment securities were added to the Company's enterprise value.

The financial projections based on the Business Plan, which Plutus Consulting used as a basis for the calculation under the DCF method, are as follows. The financial projections do not include any fiscal years in which a significant increase or decrease in profit is expected, but do include fiscal years in which a significant increase or decrease in free cash flow is expected. Specifically, in the fiscal year ending March 2026, negative free cash flow is expected due to an increase in working capital, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to an increase in capital investment and an increase in working capital in conjunction with an increase in sales, and in the fiscal year ending March 2028, a significant increase in free cash flow is expected due to a decrease in the range of increase in working capital. In the fiscal year ending March 2029, a significant increase in free cash flow is expected due to the impact of a reduction of the amount of capital investment.

Synergy effects expected to be realized through the Transaction are not reflected since it is difficult to specifically estimate their impact on the revenue at present.

(in million yen)

	Fiscal year ending March 2026 (nine months)	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Sales	90,742	121,698	128,933	136,470
Operating income	22,714	14,022	14,940	16,097
EBITDA	22,134	27,252	29,150	31,290
Free Cash Flow	-1,544	63	2,426	6,318

(Note2) In calculating the value of the Company Shares, in principle, Plutus Consulting adopted the information provided by the Company and publicly disclosed information as-is, assuming that all such materials and information are accurate and complete, and Plutus Consulting has not independently verified their accuracy or completeness. Further, Plutus Consulting has not conducted any independent evaluation or assessment of the assets and liabilities of the Company and its affiliates (including off-balance sheet assets and liabilities and other contingent liabilities), nor has it requested any third party to conduct an evaluation or assessment therefor. In addition, it assumes that the information relating to the financial projections of the Company was reasonably prepared based on the currently available best projections and judgments by the management of the Company.

(iii) Overview of the Fairness Opinion

The Special Committees has received from Plutus Consulting the Fairness Opinion dated September 22, 2025, stating that the Tender Offer Price (3,530 yen) is fair to the shareholders of the Company Shares from a financial perspective (Note 3). The Fairness Opinion is a statement expressing an opinion that the Tender Offer Price (3,530 yen) is fair to the Company's general shareholders from a financial perspective in light of the valuation result of the Company Shares pursuant to the Business Plan, etc. The Fairness Opinion was issued by Plutus Consulting based on the results of its valuation of the Company Shares, which was conducted after receiving disclosures from the Company concerning the current status, prospect etc. of its business, and related explanations, as well as question and answer sessions conducted with the Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus Consulting, to the extent that it deemed necessary, of the Company Group's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent of the Plutus engagement team.

(Note 3) In preparing and submitting the Fairness Opinion and calculating the share value forming the basis of the Fairness Opinion, Plutus Consulting assumed that information and basic materials received from or discussed with the Company, and publicly available materials were accurate and complete, and that there were no facts that may have material impact on the analysis and calculation of the value of the Company's Shares that had not been disclosed to Plutus Consulting, and did not independently investigate or verify the accuracy and completeness of such information and materials and owes no duty to do so.

Plutus Consulting assumes that the Company's business prospect and other materials used as foundational materials for the Fairness Opinion were reasonably prepared by the Company's management on the basis of the best projections and judgments available at the time of their preparation; therefore, Plutus Consulting does not guarantee the feasibility of their realization, and expresses no opinions regarding the analyses or projections that served as the basis for their preparation or the key assumptions that form the foundation therefor.

Plutus Consulting has not performed any analysis or evaluation of the individual assets and liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company or its affiliated companies or any other independent evaluation or appraisal and has not received any evaluation

reports or appraisal reports regarding such assets and liabilities. Therefore, the payment capacity of the Company and its affiliated companies has not been evaluated. Since Plutus Consulting is not a professional legal, accounting, or tax agency, it does not express any opinions whatsoever concerning legal, accounting, or tax issues relating to the Tender Offer, and owes no duty to do so.

The Fairness Opinion expresses an opinion regarding the fairness of the Tender Offer Price from a financial perspective, for the purpose of consideration by the Company when it expresses an opinion regarding the Tender Offer. Therefore, the Fairness Opinion does not express any opinion regarding the superiority or inferiority of the Tender Offer compared to transactions that are potentially alternative options, the benefits that may be generated by the Tender Offer, or the advisability of implementing the Tender Offer.

The Fairness Opinion expresses no opinion for the holders of securities issued by the Company, its creditors, or other related persons. Therefore, Plutus Consulting owes no liability to any shareholders or third parties who may rely on the Fairness Opinion.

Plutus Consulting does not solicit any investments etc. in the Company, and does not have the authority to do so. Therefore, the Fairness Opinion does not recommend that the Company's shareholders tender their shares in the Tender or engage in any other conduct.

The Fairness Opinion states an opinion valid as of the date of its submission regarding whether the Tender Offer Price is fair to the Company's general shareholders from a financial perspective, on the assumption of the state of the financial and capital markets, economic conditions, and other circumstances as of such date and based on information submitted to or obtained by Plutus Consulting as of such day. Even if these assumptions change because of changes in circumstances going forward, Plutus Consulting owes no duty to correct, change, or supplement its opinion.

The Fairness Opinion implies or suggests any opinion concerning any matters not expressly set forth therein or regarding any time after the date of its submission.

(V) Unanimous approval of all disinterested directors (including directors who are audit committee members) of the Company

On the basis of legal advice obtained from TMI Associates, the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, the Share Valuation Report (Plutus), and the Fairness Opinion obtained from Plutus Consulting, the Company carefully examined the terms and conditions of the Transaction including the Tender Offer, while respecting the content of the Report to the maximum extent.

Consequently, as described in "1. Purpose of and reason for share consolidation" above, regarding the Tender Offer, the Company's Board of Directors decided that the Transaction including the Tender Offer will contribute to the enhancement of the Company's corporate value, the Tender Offer Price and other terms and conditions of the Tender Offer are fair to the Company's shareholders, and the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares. At the Company's Board of Directors meeting held on September 24, 2025, the Company's directors who participated in deliberation and resolution (the seven directors excluding Mr. Tomohiko Kimura, Mr. Yosuke Kimura and Ms. Yukari Oka) unanimously resolved to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Of the Company's directors, (i) Mr. Tomohiko Kimura is the proposer of the Transaction and the Representative Director of the Offeror, and intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction, and (ii) Mr. Yosuke Kimura has entered into the tender agreement with the Offeror, and LLAGE WOOD and SION which are asset management companies of Mr. Yosuke Kimura, of which Mr. Yosuke Kimura is a director, have entered into the Non-Tender Agreements with the Offeror, and Mr. Yosuke Kimura intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction. Therefore, Mr. Tomohiko Kimura and Mr. Yosuke Kimura did not in any way participate in the deliberation or voting in the meeting of the Company's Board of Directors with respect to the statement of an opinion on the Tender Offer, nor did they have any role in the discussions and negotiations with the Offeror from the Company's position. Notwithstanding the foregoing, (iii) Ms. Yukari Oka

was absent from the above meeting of the Company's Board of Directors due to personal reasons; however, it has been separately confirmed that, prior to the above Board meeting, Ms. Yukari Oka expressed his intention to concur with the resolution of the Company's Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

(VI) Establishment of an independent review system by the Company

From the viewpoint of eliminating structural conflicts of interest, the Company has established a system within the Company to examine, negotiate and make a judgment pertaining to the Transaction from a position independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders and the Kimura Nursing Foundation. Specifically, of the Company's directors, (i) Mr. Tomohiko Kimura is the proposer of the Transaction and the Representative Director of the Offeror, and intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction, and (ii) Mr. Yosuke Kimura has entered into the tender agreement with the Offeror, and LLAGE WOOD and SION which are asset management companies of Mr. Yosuke Kimura, of which Mr. Yosuke Kimura is a director, have entered into the non-tender agreements with the Offeror, and Mr. Yosuke Kimura intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction. Therefore, Mr. Tomohiko Kimura and Mr. Yosuke Kimura did not in any way participate in the deliberation or voting in the meeting of the Company's Board of Directors with respect to the Transaction, nor did they have any role in the discussions and negotiations with the Offeror from the Company's position. This review system consists solely of officers and employees deemed independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders (i.e., Director Toshiyuki Hatta and 12 employees of the Company) and the Kimura Nursing Foundation, and such practice has been maintained up to today.

Furthermore, the Special Committee has approved the conclusion that the Company's review structure (including the scope of officers and employees involved in the examination, negotiation and judgment of the Transaction, and their respective duties) presents no issues from the perspective of independence and fairness.

(VII) Securing objective conditions to ensure the fairness of the Tender Offer

The Offeror has set the Tender Offer Period at 36 business days, which is longer than the shortest period of 20 business days specified required by laws and regulations. By setting the Tender Offer Period for a relatively long period of time, the Offeror intends to ensure that the Company's shareholders have an appropriate opportunity to make a judgment regarding the tender in the Tender Offer. The Offeror also aims to provide an opportunity for any competing acquirer to make a competing tender offer for the Company Shares, thereby ensuring the fairness of the Tender Offer.

In addition, the Offeror and the Company have not entered into any agreement, including any transaction protection clause that prohibits the Company from contacting a competing acquirer, or any agreement that restricts such competing acquirer from contacting the Company. In this way, in conjunction with the establishment of the Tender Offer Period described above, the Company will conduct an indirect market check to ensure the fairness of the Tender Offer by securing opportunities for competing bids. Although no active market checks are being conducted for the Transaction, from the perspective of information management and given the Shareholding Ratio of the Non-Tendered Shares and Tender Agreement Shares (Note 4) as of September 24, 2025 (38.05%), it is unlikely that a counterproposal will be made against the Offeror's proposal. Therefore, the Company determined that the significance of conducting an active market check is not substantial, and the fact that active market checks are not being conducted does not render the fairness of the Tender Offer insufficient.

(Note 4) "Tender Agreement Shares" refers to 4,472,046 Company Shares (Shareholding Ratio: 7.97% in total) held by the Founding Family Agreed Tendering Shareholders and the Kimura Nursing Foundation, each of which (or whom) entered into a tender agreement dated September 24, 2025 with the Offeror, and Mr. Michihide Kimura Related Shareholders, who entered into a tender/non-tender agreement dated September 24, 2025 with the Offeror.

4. Future Outlook

As a result of the Share Consolidation, as described in “(I) Delisting” under “(2) Possibility for delisting” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation”, the Company Shares will be delisted.

5. Matters relating to MBO

(1) Application of “Matters to be Observed Pertaining to MBOs, etc.”

The Share Consolidation is conducted as part of the Transaction falling under a so-called management buyout (MBO) and is subject to the “Matters to be Observed Pertaining to MBOs, etc.” set forth in Article 441 of the TSE Securities Listing Regulations.

(2) Compliance with guidelines on measures to protect minority shareholders when conducting transactions with controlling shareholder

As the Offeror is the parent company of the Company, the Share Consolidation falls under a case involving a controlling shareholder. Although the Company did not stipulate in the corporate governance report disclosed on June 27, 2025 any “guidelines on measures to protect minority shareholders when conducting transactions with controlling shareholder”, it has established a basic policy that applies whenever a transaction is conducted with the controlling shareholder, which entails verifying the appropriateness and economic rationality of the details of the transaction, such as whether the transactional terms and conditions are equivalent to customary transactional terms and conditions, and taking appropriate measures to ensure that decisions relating to the transactional terms and conditions of any transactions with the controlling shareholder do not put the minority shareholders at any disadvantage.

With regard to the Transaction including the Tender Offer and the Share Consolidation, as described in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” above, the Company has taken measures to ensure the fairness of the Transaction as well as measures to avoid conflicts of interest, and it believes that these measures are consistent with the abovementioned policy.

(3) Matters relating to measures to ensure fairness and measures to avoid conflicts of interest

Please refer to “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation” above.

(4) Overview of opinions obtained from persons with no relationship of interest with controlling shareholder about the Transaction being fair to general shareholders

On September 22, 2025, the Company obtained the Report from the Special Committee which stated that the Transaction was fair to the Company’s general shareholders. For details, please refer to “(III) Establishment of an independent special committee at the Company and obtaining an opinion (written report)” under “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” under “3. Basis for the amount of money expected to be delivered to the shareholders upon the processing of fractions in connection with the Share Consolidation”, as well as the Report in Appendix 1 of the Press Release Stating the Company’s Opinion. It should be noted that because the Report relates to the Transaction including the Share Consolidation, the Company has not obtained another opinion from the Special Committee in carrying out the Share Consolidation.

II. Abolishment of provisions on number of shares per unit

1. Grounds for abolishment

The relevant provisions are to be abolished because once the Share Consolidation is effectuated, the total number of issued and outstanding shares of the Company will be 3 shares, and it will no longer be necessary to provide for number of shares

per unit.

2. Scheduled Date of Abolishment

February 9, 2026 (Monday) (planned)

3. Conditions of abolishment

At the Extraordinary Shareholders' Meeting, the proposal relating to the Share Consolidation and the proposal relating to partial amendment to the Articles of Incorporation as pertains to the abolishment of provisions on number of shares per unit must be approved as originally proposed, such that the Share Consolidation is effectuated.

III. Partial amendment to Articles of Incorporation

1. Purpose of amendment to Articles of Incorporation

- (1) Once the proposal pertaining to the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as originally proposed, and the Share Consolidation is thereby effectuated, in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act, the total number of authorized shares of the Company will be 12 shares. To make this point clear, Article 6 of the Articles of Incorporation (Total Number of Authorized Shares) will be amended subject to the effectuation of the Share Consolidation.
- (2) Once the proposal pertaining to the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as originally proposed, and the Share Consolidation is thereby effectuated, it will no longer be necessary to provide for number of shares per unit. Therefore, subject to the effectuation of the Share Consolidation, the provisions of Article 7 (Number of Shares Per Unit) and Article 8 (Rights Pertaining to Shares Less Than One Unit) of the Articles of Incorporation will be entirely deleted in order to abolish the provisions on the number of shares per unit of the Company Shares (currently 100 shares), with the remaining provisions to be renumbered accordingly following this change.
- (3) Once the proposal pertaining to the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as originally proposed, and the Share Consolidation is thereby effectuated, the Offeror and Mr. Tomohiko Kimura will become the Company's only remaining shareholders, and thus the provisions pertaining to the electronic provision system in the materials for general shareholders' meetings will no longer be necessary. Therefore, subject to the effectuation of the Share Consolidation, the provisions of Article 14 (Electronic Provision Measures etc.) of the Articles of Incorporation will be entirely deleted, with the remaining provisions to be renumbered accordingly following this change.

2. Details of amendments to Articles of Incorporation

The amendments to the Articles of Incorporation will be as follows. It should be noted that any partial amendments to the Articles of Incorporation pertaining to the Proposal shall be effectuated on February 9, 2026, the effective date of the Share Consolidation, subject to the approval of the proposal pertaining to the Share Consolidation at the Extraordinary Shareholders' Meeting as originally proposed, and the subsequent effectuation of the Share Consolidation.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendment
Article 6: Total Number of Authorized Shares The total number of authorized shares of the Company shall be <u>252,000,000 shares</u> .	Article 6: Total Number of Authorized Shares The total number of authorized shares of the Company shall be <u>12 shares</u> .

Current Articles of Incorporation	Proposed Amendment
<u>Article 7: (Number of Shares Per Unit)</u> <u>The number of shares per unit of the Company shall be 100</u>	(Deleted)

<u>shares.</u>	
<u>Article 8: Rights Pertaining to Shares Less Than One Unit</u> <u>Shareholders of the Company may not execute any rights</u> <u>other than the following with respect to any shares they hold</u> <u>that constitute less than one unit.</u> <u>(1) The rights enumerated in the items of Article 189,</u> <u>Paragraph 2 of the Companies Act</u> <u>(2) The right to make a claim in accordance with the</u> <u>provisions of Article 166, Paragraph 1 of the Companies Act</u> <u>(3) The right to receive an allotment of shares for</u> <u>subscription and allotment of share options for subscription,</u> <u>in proportion to the number of shares held by such</u> <u>shareholders</u>	(Deleted)
<u>Article 9 to Article 13</u> (omitted)	<u>Article 7 to Article 11</u> (unchanged)
<u>Article 14: Electronic Provision Measures etc.</u> <u>1. When convening a general shareholders' meeting, the</u> <u>Company shall take electronic provision measures</u> <u>concerning information contained in reference documents for</u> <u>the general shareholders' meeting.</u> <u>2. Among the items for which electronic provision measures</u> <u>are to be taken, the Company may exclude any items</u> <u>prescribed by the applicable Ordinance of the Ministry of</u> <u>Justice, in whole or in part, from documents to be delivered</u> <u>to shareholders who requested the delivery of said documents</u> <u>by the record date of voting rights.</u>	(Deleted)
<u>Article 15 to Article 34</u> (omitted)	<u>Article 12 to Article 31</u> (unchanged)
Supplementary Provisions (omitted)	Supplementary Provisions (unchanged)

3. Schedule of amendments to Articles of Incorporation
February 9, 2026 (Monday) (planned)

End