

## Cover

Document submitted:	Tender Offer Statement
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Note 1: As used herein, the term “**Tender Offeror**” means Yuu Corporation.

Note 2: As used herein, the term “**Target Company**” means Freund Corporation.

Note 3: In cases where figures are rounded off or rounded down herein, the figure indicated as the total will not always be equal to the sum of the relevant figures.

Note 4: As used herein, the term “**Act**” means the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

Note 5: As used herein, the term “**Order**” means the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965, as amended).

Note 6: As used herein, the term “**Cabinet Office Ordinance**” means the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended).

Note 7: As used herein, the term “**Share Certificates**” means rights pertaining to shares.

Note 8: In a case where the number of days or a date and time are indicated herein, unless otherwise specified, this means the number of days or a date and time in Japan.

Note 9: As used herein, the term “**business day**” means a day other than those listed in Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).

Note 10: The tender offer relating to submission of this Statement (“**Tender Offer**”) will be conducted in compliance with the procedures and information disclosure standards provided under the Act, and those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; “U.S. Securities Exchange Act of 1934”) nor the rules stipulated under these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted under those procedures and standards. The financial information included in this Statement and its reference materials is not in line with U.S. generally accepted accounting principles. In addition, because the Tender Offeror and the Target Company are corporations incorporated outside the United States, and some or all of their officers are non-U.S. residents,

it may be difficult to exercise rights or make claims against them based on U.S. securities laws. It may also be impossible to initiate an action against a corporation or individual that is based outside of the United States in a court outside the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation or individual that is based outside of the United States or affiliates of such corporation may be compelled to submit themselves to the jurisdiction of a U.S. court.

Note 11: Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or part of the documentation relating to the Tender Offer will be prepared in the English language; however, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation will prevail.

Note 12: This Statement and its reference materials include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties, or other factors, actual results may differ significantly from the predictions and the like, indicated implicitly or explicitly in any “forward-looking statements”. None of the Tender Offeror, the Target Company, or their affiliates guarantees that the predictions and the like, indicated implicitly or explicitly in any “forward-looking statements” will be achieved. The “forward-looking statements” in this Statement and its reference materials were prepared based on information possessed by the Tender Offeror as of the Submission Date, and unless required by laws or regulations, none of the Tender Offeror, the Target Company, or their affiliates shall be obligated to update or revise such statements to reflect future circumstances or situations.

## Part 1. Terms of the Tender Offer

### 1. Name of the Target Company

Freund Corporation

### 2. Type of Share Certificates to be Purchased, etc.

Common shares

### 3. Purpose of Purchase, etc.

#### (1) Overview of the Tender Offer

The Tender Offeror is a stock company (*kabushiki kaisha*), all issued shares of which are owned by Mr. Iwao Fusejima, the representative director of the Target Company, as of the Submission Date of this Statement, was established on June 4, 2025, with the primary purpose of implementing a series of transactions to realize the situation where the Target Company, whose shares are listed on the Tokyo Stock Exchange, Inc. (“TSE”) Standard Market, goes private again and eventually the Tender Offeror and the Non-Tendering Shareholders (defined below; the same applies hereinafter) become sole shareholders of the Target Company (“**Transactions**”) and acquiring and holding the common shares of the Target Company (“**Target Company Shares**”), and Mr. Iwao Fusejima has assumed the office of its representative director. The sole shareholder of the Tender Offeror at incorporation was Mr. Yasushi Chubachi, but he transferred all issued shares of the Tender Offeror to Mr. Iwao Fusejima on July 11, 2025, and as of the Submission Date, Mr. Yasushi Chubachi does not hold any shares of the Tender Offeror. Furthermore, although the representative director of the Tender Offeror at incorporation was also Mr. Yasushi Chubachi, he resigned from the office of representative director on July 11, 2025, and, in his place, Mr. Iwao Fusejima has assumed the office of representative director of the Tender Offeror. As of the Submission Date, the Tender Offeror does not hold any Target Company Shares, but Mr. Iwao Fusejima holds 315,928 Target Company Shares (Note 1) (ownership ratio: 1.87 %: Note 2)

As of the Submission Date, K. K. Fusejima Yokosha (“**Fusejima Yokosha**”), one of the Non-Tendering Shareholders, is an asset management company for the Target Company’s founding family, with the primary purpose of the possession, management, and investment of real properties and securities, and mainly holding the Target Company Shares, and Mr. Iwao Fusejima, the Target Company’s representative director, and his close relatives hold 100% of its total voting rights. As of the Submission Date, Fusejima Yokosha holds 1,648,000 Target Company Shares (ownership ratio: 9.73%), as the Target Company’s main and top shareholder. In addition, Mr. Yasutoyo Fusejima, one of the Non-Tendering Shareholders, holds 1,217,900 Target Company Shares (ownership ratio: 7.19%) as of the Submission Date.

Note 1: Out of the Target Company Shares held by Mr. Iwao Fusejima, 26,128 shares are the restricted shares (compensation).

Note 2: “Ownership ratio” means a ratio of the Target Company Shares owned to the number of shares 16,929,628 shares (“**Number of Reference Shares**”) obtained by subtracting the number of treasury shares held by the Target Company as of May 31, 2025 (1,491,044 shares) from the total number of issued shares of the Target Company on the same date (18,400,000 shares), according to the Summary of Financial Results for the First Quarter of the Fiscal Year Ending February 2026 Japanese GAAP (Consolidated) (“**Target Company First Quarter Earnings Briefing**”) released by the Target Company on July 14, 2025, and adding to that result (16,908,956 shares) the number of shares relating to the restricted shares (compensation) (20,672 shares), the subject of the disposal of treasury shares conducted by the Target Company on June 27, 2025 (rounded off to the second decimal place; the same applies hereinafter in the calculation of ownership ratios).

The Tender Offeror has now decided to implement the Tender Offer as part of the Transactions to acquire all the

Target Company Shares (including any shares of the Target Company with restrictions on transfer which have been granted to officers and employees of the Target Company as restricted shares (compensation) (“**Restricted Shares**”), but excluding treasury shares held by the Target Company and the Non-Tendered Shares (defined below)).

The Transactions will be implemented by the Tender Offeror, funded by Mr. Iwao Fusejima, the representative director of the Target Company, and Mr. Iwao Fusejima is expected to continue managing the Target Company after the Transactions, thereby falling under a so-called management buyout (MBO) (Note 3). As of the Submission Date, there is no agreement between the Tender Offeror and other directors and statutory auditors of the Target Company on officer appointment or treatment after the completion of the Tender Offer, and, if the Tender Offer is completed, decisions on the post-Tender Offer management structure of the Target Company, including the composition of officers, are expected to be made through consultation with the Target Company.

Note 3: A “management buyout (MBO)” refers to a transaction in which a tender offeror carries out a tender offer based on an agreement with officers of the target company for a shared benefit with those officers.

In implementing the Tender Offer, the Tender Offeror executed on July 14, 2025, a tendering agreement with Japan Absolute Value Fund L.P., whose investment manager is assumed by Kaname Capital, L.P. (number of shares owned (including those owned directly or indirectly): 1,924,400 shares, ownership ratio: 11.37%) (“**JAVF**”) (“**Tendering Agreement (JAVF)**”), thus reaching an agreement that JAVF will tender the Target Company Shares it holds (“**Agreed Tendering Shares**”) in the Tender Offer.

In addition, in implementing the Tender Offer, the Tender Offeror agreed in writing on July 14, 2025, with Fusejima Yokosha, which is the Target Company’s top shareholder (number of shares owned: 1,648,000 shares, ownership ratio: 9.73%); Mr. Yasutoyo Fusejima, who is the Target Company’s third largest shareholder, the founder and current advisor for the Target Company, and the father of Mr. Iwao Fusejima (number of shares owned: 1,217,900 shares, ownership ratio: 7.19%); Mr. Iwao Fusejima, who is the representative director of the Target Company (number of shares owned: 315,928 shares, ownership ratio: 1.87%); and Okawara Mfg. Co., Ltd., which is the Target Company’s sixth largest shareholder and its business alliance partner (number of shares owned: 673,600 shares, ownership ratio: 3.98%) (hereinafter, Fusejima Yokosha, Mr. Yasutoyo Fusejima, Mr. Iwao Fusejima, and Okawara Mfg. Co., Ltd. are collectively referred to as “**Non-Tendering Shareholders**” or “**the Fusejimas, etc.**”) that the Non-Tendering Shareholders will not tender any of the Target Company Shares they respectively hold (total number of shares owned: 3,855,428 shares, total ownership ratio: 22.77%; “**Non-Tendered Shares**”) in the Tender Offer, and that if the Tender Offer is completed, at the Extraordinary General Shareholders Meeting (defined in “(5) Post-Tender Offer reorganization policy (Matters relating to the “Two-Step” Acquisition)”; the same applies hereinafter), they will support resolutions relating to the Squeeze-out Procedures (defined below; the same applies hereinafter). Further, there is also an agreement in writing that, upon the Tender Offeror’s decision, before the share consolidation of the Target Company Shares to be implemented as part of the Squeeze-out Procedures (“**Share Consolidation**”) comes into force, the Tender Offeror will execute with the respective Non-Tendering Shareholders a loan agreement for the Target Company Shares and conduct the Share Lending Transaction (defined below; the same applies hereinafter) (these agreements collectively referred to as “**Non-Tendering Agreements**”). For details of the Non-Tendering Agreements, please see “(4) Important agreements relating to the Tender Offer” below. With these agreements, if the Tender Offer is completed, the Target Company will have its shareholders as follows: (i) the Tender Offeror, which will hold at least 7,499,301 shares, or the minimum number of shares to be purchased below (ownership ratio: 44.30%), (ii) the Non-Tendering Shareholders (ownership ratio: 22.77%), and (iii) the Target Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Non-Tendering Shareholders). Moreover, it is expected that, as a consequence of the Squeeze-out Procedures scheduled to be conducted after the Tender Offer’s completion and the subsequent unwinding of the Share Lending Transaction, only (i) the Tender Offeror and (ii) the Non-Tendering Shareholders will remain as the Target Company’s shareholders.

The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 7,499,301 shares (ownership ratio: 44.30%), and, if the total number of Share Certificates tendered in the Tender Offer (“**Tendered Share Certificates**”) does not reach the minimum number of shares to be purchased (7,499,301 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates. Meanwhile, because the purpose of the Tender Offer is to delist the Target Company Shares, the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, and as far as the total number of the Tendered Share Certificates is at or above the minimum number of shares to be purchased (7,499,301 shares), it will purchase all the Tendered Share Certificates.

The minimum number of shares to be purchased (7,499,301 shares) is greater than the number obtained by multiplying the number of voting rights (169,296) represented by the Number of Reference Shares (16,929,628) by two-thirds (resulting in 112,864, rounded up to the nearest whole number), subtracting from this product the total number of voting rights (227) represented by the number of the Restricted Shares held by the Target Company’s directors, excluding Mr. Iwao Fusejima (total of 22,803 shares; ownership ratio: 0.13%) (Note 4) and the total number of voting rights (38,554) represented by the Non-Tendered Shares held by the Non-Tendering Shareholders, and multiplying that result (74,083) by 100, which is the number of shares in one share unit of the Target Company, and it satisfies the conditions for a “majority of minority” stated in the relevant explanations below (4. Period and Price for Purchase, etc. and Number of Share Certificates to be Purchased>> (2) Purchase price >>“Background of calculation” >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer) >>8 Setting a minimum number of shares to be purchased that is greater than the number corresponding to the “majority of minority”.) The reason for setting such minimum number of shares to be purchased is as follows: the object of the Transactions is to delist the Target Company Shares, and given that implementation of the Share Consolidation procedures explained below in “(5) Post-Tender Offer reorganization policy (Matters relating to the “Two-Step” Acquisition)” will require a special resolution of a general shareholders meeting as specified in the Companies Act (Act No. 86 of 2005; as amended; “**Companies Act**”), Article 309, paragraph (2), the minimum number of shares to be purchased was set to make it sure that the Transactions can be implemented. Furthermore, the Tender Offeror and the Non-Tendering Shareholders have agreed that the Non-Tendering Shareholders will not tender their shares in the Tender Offer and that they will support the resolutions relating to the Squeeze-out Procedures at the Extraordinary General Shareholders Meeting if the Tender Offer is completed, therefore the Non-Tendered Shares are excluded from the calculation of the number of voting rights above.

Note 4: The Restricted Shares cannot be tendered in the Tender Offer because there are restrictions on their transfer, but at a meeting of the Target Company’s Board of Directors held on July 14, 2025, a resolution was made to express an opinion in support of the Tender Offer premised on the delisting; all directors to whom the Restricted Shares have been granted voted in favor of the resolution, and thus appear likely to agree to the Squeeze-out Procedures if the Tender Offer is completed. Therefore, the number of voting rights represented by these Restricted Shares held by the directors of the Target Company was subtracted when considering the minimum number of shares to be purchased.

If the Tender Offeror is unable to acquire all Target Company Shares through the Tender Offer (including the Restricted Shares but excluding treasury shares held by the Target Company and the Non-Tendered Shares), after the completion of the Tender Offer, the Tender Offeror will carry out a series of procedures designed to make the Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Target Company (“**Squeeze-out Procedures**”; for details, please see “(5) Post-Tender Offer reorganization policy (Matters relating to the “Two-Step” Acquisition)” below).

With the aim of preventing, to the extent possible, as of the effective date of the Share Consolidation to be carried out as part of the Squeeze-out Procedures (“**Effective Date**”), a circumstance where a Target Company’s shareholder other than the Tender Offeror and the Non-Tendering Shareholders holds more than the smallest number of the Target Company Shares held individually by the Tender Offeror or the Non-Tendering Shareholders, and of

enhancing the stability of the Squeeze-out Procedures, if the Tender Offeror determines it is necessary to implement the Share Lending Transaction to achieve that aim, it may execute a loan agreement for the Target Company Shares with the Non-Tendering Shareholders and borrow a portion of the Target Company Shares held by such Non-Tendering Shareholders, who will be the lender (“**Share Lending Transaction**”), effective before the Share Consolidation comes into effect. Specifically, such transaction is aimed at achieving continuous ownership of the Target Company Shares by the Non-Tendering Shareholders even after the Squeeze-out Procedures are carried out, through the following steps: (1) the relevant Non-Tendering Shareholder becomes the lender in the Share Lending Transaction and lends all or a portion of the Target Company Shares held by it to the Tender Offeror and (2) after the Share Consolidation comes into force, the Tender Offeror, having become the borrower in the Share Lending Transaction, unwinds the Share Lending Transaction and returns all of the Target Company Shares it borrowed to the lender. In a case where the Share Lending Transaction is indeed to be carried out, to enable the Tender Offeror as the borrower to return, after the Share Consolidation, the Target Company Shares having the same value as the Target Company Shares it borrowed, the Tender Offeror plans to ask the Target Company to split the Target Company Shares on a record date and at a ratio to be separately designated by the Tender Offeror; but no details have been decided as of the Submission Date. The share-lending fee is planned to be free.

Moreover, as stated in “3 Funds to be borrowed on or after the Submission Date” in (2) Deposits or borrowings allocable for funds required for purchase” under “8. Funds Required for Purchase, etc.” below, the Tender Offeror plans to finance the funds required for settlement relating to the Tender Offer with a loan (“**Loan**”) from SUMITOMO MITSUI BANKING CORPORATION (“**Sumitomo Mitsui Bank**”), and intends to carry out borrowing of the Loan by one business day before the commencement date of settlement of the Tender Offer, subject to the completion of the Tender Offer. Details of lending terms and conditions for the Loan are to be stipulated in an agreement for the Loan following separate negotiations with Sumitomo Mitsui Bank.

The Tender Offeror intends to become the sole shareholder of the Target Company eventually, and as a means for achieving such objective, the Tender Offeror plans to carry out, subject to the completion of the Squeeze-out Procedures, a share swap with the Tender Offeror’s shares as consideration (“**Share Swap**”), having the Tender Offeror as the wholly-owning parent after the Share Swap and the Target Company as a wholly-owned subsidiary after the Share Swap; details have yet to be decided as of the Submission Date (Note 5, Note 6).

Note 5: Through the Share Swap, the Non-Tendering Shareholders will acquire the Tender Offeror’s shares; the purpose of this is for the Non-Tendering Shareholders who plan, after the Transactions, to continue to engage in the management or business of the Target Company to have, through the ownership of the Tender Offeror’s shares, a shared incentive towards enhancing the corporate value of the Target Company after the Transactions. Because the Share Swap is not seen as the same as consideration for tendering shares in the Tender Offer, it does not contravene the intent behind the stipulations on uniformity of the tender offer price (Article 27-2, paragraph (3) of the Act).

Note 6: When determining the Share Swap ratio, in order not to contravene the intent behind the stipulations on uniformity of tender offer price (Article 27-2, paragraph (3) of the Act), it is planned that the value of the Target Company Shares will be evaluated at the substantially same per-share price as the purchase price per Target Company Share in the Tender Offer (“**Tender Offer Price**”).

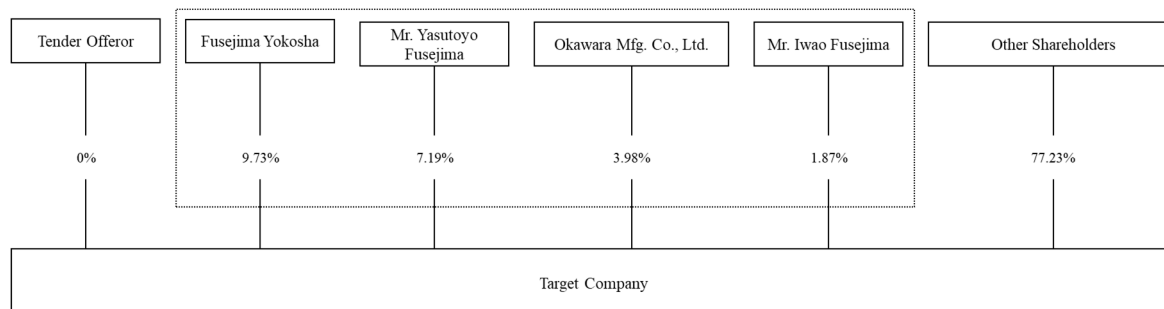
According to “Notice Regarding the Implementation of Management Buyout (MBO) and Recommendation to Tender Shares” announced by the Target Company on July 14, 2025 (“**Target Company Press Release**”), at a meeting of the Target Company’s Board of Directors held on the same day, the Target Company passed resolutions expressing an opinion in support of the Tender Offer and recommending that its shareholders tender their shares in the Tender Offer.

For details of the above resolutions by the Target Company’s Board of Directors, please see the Target Company

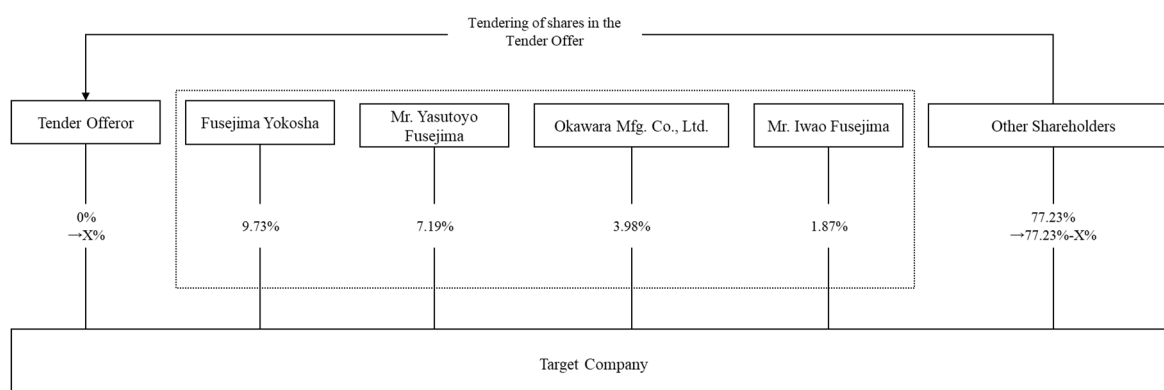
Press Release and the relevant explanations below (4. Period and Price of Purchase, etc., and Number of Share Certificates to be Purchased, etc. >>(2) Purchase price >>Background of the calculation>>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>7 Approval of the Target Company's all disinterested directors and the opinion about the absence of objections from all disinterested statutory auditors)

The following diagrams outline the Transactions.

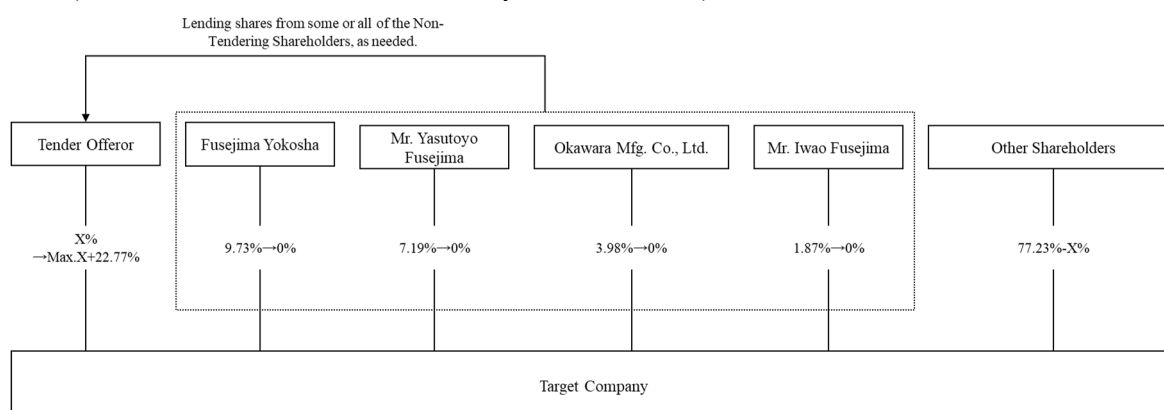
#### I. Current Situation



#### II. Settlement of the Tender Offer



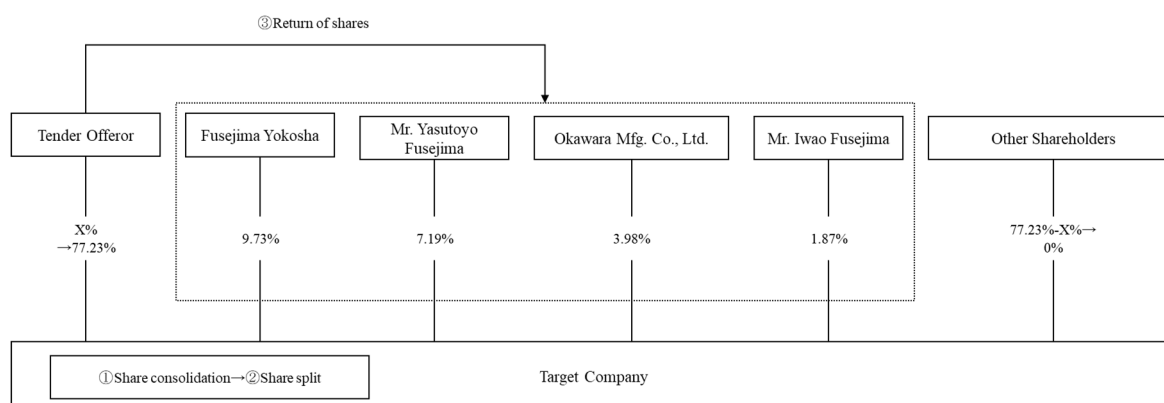
#### III. Execution of Share Lending Transaction before the Share Consolidation comes into effect, as needed (scheduled from late November to early December 2025)



#### IV. Execution of Squeeze-out Procedures

If the Share Lending Transaction is implemented, after the share split, return of shares will be carried out

(scheduled from late November to early December 2025).



## (2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy

### [1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer

According to the Target Company Press Release, the Target Company was established in April 1964 in Chiyoda-ku, Tokyo, to develop “automatic film coating devices” (Note 7) for pharmaceuticals and “film coating solutions (gastro-soluble/enteric)” (Note 8) to be used with those devices. The Target Company’s shares were registered as over-the-counter stock with the Japan Securities Dealers Association in July 1996, were listed on the JASDAQ Securities Exchange in December 2004, and with the integration of the JASDAQ Securities Exchange and the Osaka Securities Exchange in April 2010, were listed on the JASDAQ Market of the Osaka Securities Exchange. After the market reclassification by the TSE in April 2022, they remain listed on the TSE Standard Market as of the Submission Date.

As of the Submission Date, the Target Company group comprises the Target Company, four subsidiaries (of which three are consolidated subsidiaries), and one equity method affiliate (collectively, “**Target Company Group**”), which is engaged in the manufacturing and sales of mechanical devices and chemical products. Details of each business are described below.

Note 7: It refers to a device for coating films uniformly on the surface of pharmaceuticals, such as tablets, and foodstuffs.

Note 8: It refers to a liquid solution to form a thin film on the surface of pharmaceuticals, such as tablets and granules

#### (a) Manufacturing and sales business for mechanical devices

The Target Company manufactures and sells machinery mainly designed for pharmaceutical manufacturing, with a track record of supplying its products to over 100 pharmaceutical manufacturers in Japan. It has more than 60 years of successful performance in providing devices for manufacturing pharmaceutical tablets. Its core technologies consist of the “granulation technique” used for enhancing solubility and fluidity of fine particles and the “coating technique” used for masking bitter taste and odors or protecting the quality from moisture and light, which technologies are used not only for manufacturing pharmaceutical products but also for manufacturing foodstuff familiar in daily life, such as soup powder, green juice (*aojiru*) and coffee sticks. Mechanical devices manufactured by the Target Company are also used in the chemical industry, including the manufacturing of toner for multifunction printers and catalysts.

In the field of manufacturing machinery for pharmaceuticals, the Target Company also manufactures and sells devices used in the front-end processes of pharmaceutical manufacturing, such as foreign body removal, pulverization, and mixing, and has organized a system capable of undertaking a series of processes, including



designing, installing, and starting a plant. The Target Company also undertakes maintenance and supplies components after delivery.

The Target Company considers going forward, while labor shortage is anticipated in domestic markets in conjunction with the declining birthrate, the aging of society, and a shrinking population, it has focused on development of new technologies that contribute to establishment of a manpower-saving, automated production process to enable its customers to increase productivity while maintaining quality.

In global markets, cooperating with its subsidiaries in the United States and Italy, the Target Company has intensified its sales activity not only in the United States and Europe but also in Central and South America, as well as in emerging countries in which the Target Company expects the rise in demand for pharmaceutical machinery due to the growth of population.

#### (b) Manufacturing and sales business for chemical products

The Target Company manufactures and sells pharmaceutical excipients, mainly used in pharmaceuticals and food-grade preservatives to improve the shelf life of foodstuffs, such as baked confectionery, and to maintain their palatability.

In pharmaceuticals, the portion of principal agents as active ingredients comprises around 5 to 10 percent of pharmaceutical tablets, and the remaining ingredients are pharmaceutical excipients. They are manufactured in tablets together with the principal agents to stabilize quality and make pharmaceuticals easier to swallow and carry around. Their main ingredients are lactose (Note 9) and mannitol (Note 10), which do not affect the human body or the principal agents. A pharmaceutical manufacturer is imposed a statutory obligation to ensure a stable supply of their products; therefore, the Target Company is also required to ensure a stable supply of high-quality pharmaceutical excipients. In addition, for the Target Company to be selected by its client pharmaceutical manufacturers as their new supplier, it is critical that its products will be adopted at the development phase for new products by those clients, and sales activities capable of proposing solutions to their technical issues are essential.

Note 9: It refers to lactose, a type of disaccharide contained in milk and dairy products, consisting of a galactose bound to glucose.

Note 10: It refers to a type of sugar alcohol.

Food-grade preservatives are packaged with foodstuff to keep them safe and palatable; in particular, the ethanol evaporation type of food preservatives developed by the Target Company (Note 11) are widely used for baked confectionery, such as castella and Baumkuchen, to inhibit the growth of microorganisms such as molds while maintaining a soft and moist texture, serving to extend the best-before date. The Target Company is currently striving to reduce costs and enhance production efficiency through various approaches, such as automating production lines, to survive severe price competition.

Note 11: It refers to a food-grade freshness preservative that absorbs ethanol onto a special carrier and gradually releases the ethanol vapor within the sealed package, thereby inhibiting the growth of microorganisms such as mold.

The Target Company considers the pharmaceutical industry, its primary client base, to be a core industry which supports national life as an essential infrastructure contributing to the overcoming of diseases and the maintenance of good health; thus, requires long-term investment in drug discovery, R&D, and other such endeavors, as characterized by the lengthy life cycles of pharmaceuticals. Domestically, with the rise in social security costs, particularly medical expenses, associated with the declining birthrate and the aging of society, as well as the increased use of generic pharmaceuticals, the shortage of pharmaceutical supply due to quality issues caused by some generic pharmaceutical manufacturers has emerged as a social issue. In this respect, the role of the Target Company in the pharmaceutical industry has been expanding.

In these circumstances, the Fusejimas, etc., came to believe that managerial decision-making from a long-term perspective is essential for ensuring the continued growth of the Target Company and enhancing its corporate value.

And they concluded in early February 2025 that taking the Target Company private will allow the establishment of a framework enabling more agile and strategic decision-making, freeing it from the constraints of short-term operating results and share-price movements, therefore, it is necessary to take the Target Company private and facilitate a long-term growth strategy under the more flexible management structures, not focusing on short-term performance and share value only. Specifically, they are considering implementing the measures described in (I) to (VI) below:

(I) Maintenance and improvement of a high-quality and stable production system

The Target Company Group has two flagship products: granulation and coating devices (machinery) for pharmaceuticals and pharmaceutical excipients (chemical products). The Target Company is confident that it is the only corporation in the world that engages in both these fields. Since its founding, it has expanded its business areas, leveraging its strength in “high-quality and stable manufacturing” by combining these proprietary technologies, creating numerous products and solutions that meet customer needs.

As the Fusejimas, etc., the proponents, consider that pharmaceuticals are directly connected with human life and healthy lifestyles and the shortage of supply of drugs is becoming increasingly serious in Japan, they recognize that the importance of the Target Company Group as a stable supplier of drug formulation machinery and pharmaceutical excipients of a high quality has been rising more than ever in contributing to increase in supply by pharmaceutical manufacturers.

However, the recent labor shortage resulting from the aging of society and a shrinking working population has also become a significant issue for the Target Company, a concern shared by its client pharmaceutical manufacturers, who purchase the Target Company’s machinery. Therefore, the Target Company expects that R&D investments for machinery design, automation, and manpower-saving, while taking safety into account and maintaining a high quality, would be necessary. The Fusejimas, etc., believe that, as it is difficult to achieve short-term return on such investments, the Target Company should adopt an approach from a longer-term perspective.

In addition, the business performance of manufacturing and sales of mechanical devices is susceptible to the trend in capital investments by pharmaceutical manufacturers; thus, it is difficult to expect continuous revenue expansion. The Fusejimas, etc., also consider that curtailing R&D investments to pursue a good performance in the short term is likely to hinder the continued growth of the Target Company.

(II) Continuous investments for expanding into overseas markets

In domestic markets, due to a shrinking population, the progression of declining birth rates, and the aging of society, the demand for pharmaceutical products is expected to reach a ceiling in the long term. On the other hand, in global markets, with a growing and aging population, the demand for pharmaceutical products is expected to increase due to the expansion of income and population, which are projected to be the growing markets over the medium to long term for the Target Company Group. The Fusejimas, etc., therefore, consider that the Target Company Group is called upon to play its role in expanding the machinery technology established in Japan globally.

Under these circumstances, in addition to its Japanese and U.S. subsidiaries, the Target Company Group has expanded its overseas business bases by acquiring Cos. Mec. S.r.L. (currently Freund Italy S.r.L.) in 2020, and establishing Parle Freund Machinery Private Limited in India in 2019, and Freund-Chineway Pharmaceutical Technology Center Co., Ltd. in China in 2021, thereby steadily enlarging its market in emerging countries and organizing its operational framework in global markets. However, in recent years, there were times when the performance of overseas group companies was unsatisfactory, due to various factors, including the COVID-19 pandemic, political disturbances in Bangladesh, and the materialization of geopolitical risks, such as the situation in the Middle East. In this light, the Fusejimas, etc., believe that to achieve stable performance in global markets, operations based on a longer-term perspective are more indispensable than those in domestic markets, for instance,

the continuance of investment involving repeated trials and errors. Nevertheless, global markets projected to continue expanding are critical for the growth of the Target Company Group, and they consider that it is necessary to dynamically advance measures under a flexible structure that facilitates managerial decision-making, prioritizing long-term growth over short-term profits.

### (III) Provision of solutions through innovations

In a challenging and constantly changing business environment driven by the rapid progress of AI (artificial intelligence) and biotechnology, downward pressure on drug prices, and increasingly diversified patients' need, the machinery business of the Target Company Group has implemented innovative processes for R&D and production by leveraging DX (digital transformation) and cutting-edge technology to enhance its competitiveness and drive further growth, while ensuring high quality and safety. The Target Company Group aims to enable pharmaceutical manufacturers to improve their productivity and product quality by focusing on optimizing the manufacturing process and remote monitoring for predictive maintenance using AI.

More specifically, the Target Company Group expects to acquire new projects on a global basis by taking various approaches, including the following: investing its management resources in (i) the building of a mechanism that enables senior employees to perform machine diagnostics and maintenance by using IT technologies without visiting pharmaceutical manufacturers, (ii) the development of the next generation of production solutions, such as continuous manufacturing technology, and (iii) the enhancement of product development and technological capabilities through leveraging digital technology, such as generative AI, and also establishing a framework for providing next-generation production solutions not only to domestic but also overseas markets, and the Fusejimas, etc., share a similar view.

However, the Fusejimas, etc., have realized that these approaches should be taken as medium-to long-term management measures, as they cannot be established instantly, but will take shape through continued investments and repeated trial and error.

### (IV) Flexible business portfolio composition

The Target Company Group also focuses on exploring untapped markets in the machinery business outside the pharmaceutical industry, such as foodstuffs and cosmetics, as well as new markets, typically related to secondary batteries, to diversify its profit base. In the chemical product business (Note 12), the Target Company Group aims to expand its business areas for pharmaceutical excipients and food-grade preservatives by developing new pharmaceutical excipients and exploring overseas markets, to build a stable demand base.

Meanwhile, as initiatives in new business areas require a considerable investment and amount of time before they start to contribute to business performance, it is difficult to seek a return on investment in the short term. Accordingly, the Fusejimas, etc., consider that it is critical to continue investing management resources in pharmaceutical excipients and food preservatives, which constitute a stable revenue structure in new business areas more expeditiously and boldly than ever. They also believe that it is necessary to dynamically implement measures under a flexible structure that enables managerial decision-making, prioritizing long-term growth over short-term shareholder profits or profit margin, as it is difficult to pursue short-term return on investment from exploration of new areas and expansion of businesses as stated above; thus, it is indispensable to invest management resources from a middle- to longer-term perspective.

They consider it necessary to pursue further increases in market penetration for food-grade preservatives as well, through accelerating the expansion of the product line and development of new applications to meet growing market needs.

The Fusejimas, etc., also believe that identifying business areas where market growth is projected and continuing such active investments for its growth will be essential for the Target Company Group to continuously enhance its corporate value and lead the industry into the future.

Furthermore, they consider proactive and flexible investments in management resources as necessary in the field of pharmaceutical excipients, where the Target Company Group has strengths, not only to enhance production

capacity and develop new products for launch, but also to expand the domestic and overseas customer base and strengthen relationships with customers.

Note 12: It refers to a business primarily engaged in the development, manufacturing, and sales of pharmaceutical excipients and food-grade preservatives.

(V) Strengthening research and development capabilities and enhancing business creation through open innovation

The Target Company Group believes that the strategies of autonomous growth, which deepen its technological capabilities in areas where it already has a high degree of competitive advantage, and of rapid expansion into new business areas by leveraging external management resources, will both be essential for demonstrating competitive advantage and achieving sustainable growth in the future.

Under these circumstances, the Target Company Group has been actively committed to joint research with universities and research institutes, aiming to introduce new technologies into the product development and production process, thereby developing a variety of products through academia-industry collaboration with universities and pharmaceutical manufacturers in the fields of devices and additives. Through such collaboration with outside partners, the Target Company Group has flexibly adopted external knowledge and ideas.

The Fusejimas, etc., consider that “aggressive R&D strategies” that integrate resources and ideas non-existent within the Target Company obtained through collaboration with external partners (open innovation) into the core technologies internally cultivated, thereby creating new values, are essential. Especially, to expeditiously and appropriately respond to the pace of the recent progress in the manufacturing process technology for pharmaceuticals and digital technology, they believe that collaboration among industry, academia, and government as well as cross-industry collaboration, rather than working alone, are critical, and that it is necessary to make decisions more flexibly and boldly than ever with respect to external collaboration for investing management resources and to seek significant enhancement of R&D capabilities and new business development capabilities.

Furthermore, the Fusejimas, etc., are looking into strengthening the Target Company’s collaboration and tie-ups with domestic and overseas business partners, and implementing a broader review of its capital policy than before, to continuously enhance the Target Company Group’s technological capabilities and competitive advantage. Also, they consider that further growth can be achieved by forming alliances, including dynamic M&As, in line with each business strategy, and pursuing the merger of the cutting-edge technologies, know-how, ideas, and so on, of partners’ businesses with its technologies as well as optimizing management resources in terms of capital, thereby believing that these measures will contribute to creating corporate value.

(VI) Redesign and enhancement of human resources strategy to support sustainable growth

Amidst the social problems in Japan, including a shrinking working population associated with the declining birthrate and the aging of society, the Target Company Group recognizes that it will become more indispensable than ever to recruit outstanding talents to maintain and improve business competitiveness in the future. Especially, achieving growth over the medium to long term under the increasingly challenging business environment will require embodying its corporate philosophy, “Develop the Future through Creativity”, as well as recruiting individuals with diverse knowledge, experience, and values who can implement the business structure reforms described above and the challenges of entering new markets, and building mechanisms that can encourage growth and active participation by those human resources.

Under these circumstances, the Target Company Group has strived for reforms of personnel systems and enhancement of human resource development programs. As part of such efforts, for instance, the Target Company Group has already established new career development courses intended to promote active participation by highly specialized talents and introduced succession plans for nurturing the next generation of managerial executive staff; thereby facilitating the development of an environment where diverse personnel can demonstrate their strengths, respectively. The Target Company Group has also invested efforts in fostering engineers and researchers in the past,

and has developed various programs, including those to enhance expert skills, support acquiring qualifications, and provide overseas training courses. Through these efforts, the Target Company Group has strived to maintain the foundation for developing human resources, aiming at the creation of a virtuous cycle in which the growth of each employee leads to the whole company's sustainable development.

The Fusejimas, etc., believe, however, that further enhancement of the human resource strategy is essential for the Target Company Group to maintain its competitive advantage continuously in the industry. More specifically, they consider that it is indispensable to sophisticate and develop personnel through internal accumulation of cutting-edge expertise and technologies and to secure diverse people by promoting "diversity, equity and inclusion" through several approaches, such as strengthening the support system for balanced child/nursing care and work, proactive recruitment of overseas and mid-career talents, and introduction of support programs for rising the percentage of female managers and mentorship. Additionally, they believe that it is crucial to proactively make investments in the development and acquisition of talents who can play the roles in creating innovations stated in (III) and (V) above. The Fusejimas, etc., are convinced that human resources do form the foundation for business growth, and making investments in human capital will directly contribute to the continuous creation of innovations and enhancement of corporate value over the medium to long term. Therefore, they intend to allocate more management resources to the personnel-related areas than ever after the Tender Offer, thereby strengthening the competitiveness in both quality and quantity of capital, that is, "humans".

Specific measures being considered by the Fusejimas, etc., include initially reconstructing the education and training system that supports employees in strengthening their expertise. They plan to enhance the opportunities for reskilling (relearning) and specialized training for all domestic and overseas employees, and establish a mechanism that enables continuous learning of the latest trends in technology and knowledge. For instance, they will consider providing in-house training sessions on cutting-edge technology related to machinery for manufacturing pharmaceuticals, as well as knowledge about pharmaceutical development, and dispatching employees for collaboration programs with universities and research institutions. Further, they are going to facilitate the introduction of cross-organizational job rotation, and to expand employees' perspectives and expertise by rotational assignment of personnel between domestic and overseas locations, from a global perspective, to ensure that they can develop experience in multiple departments and regions, and proactively engaging in cross-industry exchange to gain a new insight. Strengthening their respective expertise is expected to lead to further enhancements in product development and technological capabilities, as well as increased productivity across the whole Group.

Further, the Fusejimas, etc., will proactively recruit external talents. To hire highly specialized individuals capable of active participation on a global basis, they are considering establishing flexible and appropriate personnel systems. This includes a review of the evaluation system and compensation structure, as well as a system that facilitates the expedient recruitment of outstanding talents from outside the company, as necessary. For instance, new perspectives and knowledge will be introduced into the company through the invitation of experts with experience in the R&D area and the hiring of mid-career experts who have made achievements in overseas pharmaceutical manufacturing and engineering fields. The Target Company will also focus on enhancing its incentive system to boost employees' motivation and implementing personnel treatment based on fair evaluation. In the belief that humans are the wellspring of enhanced corporate value, the Fusejimas, etc. are committed to making generous investments in human capital of the Target Company.

Meanwhile, since December 2024, the Fusejimas, etc., have come to believe, through the process of concrete examinations of each of the measures described in (I) to (VI) above, that these approaches will not instantly contribute to the Target Company Group's business performance, but considerable time and upfront investment will be necessary. For this reason, there is a risk that the Target Company Group's financial standing and business performance may temporarily deteriorate, including a decline in profit levels and deterioration of cash flows, and the possibility that the Target Company Group will temporarily face difficulty generating expected profits cannot be denied.

Furthermore, Mr. Iwao Fusejima anticipates that, since the Target Company is a listed company and a commitment to short-term performance is required, if the decision to prioritize medium-to long-term growth through the execution of the measures described above is made, that decision may be unlikely to be sufficiently appreciated by the capital markets, and the Target Company's share price may decline, and the interests of existing shareholders may be impaired. Consequently, Mr. Iwao Fusejima has come to believe that it will be difficult to implement these measures while the Target Company remains a listed company.

In addition, since its shares were listed on the JASDAQ Securities Exchange in 2004, the Target Company has enjoyed the benefits of being listed, including recruiting outstanding talents due to its increased name recognition and enhanced social trust. However, considering the relationships with financial institutions, the Target Company will be able to secure the capital necessary for business operations through equity and borrowings from financial institutions. It has also already established a certain level of brand recognition and credibility among its business partners. Therefore, Mr. Iwao Fusejima considers that both the need for and the benefits of maintaining the Target Company's public listing are currently diminishing.

Additionally, due to revisions to the Corporate Governance Code and tighter regulation of capital markets in recent years, the Target Company has faced a yearly increase in the burden of handling a lot of matters that require additional and ongoing disclosure to stakeholders through securities reports and corporate governance reports. The human and financial costs necessary for maintaining the Target Company as a publicly traded listing entity, including accounting audit fees, shareholder meeting expenses, and securities agency-related fees, are rising. Mr. Iwao Fusejima, therefore, concluded that, since these costs would likely impose substantial burdens on the execution of the company management, it has become difficult to find the significance of maintaining the listing of the Target Company's shares.

Given that, in the course of considering optimal medium- to long-term growth strategies for the Target Company Group as stated above, Mr. Iwao Fusejima began looking into delisting the Target Company's shares as one possible option. Subsequently, in early February 2025, he reached the conclusion that in order to stably and continuously increase the Target Company Group's corporate value without being constrained by short-term profits, delisting the Target Company's shares at the earliest possible time would be the most effective means of dynamically carrying out various measures while avoiding having the Target Company shareholders bear the risk, including a decline in share price due to a temporary deterioration of business performance in conjunction with execution of the measures stated above.

At the same time, the Fusejimas, etc., consider that to consistently implement the measures stated above from a medium- to long-term perspective and achieve improved corporate value, it will be necessary to delist the Target Company's shares while maintaining continuity with its business management conducted until now, and for that purpose, it will be required for Mr. Iwao Fusejima, a member of the Target Company's founding family and the current representative director, who is well-versed in the company business, to remain in the position of representative director. Furthermore, they consider that it will be indispensable for the Target Company's management team and shareholders to work closely together and conduct even more flexible and dynamic management decision-making by having members of the founding family become shareholders and assume the burdens of risk in place of general shareholders, thereby concluding that a management buyout (MBO) will be the optimal method. Mr. Iwao Fusejima then acquired the shares of the Tender Offeror, assumed the office of its representative director, and thus decided to make the Tender Offeror the primary vehicle for implementing the Transactions, including the Tender Offer.

When looking further into the Transactions based on the above thinking, Mr. Iwao Fusejima selected CO Partners K.K. ("**CO Partners**") as their external financial advisor in early February 2025, and Kitahama Partners ("**Kitahama Partners**") as their external legal advisor, and commenced concrete examinations. Also, Mr. Iwao Fusejima submitted a non-binding letter of intent regarding the initial proposal for the Transactions ("**Letter of Intent**") to the Target Company on February 14, 2025, and made a request to conduct due diligence.

On February 21, 2025, Mr. Iwao Fusejima was informed by the Target Company that they had established a Special Committee (as defined in “[2] Decision-making process leading to the Target Company’s support of the Tender Offer; Reasons”; the same applies hereinafter) and would confer and negotiate with him for implementation of the Transactions. Subsequently, Mr. Iwao Fusejima conducted financial, tax, and legal due diligence of the Target Company from February 21 to May 27, 2025. Then, he had repeated discussions and examinations with the Target Company and the Special Committee concerning the Tender Offer Price during the period from June 10 to July 14, 2025, taking into account the overview of the Tender Offer, including the objectives of the Transactions, stated in the Letter of Intent, the impact of the Transactions on the Target Company, the details of management policies after the Transactions, the recent share price trends, and the results of due diligence.

Specifically, on June 10, 2025, subject to the condition that the Target Company not pay any year-end dividends for the fiscal year ending February 2026, the Tender Offeror made an initial proposal to the Target Company for a Tender Offer Price of 1,000 yen after confirming that this price represents a premium of 38.70% (rounded off to the second decimal, the same applies to the calculation of premium rates on share prices, hereinafter) over the closing price of 721 yen for the Target Company’s shares on the TSE Standard Market on June 9, 2025, a premium of 37.74% over the simple average closing price in the latest one month of 726 yen), a premium of 35.32% over the simple average closing price in the latest three months of 739 yen, and a premium of 33.87% over the simple average closing price over the latest six months of 747 yen. In response to this, on June 20, 2025, the Tender Offeror received a request from the Special Committee to reconsider the Tender Offer Price because the level of the proposed price was not sufficient to convince it that full consideration was given to its general shareholders’ interests. Then, the Tender Offeror made another proposal to the Target Company on June 23, 2025 for a Tender Offer Price of 1,010 yen after confirming that this price represents a premium of 38.55% over the closing price of 729 yen for the Target Company’s shares on the TSE Standard Market on June 20, 2025, a premium of 39.50% over the simple average closing price in the latest one month of 724 yen, a premium of 37.60% over the simple average closing price in the latest three months of 734 yen, and a premium of 34.85% over the simple average closing price in the latest six months of 749 yen. After that, on July 4, 2025, Tender Offeror received a request from the Special Committee to reconsider the Tender Offer Price because the level of the proposed price was still not sufficient to convince it that full consideration was given to its general shareholders’ interests in light of the premium level and other factors of the recent similar transactions. Then, the Tender Offeror made another proposal to the Target Company on July 7, 2025 for a Tender Offer Price of 1,050 yen after confirming that this price represents a premium of 41.32% over the closing price of 743 yen for the Target Company’s shares on the TSE Standard Market on July 4, 2025, a premium of 43.05% over the simple average closing price in the latest one month of 734 yen, a premium of 44.03% over the simple average closing price in the latest three months of 729 yen, and a premium of 40.00% over the simple average closing price in the latest six months of 750 yen. However, on July 10, 2025, the Tender Offeror received a request again from the Special Committee to reconsider the Tender Offer Price because that, although it is appreciated that the level of the proposed price was no longer inferior to the premium level and other factors of the recent similar transactions, but that is still not sufficient to convince it that there is no more room to make a new proposal of the Tender Offer Price that contributes to the general shareholders’ interests. With that, given the negotiations with Kaname Capital L.P. that led to the execution of the Tendering Agreement (JAVF ) explained below, the Tender Offeror made a final proposal to the Target Company on July 13, 2025, for a Tender Offer Price of 1,085 yen, after confirming that this price represents a premium of 42.58% over the closing price of 761 yen for the Target Company Shares on the TSE Standard Market on July 11, 2025, a premium of 46.42% over the simple average closing price in the latest one month of 741 yen, a premium of 47.82% over the simple average closing price in the latest three months of 734yen, and a premium of 44.47% over the simple average closing price in the latest six months of 751yen. Consequently, on July 14, 2025, the Tender Offeror received from the Special Committee a response to the effect that it accepted the final proposal.

In parallel with the above negotiations with the Target Company, to increase the likelihood of the Tender Offer’s successful completion, the Tender Offeror commenced negotiations with JAVF in late June 2025 for the execution of the Tendering Agreement (JAVF). After that, on July 14, 2025, the Tender Offeror reached an agreement with

JAVF regarding the particulars of the Tendering Agreement (JAVF). For details of the Tendering Agreement (JAVF), please see “[2] Tendering Agreement (JAVF)” in “(4) Important agreements relating to the Tender Offer” below. Through the above discussions and negotiations, on July 14, 2025, the Tender Offeror decided to set a Tender Offer Price of 1,085 yen and implement the Tender Offer as part of the Transactions.

[2] The decision-making process leading to the Target Company’s support of the Tender Offer; Reasons

According to the Target Company Press Release, the decision-making process leading to the Target Company’s support of the Tender Offer and the reasons for this support are as follows.

As stated in “[1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer,” the Target Company received the Letter of Intent from Mr. Iwao Fusejima on February 14, 2025. In examining the contents of the Letter of Intent, as stated in the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.>> (2) Purchase price >> “Background of the calculation” >> (Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer), the Target Company appointed TMI Associates as its legal advisor and PwC Advisory LLC (“**PwC Advisory**”) as its financial advisor and third-party valuation agent in mid-February 2025, to ensure the fairness of the Tender Offer Price and the overall fairness of the Transactions, including the Tender Offer. Both advisors were selected as independent from all relevant parties to the Tender Offer, including the Target Company, the Tender Offeror, and the Non-Tendering Shareholders (collectively, “**Tender Offer Related Parties**”).

Given that the Transactions fall under a management buyout (MBO), which inherently involves structural conflicts of interest, the Target Company deemed it essential to exercise heightened care in its decision-making process, and to eliminate arbitrariness and conflicts of interest in the decision-making of its Board of Directors and to ensure its fairness, the Target Company established a special committee ( “**Special Committee**”) on February 21, 2025, for the purpose of examining the proposal described in the Letter of Intent.

The Special Committee is composed of four members: Mr. Hisashi Tanaka and Mr. Ryuichi Kume (Chairman of the Board of Directors of KOKANDO Co., Ltd. and Representative Director and Chairman of NeoScience Co., Ltd.), both outside and independent directors of the Target Company; and Ms. Sayoko Izumoto (Certified Public Accountant and Representative of Izumoto CPA Office) and Mr. Kazunari Hamada (Attorney at Law and Partner at Yabuki Law Office), both outside and independent statutory auditors of the Target Company.

At the first meeting of the Special Committee held on February 21, 2025, the committee confirmed that there were no issues with the independence or expertise of both advisors and approved the appointment of TMI Associates as a legal advisor and PwC Advisory as a financial advisor and third-party valuation agent for the Target Company.

Furthermore, at the second meeting of the Special Committee held on February 28, 2025, the committee—having confirmed their independence and expertise—appointed Okada, Imanishi & Yamamoto Law Office as its independent legal advisor. After that, at the eighth meeting held on May 9, 2025, the Special Committee appointed Guardian Advisors Inc. (“**Guardian Advisors**”) as its independent third-party valuation agent.

For details regarding the composition and activities of the Special Committee, please see the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>[1] Establishment of an independent Special Committee at the Target Company and obtaining an opinion (report))

The Target Company, based on negotiation policies and key strategic considerations that had been confirmed in advance by the Special Committee—including opinions, instructions, and requests during critical stages of the negotiations—engaged in multiple rounds of discussions and negotiations with Mr. Iwao Fusejima and the Tender Offeror regarding the implementation and terms of the Transactions. These discussions were conducted with the support and advice of TMI Associates and PwC Advisory.

Specifically, on March 4, June 2, and June 13, 2025, the Target Company conducted interviews with Mr. Iwao



Fusejima through the Special Committee. During these sessions, and received explanations from Mr. Iwao Fusejima regarding the purpose and significance of the Transactions, their structure and terms, and the Target Company's post-Transactions management policy, followed by Q&A sessions.

With respect to the Tender Offer Price, on June 10, 2025, the Target Company and the Special Committee received from Mr. Iwao Fusejima his initial proposal to set the Tender Offer Price at 1,000 yen per share, based on the results of due diligence conducted on the Target Company and a multifaceted and comprehensive analysis of factors, such as the business environment, financial condition, and the market value trends of the Target Company Shares. This price represented a premium of 38.70% over the closing price of the Target Company Shares on TSE Standard Market as of June 9, 2025 (the business day immediately before the proposal date), which was 721 yen; a premium of 37.74% over the one-month simple average closing price of 726 yen; a premium of 35.32% over the three-month simple average of 739 yen; and a premium of 33.87% over the six-month simple average of 747 yen.

After receiving this proposal, and in light of the valuation results provided by PwC Advisory and the opinion of the Special Committee, the Target Company—supported by the advice of both PwC Advisory and TMI Associates—formally requested the Tender Offeror on June 20, 2025, to reconsider the proposed Tender Offer Price because although the proposed price can be regarded as being set taking into a certain degree of consideration its general shareholders, the price level was not sufficient to convince it that full consideration was given to its general shareholders' interests.

Subsequently, on June 23, 2025, the Target Company received a revised proposal from the Tender Offeror, based on the results of the due diligence conducted on the Target Company and a multifaceted and comprehensive analysis factors, such as the business environment, financial condition, and the market value trends of the Target Company Shares, to set the Tender Offer Price at 1,010 yen per share. This revised price represented a premium of 38.55% over the closing price of the Target Company Shares on the TSE Standard Market as of June 20, 2025 (the business day immediately before to the proposal date), which was 729 yen; a premium of 39.50% over the one-month simple average closing price of 724 yen; a premium of 37.60% over the three-month simple average of 734 yen; and a premium of 34.85% over the six-month simple average of 749 yen.

In response, after considering the valuation results of its Shares reported by PwC Advisory and the opinion of the Special Committee, and upon receiving advice from both PwC Advisory and TMI Associates, the Target Company requested on July 4, 2025, that the Tender Offeror reconsider its proposal because although the proposed price for the Tender Offer Price reflected a greater degree of consideration for its general shareholders, the Target Company concluded that, in light of premium levels and other aspects observed in recent similar transactions, it could not be fully assured that the price level adequately reflected the interests of general shareholders. Subsequently, on July 7, 2025, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 1,050 yen per share. This price represents a premium of approximately 41.32% over 743 yen, the closing price of the Target Company Shares on the TSE Standard Market as of July 4, 2025, the business day immediately before the proposal date; a premium of 43.05% over the one-month simple average closing price of 734 yen; a premium of 44.03% over the three-month simple average of 729 yen; and a premium of 40.00% over the six-month simple average of 750 yen, respectively.

Furthermore, after considering the valuation results of its Shares reported by PwC Advisory and the opinions of the Special Committee, and upon receiving advice from PwC Advisory and TMI Associates, on July 10, 2025, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price because the Company was not fully convinced that there was no room for a new proposal for the Tender Offer Price that even better serves the interest of general shareholders, although the proposed price was considered at the sufficient level in light of the premium levels and other factors in recent similar cases.

On July 13, 2025, the Target Company received the final proposal from the Tender Offeror, as the maximum price that can be possibly offered, to set the Tender Offer Price at 1,085 yen per share. This price represents a premium of 42.58% over the closing price of 761 yen, the Company's shares on the TSE Standard Market as of July 11, 2025,

the business day immediately before the proposal date; a premium of 46.42% over the latest one-month simple average closing price of 741 yen; a premium of 47.82% over the latest three-month simple average of 734 yen; and a premium of 44.47% over the latest six-month simple average of 751 yen, respectively. On July 14, 2025, the Target Company replied that it would accept the final proposal from the Tender Offeror.

The Target Company, with respect to the revised proposal, sought confirmation of its appropriateness from the Special Committee, also received further opinions and advice from PwC Advisory and TMI Associates, in addition, carefully examined the contents of the stock valuation report obtained from PwC Advisory dated July 11, 2025 (“**Stock Valuation Report (PwC Advisory)**”) and the same from Guardian Advisors (“**Stock Valuation Report (Guardian Advisors)**”).

After thorough consideration, the Target Company concluded that the proposed price is appropriate, as it reflects a significant premium over the market price, falls within the valuation ranges calculated by PwC Advisory using the discounted cash flow method (“**DCF Method**”) and Guardian Advisors using the DCF Method as discussed below, and is therefore a reasonable and fair price. In this manner, the Target Company engaged in continuous negotiations with Mr. Iwao Fusejima and the Tender Offeror regarding the Tender Offer Price.

Furthermore, the Target Company received necessary legal advice from TMI Associates regarding the procedures related to the Transactions, including the method and process of the Board of Directors’ decision-making and other points requiring attention, and on July 14, 2025, it received from the Special Committee a report (“**Report**”). (For a summary of the Report and details of the Special Committee’s specific activities, please see the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.))>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>[1] Establishment of an independent Special Committee and obtaining an opinion (report))

Taking into account the legal advice received from TMI Associates and the content of the Stock Valuation Report (PwC Advisory) obtained from PwC Advisory, and giving the highest level of respect to the contents of the Report submitted by the Special Committee, the Target Company conducted a careful examination of the Transactions, including whether the Transactions would contribute to enhancing the Target Company’s corporate value and whether it would secure the interests of minority shareholders through fair procedures.

As a result, taking the following points into consideration, the Target Company concluded that the Transactions would contribute to the enhancement of its medium- to long-term competitiveness and corporate value, as stated in “[1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer” above.

As stated in “[1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer” above, the Target Company recognizes that, in the domestic market, the declining population and the accelerating trend of a super-aging society are leading to a serious labor shortage, which poses a significant challenge. This issue is also recognized as a critical concern by our key customers—pharmaceutical manufacturers. In addition, while domestic demand for pharmaceuticals in Japan is projected to plateau over the long term, the Target Company acknowledges the growing societal issue of pharmaceutical supply shortages. Against this backdrop, it is imperative to maintain and further enhance a high-quality and stable production system that addresses labor constraints. Furthermore, the Target Company recognizes that, in the global market, population growth and aging demographics are expected to continue, and that rising incomes and expanding populations are likely to drive increased demand for pharmaceuticals. Accordingly, the Target Company sees substantial growth potential in overseas markets.

Since its founding, the Target Company has developed its business with a dual focus on its machinery business, which centers on granulation and coating equipment, and its chemicals business, which includes pharmaceutical excipients, primarily in Japan and the United States. In recent years, the Target Company has expanded its presence

by establishing bases in India, Italy, and China, thereby enhancing its global footprint. However, under the current business environment, the Target Company Group has come to the conclusion that achieving more advanced and sustainable growth, as well as greater profitability, will require steering management from a medium- to long-term perspective, while swiftly, proactively, and boldly executing a variety of strategic initiatives beyond what has been done to date.

Meanwhile, the Fusejimas, etc., are considering specific measures such as: (I) Maintenance and improvement of a high-quality and stable production system, (II) Continuous investments for expanding into overseas markets, (III) Provision of solutions through innovations, (IV) Flexible business portfolio composition, (V) Enhancement of R&D capabilities and upgrading of business development capabilities through open innovation, and (VI) Redesign and enhancement of human resources strategy to support sustainable growth. After careful consideration, including interviews with Mr. Iwao Fusejima, the Target Company has concluded that each of these initiatives should be actively pursued as essential measures for enhancing the Target Company's corporate value over the medium to long term.

However, given that the return on investment for these initiatives is expected to be realized over the medium to long term, the Target Company acknowledges that there are risks such as a temporary decline in profitability and deterioration in cash flow in the short term. If such initiatives were to be implemented while the Target Company remains publicly listed, there is a possibility that the capital markets may not fully appreciate their long-term value in the short term (that decision may be unlikely to be sufficiently appreciated by the capital markets). This could potentially result in a decline in the Target Company's share price and, consequently, a negative impact on shareholders through a decrease in market value. Nonetheless, the Target Company believes that these initiatives are essential for the growth of the Target Company Group, particularly in light of the current business environment. Under these circumstances, the Target Company has determined that it is necessary to align ownership and management through a management buyout (MBO), whereby Mr. Iwao Fusejima—who possesses an in-depth understanding of the Target Company Group's businesses—will continue to play a central role in managing the Target Company. This structure will enable swift, proactive, and bold execution of the aforementioned initiatives. Furthermore, by taking the Target Company private, the potential negative impact on its shareholders resulting from market volatility can be avoided, and the Target Company will be able to pursue management strategies free from the constraints of short-term market evaluations.

In light of the foregoing, and considering the specific characteristics of the Target Company's businesses—namely, the machinery business involving granulation and coating equipment and the chemicals business involving pharmaceutical excipients—which require management from a medium- to long-term perspective, the Target Company has determined that its corporate value over the medium to long term can be better enhanced under the leadership of Mr. Iwao Fusejima, who has a deep understanding of the Target Company Group's operations. This structure would allow for the swift, proactive, and bold implementation of various initiatives from a long-term strategic perspective, rather than being subject to the short-term profit pressures of the capital markets.

If the Target Company proceeds with the privatization of its shares, it will no longer be able to raise funds through equity financing in the capital markets. Additionally, there is a possibility that the Target Company may be affected in areas such as the recruitment of high-caliber talent and the expansion of business partners—benefits it has enjoyed as a listed company due to increased public trust and visibility. However, the Target Company believes that it will be able to secure the funds necessary for its business activities through its own funds and borrowings from financial institutions, and thus expects only a minimal impact on its funding procurement. Furthermore, the Target Company believes it can continue to attract and retain talented personnel by designing incentive schemes and a working environment appropriately. The Target Company also considers that its brand strength and social credibility have been—and will continue to be—built and maintained through its ongoing business activities. Therefore, the Target Company does not believe that privatization would necessarily result in a loss of its brand or credibility. Accordingly, the Target Company determined at its Board of Directors meeting held on July 14, 2025, that the

advantages of going private outweigh the disadvantages.

During the course of deliberation and review, the Target Company evaluated the Tender Offer Price (1,085 yen) from various aspects, including the following points:

(a) As stated in the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.)>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>“[2] Obtaining a stock valuation report from a third-party valuation agent independent of the Target Company), the Tender Offer Price exceeds the upper end of the valuation range calculated by PwC Advisory under the Market Price Analysis, and falls within the valuation range derived using the DCF Method;

(b) As stated in the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.)>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>“[3] Obtaining a stock valuation report from a third-party valuation agent independent of the Special Committee), the Tender Offer Price exceeds the upper end of the valuation ranges calculated by Guardian Advisors under the Market Average Price Method and the Comparable Company Analysis Method, and falls within the valuation range derived using the DCF Method;

(c) The Tender Offer Price reflects a premium of:

42.58% over 761 yen, the closing price of the Target Company Shares on the TSE Standard Market on July 11, 2025 (the business day prior to the announcement);

46.42% over the one-month simple average closing price of 741 yen;

47.82% over the three-month simple average closing price of 734 yen; and

44.47% over the six-month simple average closing price of 751 yen.

When compared to the median premium levels observed in 85 MBO transactions announced after the publication of the Ministry of Economy, Trade and Industry’s “Fair M&A Guidelines—Toward the Enhancement of Corporate Value and the Securing of Shareholders’ Interests” on June 28, 2019, and completed by June 30, 2025—where the median premium rates based on (i) the closing price on the business day immediately preceding the announcement date as the reference date, and the simple average closing prices for (ii) the one-month, (iii) the three-month, and (iv) the six-month periods up to such date were 42.41%, 45.23%, 46.09%, and 49.15%, respectively, the above premium rates are higher than the median premium rates of the closing price on the business day immediately preceding the announcement date, and the simple average closing prices for the one-month and three-month periods up to such date by 0.17%, 1.19%, and 1.73%, respectively. In addition, the deviation from the median premium rate on the simple average closing prices for the six-month period is 4.68%, which is not significantly inferior. Therefore, the Tender Offer Price is considered to include a reasonable premium in light of such precedent transactions.

(d) It is regarded that consideration is given to the Target Company’s general shareholders’ interests, as such measures to address and mitigate conflicts of interest have been appropriately taken, as stated in the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.)>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)).

(e) In addition to the measures to avoid conflicts of interest taken as above, the Tender Offer Price was determined through multiple rounds of negotiation between the Special Committee and Mr. Iwao Fusejima and the Tender Offeror, under conditions equivalent to arm’s-length negotiations between independent parties. More specifically, the Tender Offer Price was the price proposed based on the valuation results from PwC Advisory, legal advice from TMI Associates on the decision-making process, and the result of sincere and continuous negotiations that the Target Company and the Special Committee had with Mr. Iwao Fusejima and the Tender Offeror through the Target Company’s highly professional financial advisor.

(f) JAVF also conducted its own negotiations with the Tender Offeror and agreed to tender all of its shares under the Tendering Agreement (JAVF) at this price.

(g) As stated in the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.)>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>> [1] Establishment of an independent Special Committee at the Target Company and obtaining an opinion (report)), the Tender Offer Price is determined reasonable in the Report obtained from the Special Committee.

Taking these points into consideration, the Board of Directors of the Target Company determined that the Transactions, including the Tender Offer, is expected to enhance the Target Company's corporate value and the Tender Offer Price and other terms and conditions of the Tender Offer are appropriate for its shareholders and provide them with a reasonable opportunity to sell their shares.

Based on the foregoing, the Target Company resolved at its Board of Directors meeting held on July 14, 2025, with unanimous votes of all directors of the Target Company who participated in the deliberation and resolution (six out of seven directors, excluding Mr. Iwao Fusejima) to express an opinion in support of the Tender Offer and to recommend its shareholders to tender their shares in the Tender Offer.

Mr. Iwao Fusejima is expected to continue to be involved in the management of the Target Company following the completion of the Tender Offer and is also considering making an equity investment directly in the Tender Offeror, thus a conflict of interest exists between Mr. Fusejima and the Target Company regarding the Transactions, and he is deemed a special interested director and therefore did not participate in any deliberation or resolution at the aforementioned Board meeting. Moreover, he did not engage in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

For details of the above resolution by the Target Company's Board of Directors, please see the relevant explanations below (4. Period and Price for Purchase, etc., and Number of Share Certificates Planned for Purchase, etc.)>>(2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)>>[7] Approval of the Target Company's all disinterested directors and the opinion about the absence of objections from all disinterested statutory auditors.)

### [3] Post-Tender Offer managerial policy

The Transactions fall under a so-called management buyout (MBO), and Mr. Iwao Fusejima is expected to continue to manage the Target Company after the Transactions, remaining in the position of its representative director, and advance the management measures stated in "[1] Background, reasons and decision-making process leading to the decision to implement the Tender Offer" above. As of the Submission Date, there is no agreement between the Tender Offeror and other directors and statutory auditors of the Target Company regarding the appointment and treatment of officers after completion of the Tender Offer. The specific management structure of the Target Company after the completion of the Tender Offer, including the composition of officers, will be examined and determined through consultation with the Target Company and the Non-Tendering Shareholders after the Tender Offer completes.

### **(3) Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer**

Since the Tender Offer will be implemented as part of the Transactions falling under so-called management buyout (MBO), and there are structural issues of conflict of interest and other related factors, for ensuring the fairness of the Transactions, including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price and eliminating arbitrariness and avoiding conflicts of interest in the decision-making process leading up to the

decision to implement the Tender Offer, the Tender Offeror and the Target Company conducted the measures below. Please note that the descriptions of the measures implemented by the Target Company (measures [1] through [7] below) are based on explanations from the Target Company.

- [1] Establishment of an independent Special Committee at the Target Company, and obtaining an opinion (report);
- [2] Obtaining a stock valuation report from a third-party valuation agent independent of the Target Company;
- [3] Obtaining a stock valuation report from a third-party valuation agent independent of the Special Committee;
- [4] Advice from a law firm independent of the Target Company;
- [5] Advice from a law firm independent of the Special Committee
- [6] Establishment of an independent consideration system in the Target Company;
- [7] Approval of the Target Company's all disinterested directors and the opinion about the absence of objections from all disinterested statutory auditors;
- [8] Setting a minimum number of shares to be purchased that is greater than the number corresponding to the "majority of minority"; and
- [9] Securing an objective state where the fairness of the Tender Offer is ensured.

For details of the above, please see the relevant explanations in this Statement (4. Period of Purchase, etc., Prices for Purchase, etc., and Number of Share Certificates, etc. Planned for Purchase >>(2) Purchase price >> Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer.)

#### **(4) Important agreements relating to the Tender Offer**

##### **[1] Non-Tendering Agreements**

On July 14, 2025, the Tender Offeror executed the Non-Tendering Agreement with each of the Non-Tendering Shareholders. Details of the Non-Tendering Agreement are as follows:

- (a) Agreement on non-tendering in the Tender Offer  
The Non-Tendering Shareholders have agreed not to tender their Non-Tendered Shares in the Tender Offer.
- (b) Agreement on exercise of voting rights attached to the Target Company Shares  
If the Tender Offeror cannot acquire all of the Target Company Shares (including the Restricted Shares but excluding treasury shares held by the Target Company and the Non-Tendered Shares) in the Tender Offer, after the completion of the Tender Offer, the Tender Offeror will request the Target Company to convene an extraordinary general shareholders meeting that includes in its agenda items a resolution for the Share Consolidation and an amendment to the articles of incorporation eliminating the provisions for number of shares in a share unit, subject to the coming into effect of the Share Consolidation, so that the Tender Offeror and the Non-Tendering Shareholders will be the only shareholders of the Target Company. The Non-Tendering Shareholders have agreed to vote in favor of all of the agenda items, exercising the voting rights attached to the Non-Tendered Shares.
- (c) Agreement on share-lending  
In order to avoid, to the extent possible, the existence of a Target Company's shareholder (excluding the Tender Offeror and the Non-Tendering Shareholders) who holds the Target Company Shares equal to or greater than the smallest number of the Target Company Shares owned by any of the Tender Offeror or the Non-Tendering Shareholders as of the Effective Date of the Share Consolidation, and enhance the stability of the Squeeze-out Procedures, Mr. Iwao Fusejima has agreed that the Tender Offeror may, at its decision, carry out the Share Lending Transaction with the Non-Tendering Shareholders effective before the Share Consolidation comes into effect. The share-lending fee is expected to be free.

##### **[2] Tendering Agreement (JAVF)**

On July 14, 2025, the Tender Offeror executed the Tendering Agreement (JAVF) with JAVF, thus reaching an

agreement that JAVF will tender all of 1,924,400 Target Company Shares it holds directly or indirectly (ownership ratio: 11.37%) in the Tender Offer. In addition, the Tender Offeror agreed to the following under the Tender Agreement (JAVF).

- (a) It shall be a condition precedent for JAVF's tendering of its Target Company Shares in the Tender Offer that the Target Company's Board of Directors passes at its meeting and announces a resolution expressing an opinion in support of the Tender Offer, and that this expression of opinion is not amended or withdrawn. However, JAVF may, at its discretion, waive such condition precedent.
- (b) From the date of execution of the Tendering Agreement (JAVF) until the commencement date of settlement of the Tender Offer, JAVF shall not transfer, create a security interest in or otherwise dispose of the Target Company Shares it holds, conduct any transaction that is substantively in conflict with the Tender Offer or may make it difficult to execute the Tender Offer, enter into any agreement relating thereto, nor make any proposal, solicitation, discussion, negotiation or provision of information regarding such transactions, directly or through a third party. If JAVF receives from a third party any solicitation, proposal, provision of information or offer regarding any action above, it shall notify the Tender Offeror of that effect and its content as promptly as commercially reasonable, and it shall consult with the Tender Offeror in good faith on how to respond to that third party.
- (c) From the date of execution of the Tendering Agreement (JAVF) until the commencement date of settlement of the Tender Offer, absent the Tender Offeror's prior written consent, JAVF shall not exercise its rights as the Target Company's shareholder, including the right to request the convocation of a general shareholders' meeting, the right to make a proposition thereat, and any other shareholder's rights.
- (d) From the execution date of the Tender Agreement (JAVF) until the commencement date of settlement for the Tender Offer, if any third party makes a sincere offer to acquire the Target Company's common shares, without a proposal or suggestion from JAVF, for specific consideration for acquisition that is equivalent to the amount exceeding the Tender Offer Price, or that offer is announced, JAVF may request the Tender Offeror to have a consultation on the change in the Tender Offer Price.
- (e) (i) If the Tender Offeror does not change the Tender Offer Price to the amount exceeding the consideration for acquisition regarding that counter offer by the day on which three business days have elapsed from the day of requesting the consultation in (d) above or the day immediately before the ending day of the Tender Offer, whichever is earlier, or (ii) if it is reasonably and objectively determined that JAVF's tendering shares into the Tender Offer or its non-withdrawal of the application for tendering already made may constitute a breach of the duty of due care of a prudent manager to be performed by Kaname Capital LP., the investment manager of JAVF, JAVF will not have any obligation regarding the tendering, and if JAVF has already tendered its shares, it may cancel the tendering agreement without any payment, such as damage compensation.
- (f) The Tendering Agreement (JAVF) stipulates, as (I) events of termination, (i) the case where the Tender Offer is withdrawn after its commencement, (ii) the case where the Tender Offer is not completed, (iii) the case where JAVF and the Tender Offeror agree in writing to terminate the Tendering Agreement (JAVF), and (iv) the case where the Tendering Agreement (JAVF) is cancelled pursuant to (II) below. It also stipulates, as (II) events of cancellation before the commencement of the Tender Offer, (i) the case where it is found that the other party has materially breached its representations and warranties under the Tendering Agreement (JAVF), or where such other party has materially breached its obligation under the Tendering Agreement (JAVF) and such breach is not cured despite a written formal demand, and (ii) the case where the other party has commenced or petitioned for bankruptcy proceedings or voluntary liquidation.

#### **(5) Post-Tender Offer reorganization policy (Matters relating to the "Two-Step" Acquisition)**

As explained in "(1) Overview of the Tender Offer" above, if the Tender Offeror cannot acquire all of the Target Company Shares (including the Restricted Shares but excluding treasury shares held by the Target Company and the Non-Tendered Shares) in the Tender Offer, after the completion of the Tender Offer, the Tender Offeror plans to

carry out the Squeeze-out Procedures in order to acquire all of the Target Company Shares (including the Restricted Shares but excluding treasury shares held by the Target Company and the Non-Tendered Shares) using the following method.

Specifically, after the completion of the Tender Offer, the Tender Offeror plans to request the Target Company to convene an extraordinary general shareholders meeting that includes in its agenda items a resolution for the Share Consolidation in accordance with Article 180 of the Companies Act and an amendment to its articles of incorporation to eliminate the provisions for number of shares in a share unit, subject to the coming into effect of the Share Consolidation (“**Extraordinary General Shareholders Meeting**”). The Tender Offeror and the Non-Tendering Shareholders plan to vote in favor of all the agenda items at the Extraordinary General Shareholders Meeting. From the viewpoint of enhancing the Target Company’s corporate value, believing that it is desirable to hold the Extraordinary General Shareholders Meeting at an earlier stage, the Tender Offeror plans to request the Target Company to make a public notice during the Tender Offer Period to set a record date for the Extraordinary General Shareholders Meeting after, but as close as possible to the commencement date of settlement of the Tender Offer. The Extraordinary General Shareholders Meeting is scheduled to be held around October 2025.

If the resolution for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date that the Share Consolidation comes into effect, the Target Company’s shareholders will each come to possess a specific number of the Target Company Shares in proportion to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If any fractional shares of less than one share arise from the Share Consolidation, following the procedures under Article 235 of the Companies Act and other related laws and regulations, the money obtained by selling the Target Company Shares to the Target Company or the Tender Offeror in a number equivalent to the total of such fractional shares (if the total number includes a fractional share of less than one share, such number shall be rounded down to the nearest whole number; the same applies hereinafter) will be delivered to the shareholders of such fractional shares of the Target Company. With respect to the sale price for the Target Company Shares in the number equivalent to the total of such fractional shares, the Tender Offeror plans to set such price so that the amount of money to be delivered as the proceed of such sale to the Target Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror, the Non-Tendering Shareholders and the Target Company) will be the same as the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares each such shareholder possessed, and then request the Target Company to file a petition with the court for permission to conduct a voluntary sale. Further, although the Target Company Shares consolidation ratio is undecided as of the Submission Date, it is planned to set the ratio to ensure that the number of the Target Company Shares held by the Target Company’s shareholders (excluding the Tender Offeror, the Non-Tendering Shareholders and the Target Company) who do not tender their shares in the Tender Offer will be fractions less than one share so that the Tender Offeror and the Non-Tendering Shareholders hold all of the Target Company Shares (including the Restricted Shares but excluding treasury shares held by the Target Company). As stated in “(4) Important agreements relating to the Tender Offer” above, in order to avoid, to the extent possible, the existence of a Target Company shareholder (excluding the Tender Offeror and the Non-Tendering Shareholders) who holds the Target Company Shares equal to or greater than the smallest number of the Target Company Shares held by any of the Tender Offeror and the Non-Tendering Shareholders as of the Effective Date of the Share Consolidation, and enhance the stability of the Squeeze-out Procedures, upon request from the Tender Offeror, the Non-Tendering Shareholders may conduct the Share Lending Transaction with the Tender Offeror effective before the Share Consolidation comes into effect. In the case where the Share Consolidation is carried out, if any fractional shares of less than one share arise from the Share Consolidation, the Companies Act provides that under Articles 182-4 and 182-5 of the Companies Act and other related laws and regulations, the Target Company’s shareholders who did not tender their shares in the Tender Offer are entitled to demand that the Target Company purchase all of their Target Company Shares that are fractional shares at a fair price, and file a petition with the court for the determination of the price of the Target Company Shares. If such a petition is filed, the purchase price of the Target Company Shares will ultimately be determined by the court. The Tender Offer is not in any way intended to be an inducement for the Target Company’s shareholders to consent at the Extraordinary



#### General Shareholders Meeting.

With regard to the Restricted Shares, the allotment agreement for said shares stipulates that (a) in the case where the matters related to the Share Consolidation (limited to the case where such share consolidation results in the Restricted Shares of the allottee being only fractions of less than one share) are approved by a general shareholders meeting of the Target Company (only if the Effective Date arrives before the expiration of the transfer restriction period), the transfer restrictions for a specific number of Restricted Shares obtained by calculating in accordance with a calculation formula specified in the allotment agreement shall be removed at a time immediately before the start of the business day immediately preceding the Effective Date; and (b) in the case stipulated in (a) above, as of the business day immediately preceding the Effective Date, the Target Company shall automatically acquire, without consideration, all Restricted Shares whose transfer restrictions have not been removed by said date. Under the Squeeze-out Procedures, it is planned that any Restricted Shares whose transfer restrictions are removed at the time immediately before the start of the business day immediately preceding the Effective Date under the provision (a) of the allotment agreement above shall be subject to the Share Consolidation, and that any Restricted Shares whose transfer restrictions are not removed as of the business day immediately preceding the Effective Date shall be acquired by the Target Company without consideration as of said date under the provision (b) of the allotment agreement above. (Going forward, the Tender Offeror plans to introduce a new incentive plan in lieu of the Restricted Shares in consultation with the Target Company, but these consultations have not begun as of the Submission Date, so the particulars are undecided).

Due to amendments, enactments, and interpretations by competent authorities of related laws and regulations, or similar reasons, the above procedures may require time to implement, or the method of implementation may change. However, even in such a case, it is planned that if the Tender Offer is completed, ultimately the method of delivering money to the Target Company shareholders (excluding the Tender Offeror, the Non-Tendering Shareholders, and the Target Company) who did not tender their shares in the Tender Offer will be adopted, and the Tender Offeror plans for the amount of money that will be delivered to such shareholders of the Target Company to be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares that each such shareholder held.

For specific procedures, the timing for implementation, and other related information regarding the above, once determined after consultations between the Tender Offeror and the Target Company, the Target Company will promptly make a public announcement. Please note that with respect to the tax treatment of the tendering of shares in the Tender Offer or any of the above procedures, each of the Target Company shareholders should consult with a tax professional at their own responsibility.

The Tender Offeror intends to become the sole shareholder of the Target Company eventually, and as a means for achieving such objective, the Tender Offeror plans to carry out, subject to the completion of the Squeeze-out Procedures, a Share Swap with the Tender Offeror's shares as consideration, having the Tender Offeror as the wholly-owning parent after the Share Swap and the Target Company as a wholly-owned subsidiary after the Share Swap; details are undecided as of the Submission Date.

#### **(6) Prospects for delisting; Reasons**

As of the Submission Date, the Target Company Shares are listed on the TSE Standard Market, but because the Tender Offeror has not set maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, under the delisting criteria established by TSE, the Target Company Shares may be delisted through prescribed procedures. Further, even in the case where such criteria have not been met at the point in time of the completion of the Tender Offer, the Squeeze-out Procedures stated in "(5) Post-Tender Offer reorganization policy (Matters relating to the "Two-Step" Acquisition)" above are planned to be carried out after the completion of the Tender Offer. Thus, if such procedures are implemented, the Target Company Shares will be delisted through prescribed procedures under the delisting criteria set by the TSE. It should be noted that after the Target Company Shares are delisted, they can no longer be traded on the TSE.

#### 4. Period and Price for Purchase, etc., and Number of Share Certificates to be Purchased

##### (1) Purchase period

[1] Initial period at the submission of this Statement

Purchase period	From July 15, 2025 (Tuesday) until August 27, 2025 (Wednesday) (30 business days)
Date of public notice	July 15, 2025 (Tuesday)
Newspaper for public notice	An electronic public notice will be given, and an announcement to such effect will be published in the Nihon Keizai Shimbun. (URL for electronic public notice: <a href="https://disclosure.edinet-fsa.go.jp/">https://disclosure.edinet-fsa.go.jp/</a> )

[2] The possibility of an extension based on a request from the Target Company

Not applicable.

[3] Contact information for confirmation of period extension

Not applicable.

##### (2) Purchase price

Share certificates	1,085 yen per common share
Share option certificates	-
Corporate bond certificates with share options	-
Beneficiary certificates of Share Certificates in trust ( )	-
Depository receipt for Share Certificates, ( )	-
Basis of calculation	In determining the Tender Offer Price, the Tender Offeror comprehensively analyzed the Target Company's business and financial status based on the financial information and other materials, such as securities reports and earnings briefings disclosed by the Target Company. In addition to the results of due diligence of the Target Company conducted from February 21, 2025 until May 27, 2025, given that the Target Company Shares are traded on a financial instruments exchange, the Tender Offeror also referred to the closing price (761 yen) of the Target Company Shares on the TSE Standard Market as of July 11, 2025, the business day immediately before the announcement of the Tender Offer, and the trend of the simple average of the closing price for one month, three months, and six months immediately preceding the above date (741 yen, 734 yen, and 751 yen, respectively). As a result of discussions and negotiations between the Target Company and the Special Committee, the Tender Offeror comprehensively examined the probability of approval of the Tender Offer by the Target Company's Board of Directors, the outlook of shares to be tendered in the Tender Offer, and other related factors, and ultimately decided to set the Tender Offer Price at 1,085 yen on July 14, 2025. It should be noted that the Tender Offeror determined the Tender Offer Price after considering various factors as stated above, and through discussions and negotiations with the Target

	<p>Company and the Special Committee; thus, it did not obtain a stock valuation report or fairness opinion from any third-party valuation agent.</p> <p>The Tender Offer Price of 1,085 yen represents a 42.58% premium over the closing price (761 yen) of the Target Company Shares on the TSE Standard Market as of July 11, 2025, the business day immediately before the announcement of the Tender Offer, a 46.42% premium over the simple average of the closing price for the latest one month (from June 12, 2025 to July 11, 2025) (741 yen), a 47.82% premium over the simple average of the closing price for the latest three months (from April 14, 2025 to July 11, 2025) (734 yen), and a 44.47% premium over the simple average of the closing price for the latest six months (from January 14, 2025 to July 11, 2025) (751 yen), respectively.</p> <p>In addition, the Tender Offer Price of 1,085 yen represents a premium of 41.64% over the closing price for the Target Company Shares (766 yen) on the TSE Standard Market as of July 14, 2025, the business day immediately before the Submission Date.</p>
Background of the calculation	<p>(Background of decision on the Tender Offer Price)</p> <p>As stated in “[1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer” in “(2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy” under “3. Purpose of Purchase, etc.”, the Fusejimas, etc., consider that to consistently implement the measures stated above from a medium- to long-term perspective and achieve improved corporate value, it will be necessary to delist the Target Company’s shares while maintaining continuity with its business management conducted until now, and for that purpose, it will be required for Mr. Iwao Fusejima, a member of the Target Company’s founding family and the current representative director, who is well-versed in the company business, to remain in the position of representative director. Furthermore, they consider that it will be indispensable for the Target Company’s management team and shareholders to work closely together and conduct even more flexible and dynamic management decision-making by having members of the founding family become shareholders and assume the burdens of risk in place of general shareholders, thereby concluding that a management buyout (MBO) will be the optimal method. Mr. Iwao Fusejima then acquired the shares of the Tender Offeror, assumed the office of its representative director, and thus decided to make the Tender Offeror the primary vehicle for implementing the Transactions, including the Tender Offer.</p> <p>When looking further into the Transactions based on the above thinking, Mr. Iwao Fusejima selected CO Partners as their external financial advisor in early February 2025, and Kitahama Partners as their external legal advisor, and commenced concrete examinations. Also, Mr. Iwao Fusejima submitted the Letter of Intent to the Target Company on February 14, 2025, and made a request to conduct due diligence.</p> <p>On February 21, 2025, Mr. Iwao Fusejima was informed by the Target Company that they had established a Special Committee and would confer and negotiate with him for implementation of the Transactions. Subsequently, Mr. Iwao Fusejima conducted financial, tax, and legal due diligence of the Target Company from February 21 to May 27, 2025. Then, he had repeated discussions and examinations with the Target Company and the Special Committee concerning the Tender Offer Price during the period from June 10 to July 14, 2025, taking into account the overview of the Tender</p>

	<p>Offer, including the objectives of the Transactions, stated in the Letter of Intent, the impact of the Transactions on the Target Company, the details of management policies after the Transactions, the recent share price trends, and the results of due diligence.</p> <p>Specifically, on June 10, 2025, subject to the condition that the Target Company not pay any year-end dividends for the fiscal year ending February 2026, the Tender Offeror made an initial proposal to the Target Company for a Tender Offer Price of 1,000 yen after confirming that this price represents a premium of 38.70% over the closing price of 721 yen for the Target Company's shares on the TSE Standard Market on June 9, 2025, a premium of 37.74% over the simple average closing price in the latest one month of 726 yen, a premium of 35.32% over the simple average closing price in the latest three months of 739 yen, and a premium of 33.87% over the simple average closing price over the latest six months of 747 yen. In response to this, on June 20, 2025, the Tender Offeror received a request from the Special Committee to reconsider the Tender Offer Price because the level of the proposed price was not sufficient to convince it that full consideration was given to its general shareholders' interests. Then, the Tender Offer made another proposal to the Target Company on June 23, 2025 for a Tender Offer Price of 1,010 yen after confirming that this price represents a premium of 38.55% over the closing price of 729 yen for the Target Company's shares on the TSE Standard Market on June 20, 2025, a premium of 39.50% over the simple average closing price in the latest one month of 724 yen, a premium of 37.60% over the simple average closing price in the latest three months of 734 yen, and a premium of 34.85% over the simple average closing price in the latest six months of 749 yen. After that, on July 4, 2025, Tender Offeror received a request from the Special Committee to reconsider the Tender Offer Price because the level of the proposed price was still not sufficient to convince it that full consideration was given to its general shareholders' interests in light of the premium level and other factors of the recent similar transactions. Then, the Tender Offeror made another proposal to the Target Company on July 7, 2025 for a Tender Offer Price of 1,050 yen after confirming that this price represents a premium of 41.32% over the closing price of 743 yen for the Target Company's shares on the TSE Standard Market on July 4, 2025, a premium of 43.05% over the simple average closing price in the latest one month of 734 yen, a premium of 44.03% over the simple average closing price in the latest three months of 729 yen, and a premium of 40.00% over the simple average closing price in the latest six months of 750 yen. However, on July 10, 2025, the Tender Offeror received a request again from the Special Committee to reconsider the Tender Offer Price because that, although it is appreciated that the level of the proposed price was no longer inferior to the premium level and other factors of the recent similar transactions, but that is still not sufficient to convince it that there is no more room to make a new proposal of the Tender Offer Price that contributes to the general shareholders' interests. With that, given the negotiations with Kaname Capital L.P. that led to the execution of the Tendering Agreement (JAVF ) explained below, the Tender Offeror made a final proposal to the Target Company on July 13, 2025, for a Tender Offer Price of 1,085 yen, after confirming that this price represents a premium of 42.58% over the closing price of 761 yen for the Target Company Shares on the TSE Standard Market on July 11, 2025, a premium of 46.42% over the simple average closing price in the latest one month of 741 yen, a premium of 47.82% over the simple average closing price in the latest three months of 734yen, and a premium of 44.47% over the simple average closing price in the latest six months of 751yen. Consequently, on July 14, 2025, the</p>
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	<p>Tender Offeror received from the Special Committee a response to the effect that it accepted the final proposal.</p> <p>In parallel with the above negotiations with the Target Company, to increase the likelihood of the Tender Offer's successful completion, the Tender Offeror commenced negotiations with JAVF in late June 2025 for the execution of the Tendering Agreement (JAVF). After that, on July 14, 2025, the Tender Offeror reached an agreement with JAVF regarding the particulars of the Tendering Agreement (JAVF). For details of the Tendering Agreement (JAVF), please see "[2] Tendering Agreement (JAVF)" in "(4) Important agreements relating to the Tender Offer" above. Through the above discussions and negotiations, on July 14, 2025, the Tender Offeror decided to set a Tender Offer Price of 1,085 yen and implement the Tender Offer as part of the Transactions.</p> <p>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer)</p> <p>Since the Tender Offer will be implemented as part of the Transactions falling under so-called management buyout (MBO), and there are structural issues of conflict of interest and other related factors, for ensuring the fairness of the Transactions, including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price and eliminating arbitrariness and avoiding conflicts of interest in the decision-making process leading up to the decision to implement the Tender Offer, the Tender Offeror and the Target Company implemented the measures below. Please note that the descriptions of the measures taken by the Target Company are based on explanations from the Target Company.</p> <p>[1] Establishment of an independent Special Committee at the Target Company, and obtaining an opinion (report)</p> <p>According to the Target Company Press Release, the Target Company recognizes that the Tender Offer will be implemented as a part of a so-called Management Buyout (MBO) and that structural conflicts of interest may arise in the Target Company's consideration of the Transactions; thus, its Board of Directors resolved at its meeting held on February 21, 2025, to establish a Special Committee for the purpose of ensuring careful deliberation in its decision-making process regarding the Transactions, and to eliminate arbitrariness and conflicts of interest in such decision-making, thereby securing its fairness. The Special Committee is composed of four members who have no conflicts of interest with the Tender Offer Related Parties:</p> <ul style="list-style-type: none"> <li>- Mr. Hisashi Tanaka and Mr. Ryuichi Kume (Chairman of the Board of KOKANDO Co., Ltd and Representative Director and Chairman of NeoScience Co., Ltd.), both of whom are outside and independent directors of the Target Company; and</li> <li>- Ms. Sayoko Izumoto (Certified Public Accountant, Representative of Izumoto CPA Office) and Mr. Kazunari Hamada (Attorney-at-Law and Partner at Yabuki Law Office), both of whom are outside and independent statutory auditors.</li> </ul> <p>The Board of Directors also resolved to make its decisions, giving the highest level of respect to the contents of the report to be submitted by the Special Committee. The composition of the Special Committee has not changed since its establishment. Compensation paid to the committee members consists solely of fixed fees, regardless of the success or failure of the Transactions, and does not include success</p>
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	<p>fees contingent on the completion of the Transactions.</p> <p>The Target Company commissioned the Special Committee to consider and provide the Report to the Board of Directors on the following matters (collectively, the <b>“Matters for Consultation”</b>):</p> <ul style="list-style-type: none"> <li>(a) The reasonableness of the purpose of the Transactions (including whether the Transactions would contribute to enhancing the Target Company’s corporate value);</li> <li>(b) The fairness of the terms of the Transactions (including the appropriateness of the structure and consideration for the Transactions);</li> <li>(c) The fairness of the procedures of the Transactions (including the extent and appropriateness of measures to ensure fairness); and</li> <li>(d) Based on (a) through (c) above and any other relevant factors, whether the Board of Directors’ decision to implement the Tender Offer (including expressing an opinion in support of the Tender Offer) would be disadvantageous for minority shareholders.</li> </ul> <p>In addition, the Target Company’s Board of Directors resolved to grant the Special Committee the following authorities:</p> <ul style="list-style-type: none"> <li>(a) The authority to conduct investigations relating to the Transactions;</li> <li>(b) The authority to (i) communicate to the Tender Offeror the Special Committee’s proposals, opinions, or questions, and (ii) request that the Target Company arrange opportunities where the Special Committee itself can engage in discussions or negotiations with the Tender Offeror, and even if such a request is not made, the Target Company is required to promptly report to the Special Committee the content of any discussions or negotiations it conducts with the Tender Offeror, based on which, the Special Committee may express its views to the Target Company on negotiation policy and provide necessary instructions or requests; and</li> <li>(c) The authority to independently appoint, at the Target Company’s expense, its own legal advisor, valuation agent, certified public accountant, and other advisors; to give necessary instructions to the Target Company’s advisors; and, if deemed necessary, to request replacement of any such advisors.</li> </ul> <p>The Special Committee held a total of 17 meetings between February 21, 2025, and July 14, 2025, and discussed and deliberated the Matters for Consultation. Specifically, at its first meeting, the committee confirmed that there were no issues concerning the independence or expertise of the legal advisor and the financial advisor/third-party valuation agent appointed by the Target Company, and formally approved their appointments as the Target Company’s legal adviser and its financial advisor and valuation agent. The committee also confirmed that it could independently receive expert advice from these or other professionals as necessary. In addition, the Special Committee reviewed and approved the Target Company’s internal framework for considering the Transactions (including the scope of the officers and employees involved in the consideration, negotiation, and decision-making processes related to the Transactions), confirming that the structure raised no concerns in terms of independence or fairness.</p> <p>The Special Committee received both written and in-person (interview-style) explanations from the Target Company regarding its business environment and management challenges, its views on the Letter of Intent, the necessity of</p>
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	<p>privatization through the Transactions, the significance and merits of the Transactions, the expected impact of the Transactions on the Target Company's business, and the background and rationale for the preparation of the Target Company's business plan, and conducted Q&amp;A sessions. Additionally, the Committee received both written and interview-style explanations from Mr. Iwao Fusejima concerning the purpose and background of the Transactions, the need for privatization through the Transactions, the proposed structure and terms, the significance and merits of the Transactions, the anticipated impact on the Target Company's business, the post-Transaction management policy, and the measures to ensure the fairness of the Transactions, and conducted Q&amp;A sessions. Furthermore, the Special Committee received explanations from PwC Advisory regarding the negotiation process for such matters as the terms of the Transactions, and from Guardian Advisors regarding the valuation of the Target Company's shares. The committee also received explanations from TMI Associates and Okada, Imanishi &amp; Yamamoto Law Office on the measures to ensure fairness in the process of the Transactions, the decision-making method and process of the Target Company's Board of Directors related to the Transactions, and other measures aimed at avoiding conflicts of interest, and conducted Q&amp;A sessions on these matters as well.</p> <p>The Special Committee also received timely reports from the Target Company regarding the progress and details of discussions and negotiations between the Target Company and the Tender Offeror concerning the Transactions. Based on these updates, the Special Committee deliberated and was substantially involved in the negotiation process, particularly with respect to the Tender Offer Price, as stated in "(2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Oost-Tender Offer managerial policy" under "3. Purpose of Purchase, etc." above, and gave advice multiple times to the Target Company during negotiations, which ultimately led to the Tender Offeror proposing a Tender Offer Price of 1,085 yen per share.</p> <p>Through the processes above, and after carefully and repeatedly discussing and reviewing the Matters for Consultation, the Special Committee submitted the Report regarding the Matters for Consultation to the Target Company's Board of Directors on July 14, 2025, the outline of which is as follows.</p> <p>(i) Substance of the Report</p> <p>I. The purpose of the Transactions is reasonable.</p> <p>II. The terms and conditions of the Transactions are fair.</p> <p>III. The procedures of the Transactions are fair.</p> <p>IV. In light of I through III above and other relevant considerations, the Target Company's Board of Directors' decision to implement the Transactions (including its expressing opinion in support of the Tender Offer and recommending that the Target Company's shareholders tender their shares) is not disadvantageous for its minority shareholders.</p> <p>(ii) Reasons for the Report</p> <p>I. Reasonableness of the purpose of the Transactions</p> <p>Based on the explanations received from the Target Company and Mr. Iwao</p>
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	<p>Fusejima, there was nothing unreasonable about the significance and purpose of the Transactions, including the Tender Offer, contemplated by the Target Company and Mr. Iwao Fusejima, as stated above (3. Purpose of Purchase, etc. &gt;&gt; (2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy &gt;&gt;[1] Background, reasons, and decision-making process leading to the decision to implement the Tender Offer) and they are deemed as the result of reasonable deliberations. Furthermore, there was nothing particularly unreasonable about the Target Company's judgment that it is necessary to implement these measures proposed by them; therefore, the committee concluded that the Transactions will be implemented for the purpose of enhancing the corporate value of the Target Company.</p> <p>On the other side, the Transactions will result in the privatization of the Target Company shares; thus, there will be a loss of certain benefits it has enjoyed as a listed company. However:</p> <ul style="list-style-type: none"> <li>• The Target Company's brand strength and social credibility have been built and maintained through its business operations; thus, the privatization would necessarily result in a loss of such brand strength and social credibility;</li> <li>• The Target Company will be able to secure the funds necessary for its business activities through its own funds and borrowings from financial institutions, and thus the privatization will not necessarily have a negative impact on its financing capabilities; and</li> <li>• Given the Target Company's established reputation and credibility within the industry to which its business belongs, it is fully expected to be able to recruit new talented personnel; thus, the privatization will not necessarily have a negative impact on securing human resources. Therefore, it can be considered that there was nothing particularly unreasonable about the Target Company's judgment that the necessity of remaining listed and the disadvantages of going private would be limited.</li> </ul> <p>Taking all the above into account, after careful deliberations and examinations, the Special Committee concluded that the Transactions will contribute to enhancing the Target Company's corporate value, from the medium- to long-term perspective, and the purpose of the Transactions is reasonable.</p> <p>II. Appropriateness of the terms and conditions of the Transactions</p> <p>(a) PwC Advisory's stock valuation report</p> <p>According to the Stock Valuation Report (PwC Advisory) prepared by PwC Advisory, an independent third-party valuation agent unaffiliated with the Tender Offer Related Parties, the per-share value of the Company Shares was assessed as follows:</p> <ul style="list-style-type: none"> <li>• 734 yen to 761 yen under the Market Price Method, and</li> <li>• 861 yen to 1,117 yen based on the DCF Method.</li> </ul> <p>The Special Committee received explanations from PwC Advisory and the Target Company regarding the valuation methodology used for the stock valuation, including the selection of valuation methods and comparable companies in the Comparable Company Analysis Method, the method and process of preparation and specifics of the business plan used as the basis of calculation by the DCF Method, and the rationale for determining the discount rate. The committee also conducted Q&amp;A sessions before examining them and concluded that there was nothing particularly unreasonable about those details in light of generally accepted valuation</p>
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	<p>practices.</p> <p>Furthermore, the Tender Offer Price exceeds the upper end of the valuation range calculated under the Market Price Method, and it is also above the median value of the range derived using the DCF Method, as presented in the Stock Valuation Report (PwC Advisory).</p> <p>(b) Guardian Advisors' stock valuation report</p> <p>According to the Stock Valuation Report (Guardian Advisors) obtained by the Special Committee from Guardian Advisors, an independent third-party valuation agent unaffiliated with the Tender Offer Related Parties, the per-share value of the Target Company Share was calculated as follows:</p> <ul style="list-style-type: none"> <li>• 734 yen to 761 yen under the Market Average Price Method,</li> <li>• 903 yen to 961 yen under the Comparable Company Analysis Method, and</li> <li>• 726 yen to 1,147 yen under the DCF Method.</li> </ul> <p>The Special Committee received detailed explanations from Guardian Advisors regarding the valuation methodologies used for the stock valuation. The committee also conducted Q&amp;A sessions with both Guardian Advisors and the Target Company concerning the selection of valuation methods, the business plan that served as the basis for calculation under the DCF Method, the rationale for determining the discount rate, and the perpetual growth rate. After careful examination, the committee concluded that there was nothing unreasonable about those details in light of generally accepted valuation practices.</p> <p>Furthermore, the Tender Offer Price exceeds the upper end of the valuation range calculated under both the Market Average Price Method and the Comparable Company Analysis Method, and it is also above the median of the range derived using the DCF Method as presented in the Stock Valuation Report (Guardian Advisors).</p> <p>(c) Premium over market share prices</p> <p>The Tender Offer Price of 1,085 yen represents the following premiums:</p> <ul style="list-style-type: none"> <li>• 42.58% over the closing price of the Target Company's shares on the Tokyo Stock Exchange Standard Market on July 11, 2025 (the business day immediately before the announcement), which was 761 yen;</li> <li>• 46.42% over the one-month simple average closing price from June 12 to July 11, 2025, which was 741 yen;</li> <li>• 47.82% over the three-month simple average closing price from April 14 to July 11, 2025, which was 734 yen; and</li> <li>• 44.47% over the six-month simple average closing price from January 14 to July 11, 2025, which was 751 yen.</li> </ul> <p>The above Tender Offer Price can be evaluated as the price including a reasonable premium when compared to the premium levels observed in 85 management buyout (MBO) transactions aimed at privatization, announced on and after June 28, 2019, and completed by June 30, 2025 (where the median premium rates of the closing price on the business day immediately preceding the announcement date as the reference date, and the simple average closing prices for the one-month, the three-month, and the six-month periods up to such date were 42.41%, 45.23%, 46.09%, and 49.15%, respectively), the premiums attached to the Tender Offer Price are higher than the median premium rates of the closing price on the business day immediately preceding the announcement date, and the simple average closing prices for the one-month and</p>
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	<p>three-month periods up to such date, by 0.17%, 1.19%, and 1.73%, respectively. In addition, the deviation from the median premium rate of the simple average closing prices for the six-month period is 4.68%, which is not significantly inferior. Therefore, the Tender Offer Price is considered to include a reasonable premium..</p> <p>(d) Faithful negotiation process</p> <p>As described in paragraph III below, the negotiation process relating to the Transactions, including the Tender Offer, is recognized as having been conducted in good faith. The Special Committee was substantially and actively involved in negotiating the terms and conditions of transactions, and it is considered that the Tender Offer Price was determined based on the outcome of these negotiations.</p> <p>(e) Consideration to be delivered in the process after the Tender Offer</p> <p>Minority shareholders who did not tender their shares in the Tender Offer (excluding the Fusejimas, etc. ) will ultimately receive the delivery of money in the privatization process to be implemented after the Tender Offer. The amount of such consideration is expected to be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each such shareholder.</p> <p>(f) Summary</p> <p>Based on the above points, after careful deliberation and examination, the Special Committee concluded that the terms and conditions of the Transactions are appropriate.</p> <p>III. Fairness of the process and procedures for the Transactions</p> <p>(a) The Target Company's consideration process</p> <p>In considering the Transactions, the Target Company has conducted careful deliberations and discussions concerning the appropriateness of the Tender Offer Price and other terms and conditions of the Tender Offer, the fairness of a series of procedures for the Transactions, and related matters from the perspective of enhancing its corporate value and ultimately protecting the common interests of its shareholders. Throughout this process, the Target Company has received advice and opinions from PwC Advisory—an independent financial advisor and third-party valuation agent unaffiliated with the Tender Offer Related Parties—and from TMI Associates as its legal advisor.</p> <p>The Special Committee confirmed that there were no issues regarding the independence or expertise of PwC Advisory and TMI Associates and approved them as the Target Company's financial advisor and third-party valuation agent, and legal advisor, respectively. Furthermore, the committee confirmed that it is authorized to obtain expert advice from PwC Advisory and TMI Associates itself as needed, and in practice, has done so.</p> <p>(b) Obtaining a stock valuation report from an independent third-party valuation agent</p> <p>In deciding on its opinion regarding the Tender Offer, the Target Company engaged PwC Advisory to assess the value of the Target Company Share and obtained from that firm the Stock Valuation Report (PwC Advisory dated July 14, 2025).</p> <p>(c) Establishment of the Special Committee and maximum respect for its opinion</p> <p>Recognizing that the Tender Offer constitutes part of a so-called Management</p>
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	<p>Buyout (MBO) and that structural conflicts of interest may arise in its consideration of the Transactions, the Target Company resolved at its Board of Directors meeting held on February 21, 2025, to establish the Special Committee to ensure careful deliberation in the Company's decision-making regarding the Transactions, eliminate arbitrariness and conflicts of interest in the Board's decision-making process, and secure procedural fairness.</p> <p>The Special Committee is composed of four members with no conflicts of interest with the Tender Offer Related Parties:</p> <ul style="list-style-type: none"> <li>- Mr. Hisashi Tanaka and Mr. Ryuichi Kume, both of whom are outside and independent directors of the Target Company, and</li> <li>- Ms. Sayoko Izumoto (Certified Public Accountant, Representative of Izumoto CPA Office) and Mr. Kazunari Hamada (Attorney-at-Law, Partner at Yabuki Law Office), both of whom are outside and independent statutory auditors.</li> </ul> <p>The Target Company also resolved to give utmost respect to the opinions of the Special Committee in making decisions regarding the Transactions, and if the Special Committee determines that the conditions of the Transactions are not appropriate, the Target Company would not make a decision to implement the Transactions.</p> <p>(d) Obtaining a stock valuation report from an independent third-party valuation agent by the Special Committee</p> <p>In decision-making regarding the Tender Offer, the Special Committee engaged Guardian Advisors to evaluate the value of the Target Company Shares and obtained from that firm the Stock Valuation Report (Guardian Advisors) dated July 14, 2025.</p> <p>(e) Discussions and negotiations by the Target Company</p> <p>The Target Company engaged in multiple rounds of substantive discussions and negotiations with the Tender Offeror regarding the Tender Offer Price, with the aim of ensuring fairness from the perspective of protecting the interests of its minority shareholders.</p> <p>Specifically, the Target Company, through PwC Advisory, conducted repeatedly multiple rounds of price negotiations in response to the Tender Offeror's proposals for the Tender Offer Price. Throughout these discussions and negotiations, the Special Committee received timely reports from the Target Company regarding the progress and details of these discussions and negotiations. The committee then deliberated on negotiation policies and related matters and expressed its views accordingly, thereby being substantially involved in the process of negotiations with the Tender Offeror.</p> <p>(f) Establishment of an independent consideration framework at the Target Company</p> <p>To eliminate structural conflicts of interest, the Target Company has established an internal framework to consider, negotiate, and make a decision concerning the Transactions independently from both the Tender Offeror and Mr. Iwao Fusejima. Specifically, Mr. Iwao Fusejima, who has acquired common shares in the Tender Offeror, is the proposer of the Transactions and is expected to continue serving as the Target Company's representative director after the completion of the Transactions. In light of this, he is deemed to be in a structural conflict of interest from both aspects with the Target Company concerning the Transactions. As such, he has not participated in any deliberation or resolution of the Target Company's Board of Directors relating to the Transactions, nor has he been involved in any negotiations</p>
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	<p>with the Tender Offeror on behalf of the Target Company. The internal consideration framework has been composed solely of officers and employees deemed independent of both the Tender Offeror and Mr. Iwao Fusejima, and this approach has been maintained consistently up to today.</p> <p>(g) Non-involvement of specially interested parties in the negotiation process for the Transactions</p> <p>No directors who have a special interest in the Transactions are included in the directors who represent the Target Company in the consideration and negotiation of the Transactions. Furthermore, throughout the discussions, examinations, and negotiations relating to the Transactions, there is no fact presuming that the Tender Offeror, any Tender Offer Related Parties, or any other parties with a special interest in the Transactions exerted any undue influence on the Target Company.</p> <p>(h) Conditions for “majority of minority”</p> <p>The minimum number of shares to be purchased in the Tender Offer will be at or above the number of shares (7,499,301) obtained by adding the 1,924,400 Agreed Tendering Shares to 5,574,901 shares, which corresponds to a majority of the number of shares obtained by subtracting 3,855,428 Non-Tendered Shares and 1,924,400 Agreed Tendering Shares from the Number of Reference Shares (16,929,628). If the consent of the majority of shareholders who do not have an interest in the Tender Offeror cannot be obtained, the Tender Offer will not be completed, and in this sense, the Tender Offeror places an importance on the intentions of the minority shareholders of the Target Company; thus, the minimum number of shares to be purchased satisfies the conditions for a “majority of minority”.</p> <p>(i) Securing an objective state where the fairness of the Tender Offer is ensured</p> <p>The minimum purchase period under laws and regulations is 20 business days, but the Tender Offeror has set the Tender Offer Period of 30 business days. By setting a relatively longer period compared to the minimum period under laws and regulations, such period ensures opportunities for all shareholders of the Target Company to appropriately determine whether to tender their shares in the Tender Offer, and for any competing offerors to make a competing purchase, or the like of the Target Company Shares, thereby giving consideration to ensuring the fairness of the Tender Offer.</p> <p>Furthermore, neither the Tender Offeror nor the Target Company has entered into any agreements that would restrict the Target Company’s contact with any competing offeror, such as an agreement containing a deal protection provision that prohibits the Target Company from contacting a competing offeror.</p> <p>In addition to setting the above Tender Offer Period as above, the opportunity for competing purchase or the like has been ensured, thereby giving consideration to ensure the fairness of the Tender Offer.</p> <p>(j) Summary</p> <p>In light of the foregoing considerations, the Special Committee, after careful discussions and deliberation, concluded that the procedures relating to the Transactions are fair.</p>
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	<p>IV. In light of I through III above and other relevant aspects, the Target Company's Board of Directors' decision to implement the Transactions (including its expressing opinion regarding the Tender Offer) is not disadvantageous for its minority shareholders</p> <p>In the course of the Special Committee's deliberations, no other specific events were identified that would have a particular negative impact on the Target Company's minority shareholders. Taking into account the matters described in paragraphs I through III above, and after carefully examining the impact of the Transactions, namely the Tender Offer and the subsequent Squeeze-out Procedures (the Share Consolidation and related procedures) to be implemented, on the Target Company's shareholders, the Special Committee concluded that the Target Company's Board of Directors' decision to implement the Transactions would not be disadvantageous for the Target Company's minority shareholders.</p> <p>[2] Obtaining a stock valuation report from a third-party valuation agent independent of the Target Company</p> <p>According to the Target Company Press Release, in expressing its opinion regarding the Tender Offer, the Target Company engaged PwC Advisory, a financial advisor and third-party valuation agent independent of the Tender Offer Related Parties, to evaluate the value of the Target Company Shares and obtained the Stock Valuation Report (PwC Advisory) dated July 11, 2025. As both the Target Company and the Tender Offeror implemented measures to ensure the fairness of the Tender Offer Price and the overall Transactions, including the Tender Offer, as well as to avoid conflicts of interest and other related measures, the Target Company determined that the fairness of the Transactions, including the Tender Offer Price, was adequately secured and, therefore, did not obtain a fairness opinion from PwC Advisory. In addition, PwC Advisory is not a related party of any of the Tender Offer Related Parties and has no material conflicts of interest that would require disclosure in connection with the Transactions, including the Tender Offer. Compensation paid to PwC Advisory in relation to the Transactions includes a fixed fee payable regardless of the success or failure of the Transactions, as well as a success fee payable contingent upon the completion of the Transactions. However, the Target Company determined that the inclusion of a success fee does not impair PwC Advisory's independence, taking into account general business practice in similar transactions and the appropriateness of a fee structure that would impose a considerable financial burden on the Target Company if the Transactions were not completed. Based on this assessment, the Target Company appointed PwC Advisory as its financial advisor and third-party valuation agent under the aforementioned fee structure.</p> <p>PwC Advisory, after evaluating various valuation methodologies, selected the most appropriate approaches for assessing the value of the Target Company Shares, based on the premise that the Target Company is a going concern and that a multi-faceted evaluation would be appropriate. Given that the Target Company Shares are listed on the TSE Standard Market and have observable market prices, PwC Advisory adopted the Market Price Analysis, as well as the DCF Method, to reflect the Target Company's future business outlook in the valuation, and calculated the per-share value of the Target Company Shares.</p>
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	<p>The ranges of per-share value derived from each valuation method are as follows:  Market Price Analysis: 734 yen to 761 yen  DCF Method: 861 yen to 1,117 yen</p> <p>Under the Market Price Analysis, with the valuation reference date set as July 11, 2025, the range of the per-share value of the Target Company Shares is valued at between 734 yen and 761 yen, calculated based on the closing price of 761 yen on the TSE Standard Market on the reference date, the simple average of the closing prices over the latest one-month period (741 yen), the latest three-month period (734 yen), and the latest six-month period (751 yen).</p> <p>Under the DCF Method, based on its analysis on the financial forecast and investment plan included in the business plan prepared by the Target Company for the fiscal years ending February 2026 through February 2028, as well as publicly available information and other relevant factors, the Target Company's expected free cash flows from fiscal year 2026 onward are discounted to present value using a discount rate of 8.0% to 10.0%, in order to derive the Target Company's corporate and equity value. For the calculation of terminal value, PwC Advisory used the perpetuity growth method, applying a perpetual growth rate of 0.5% to 1.5%. As a result, the range of per-share value of the Target Company Shares is valued at between 861 yen and 1,117 yen.</p> <p>The specific financial forecast used by PwC Advisory as the basis for its DCF analysis is outlined below. The forecast does not include a fiscal year in which a significant year-on-year increase or decrease in revenue or earnings is expected, but includes a fiscal year in which a substantial fluctuation in free cash flow is anticipated.</p> <p>Specifically, for the fiscal year ending February 2026, a significant decrease in free cash flow (by 1,144 million yen over the previous year) is expected due to an increase in working capital. Conversely, for the fiscal year ending February 2027, a significant increase in free cash flow (by 1,030 million yen over the previous year) is anticipated, resulting from a decrease in working capital. Please note that potential synergy effects expected to arise from the implementation of the Transactions have not been incorporated into the financial forecast, as it is currently difficult to estimate them with specificity.</p> <p>For the financial forecast, PwC Advisory analyzed and examined the contents by having multiple Q&amp;A sessions with the Target Company and other methods. Furthermore, when the Target Company prepared its business plan for the Transactions, the Special Committee received explanations from the Target Company regarding the content and key assumptions of that draft business plan, and confirmed the reasonableness of the finalized business plan, its key assumptions, and the background and process of its preparation.</p> <p style="text-align: right;">(Unit: Millions of Yen)</p>
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Fiscal Year Ending	February 2026	February 2027	February 2028
Revenue	24,500	24,900	24,900
Operating Profit	1,500	1,640	1,740
EBITDA	2,187	2,306	2,385
Free Cash Flow	146	1,176	1,374

(Note)

In conducting its valuation of the Target Company Shares, PwC Advisory principally adopted, as-is, the information and materials provided by the Target Company as well as publicly available information based on several assumptions, among others, that such information is accurate and complete and there are no undisclosed facts that could materially affect the valuation of the Target Company Shares, therefore, did not independently verify the accuracy or completeness of the information received. Furthermore, PwC Advisory did not conduct any independent evaluation, appraisal, or assessment of the Target Company's assets or liabilities (including off-balance sheet assets and liabilities or other contingent liabilities), nor did it request such evaluations or appraisals from third-party institutions. In addition, for the financial forecast (including the business plan and other relevant data) submitted by the Target Company, PwC Advisory assumed that it was prepared by the Target Company's management on a reasonable basis, representing the Target Company's best currently available forecasts and judgments. The results of PwC Advisory's valuation reflect the information and economic conditions available up to July 11, 2025.

[3] Obtaining a stock valuation report from a third-party valuation agent independent of the Special Committee

In considering the Matters for Consultation, the Special Committee engaged Guardian Advisors, a third-party valuation agent independent of the Tender Offer Related Parties, to evaluate the value of the Target Company Shares and obtained the Stock Valuation Report (Guardian Advisors) dated July 11, 2025. Guardian Advisors is not a related party of any of the Tender Offer Related Parties and has no material conflicts of interest that would require disclosure in connection with the Transactions, including the Tender Offer.

Compensation paid to Guardian Advisors regarding the Transactions consists solely of a fixed fee payable regardless of the success or failure of the Transactions, and does not include a success fee contingent upon the completion of the Transactions.

Guardian Advisors, after evaluating various valuation methodologies, selected the most appropriate approaches for assessing the value of the Target Company Shares, based on the premise that the Target Company is a going concern and that a multi-faceted evaluation would be appropriate. Given that the Target Company Shares are listed on the TSE Standard Market and have observable market prices, Guardian Advisors adopted the Market Average Price Method, also because there are multiple

	<p>listed companies comparable to the Target Company, enabling a relative valuation through peer comparisons, adopted the Comparable Company Analysis Method, and to incorporate the Target Company's future business outlook into the valuation, it used the DCF Method, all of which were conducted under certain assumptions.</p> <p>According to Guardian Advisors, the ranges of per-share value of the Target Company Shares calculated under each method are as follows.</p> <p>Market Average Price Method: 734 yen to 761 yen  Comparable Company Analysis Method: 903 yen to 961 yen  DCF Method: 726 yen to 1,147 yen</p> <p>Under the Market Price Analysis, with the valuation reference date set as July 11, 2025, the range of the per-share value of the Target Company Shares is valued at between 734 yen and 761 yen, calculated based on the closing price of 761 yen on the TSE Standard Market on the reference date, the simple average of the closing prices over the latest one-month period (741 yen), the latest three-month period (734 yen), and the latest six-month period (751 yen).</p> <p>Under the Comparable Company Analysis Method, Guardian Advisors selected HOSOKAWA MICRON CORPORATION and Kawata Co., Ltd., which are determined as comparable listed companies, having similarities with the Target Company. They calculated the Target Company's per-share value by using the ratio of EBITDA to corporate value, and the range of per-share value of the Target Company Shares is assessed between 903 yen and 961 yen.</p> <p>Under the DCF Method, Guardian Advisors calculated the Target Company's corporate and equity value by discounting the projected free cash flows to present value. The forecast is based on the Target Company's internal financial and investment forecasts for the fiscal years ending February 2026 through February 2028, as well as publicly available information and other relevant factors. As a result, the range of per-share value of the Target Company's stock is assessed between 726 yen and 1,147 yen. For the DCF Method, a discount rate of 9.2% to 11.8% was applied. In calculating terminal value, both the multiples method and the perpetual growth method were used, with EBITDA multiples ranging from 3.2x to 4.8x, and a perpetual growth rate of 0.5% to 1.5%.</p> <p>The financial forecast does not include a fiscal year in which a significant year-on-year increase or decrease in revenue or earnings is expected; however, it includes a fiscal year in which a substantial fluctuation in free cash flow is anticipated. Specifically, for the fiscal year ending February 2026, a temporary decrease in free cash flow (by 1,069 million yen over the previous year) is expected due to an increase in working capital. Also, the financial forecast is not based on the implementation of the Tender Offer; therefore, potential synergy effects expected to arise from the completion of the Tender Offer have not been incorporated into the financial forecast and the value evaluation.</p> <p>The specific figures underlying the Target Company's financial forecast used in the DCF Method are as follows:</p>
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		(Unit: Millions of Yen)		
Fiscal Year Ending		February 2026	February 2027	February 2028
Revenue		24,500	24,900	24,900
Operating Profit		1,500	1,650	1,740
EBITDA		2,130	2,259	2,327
Free Cash Flow		221	1,171	1,319

Guardian Advisors, in conducting its valuation of the Target Company Shares, has principally adopted as-is the information and materials provided by the Target Company and information publicly available, based on several assumptions, among others, that such information is accurate and complete and there are no undisclosed facts that could materially affect the valuation of the Target Company Shares, therefore, did not independently verify the accuracy or completeness of the information received. Furthermore, Guardian Advisors did not conduct any independent evaluation, appraisal, or assessment of individual assets or liabilities, nor did it request such evaluations or appraisals from third-party institutions. In addition, for the information regarding the Target Company's future projection, Guardian Advisors assumed that it was prepared by the Target Company's management on a reasonable basis, representing the Target Company's best currently available forecasts and judgments. The future projection encompasses both fundamental premises and subjective judgment; thus, it does not guarantee that it is a reliable indicator of future business performance, nor that the projection is achievable or can be realized.

The Stock Valuation Report (Guardian Advisors) has been provided solely to enable the Special Committee, in its capacity, to examine the Tender Offer Price from a financial perspective. It does not express any opinion or view on the terms or other aspects of the Transactions, including its structure or form, nor state any opinion or recommend to the Target Company's shareholders to tender their shares in the Tender Offer, or exercise their voting rights or act in connection with the Transactions or any related matters.

The Stock Valuation Report (Guardian Advisors) has reflected the information available up to July 11, 2025, and subsequent developments may affect the contents of the Stock Valuation Report (Guardian Advisors).

[4] Advice from a law firm independent of the Target Company

According to the Target Company Press Release, to ensure the fairness and appropriateness of the decision-making process by its Board of Directors in connection with the Tender Offer, the Target Company selected TMI Associates as its legal advisor independent from the Tender Offer Related Parties and has received necessary legal advice regarding the procedures related to the Transactions, including the method and process of the Board's decision-making and other legal considerations. TMI Associates is not a related party of any of the Tender Offer

	<p>Related Parties and has no material conflicts of interest that would require disclosure in connection with the Transactions, including the Tender Offer. The firm's compensation is based solely on hourly billing and does not include any success fee contingent upon the completion of the Transactions. The Special Committee has also confirmed that there are no issues regarding the independence of TMI Associates.</p> <p>[5] Advice from a law firm independent of the Special Committee</p> <p>According to the Target Company Press Release, as stated in “[1] Establishment of an independent Special Committee at the Target Company, and obtaining an opinion (report)” above, the Special Committee selected Okada, Imanishi &amp; Yamamoto Law Office as its own legal advisor independent of the Tender Offer Related Parties, and has received legal advice on matters, including the procedural measures necessary to ensure fairness in the Transactions, the specific procedures involved in the Transactions, and the methods and processes for decision-making by the Target Company in connection with the Transactions.</p> <p>Okada, Imanishi &amp; Yamamoto Law Office is not a related party of any of the Tender Offer Related Parties and has no material conflicts of interest that would require disclosure in connection with the Transactions, including the Tender Offer.</p> <p>The firm's compensation is calculated by multiplying hourly rates by the number of hours worked, and is payable regardless of the success or failure of the Transactions and does not include a success fee contingent upon the completion of the Transactions.</p> <p>[6] Establishment of an independent consideration framework at the Target Company</p> <p>According to the Target Company Press Release, to eliminate structural conflicts of interest, the Target Company established an internal framework to ensure that the consideration, negotiation, and decision-making with respect to the Transactions would be conducted independently from the Tender Offeror and Mr. Iwao Fusejima. Specifically, Mr. Iwao Fusejima is the representative director of the Tender Offeror who holds all issued shares of the Tender Offeror and is both the proponent of the Transactions and the person who will continue to be involved in the management of the Target Company as the representative director following the completion of the Transactions. Accordingly, he is deemed to have a structural conflict of interest with the Target Company in connection with the Transactions. As such, he did not participate in any deliberation or resolution of the Board of Directors regarding the Transactions and did not engage in any discussions or negotiations with the Tender Offeror on behalf of the Target Company. The Target Company's internal consideration framework is composed entirely of its officers and employees who are deemed independent of the Tender Offeror and the Non-Tendering Shareholders, and this approach has been maintained up to July 14, 2025.</p> <p>Furthermore, the Special Committee has confirmed that there are no issues concerning the independence and fairness of this consideration framework, including the scope of the Target Company's officers and employees involved in the evaluation, negotiation, and decision-making processes related to the Transactions.</p> <p>[7] Approval of the Target Company's all disinterested directors and the opinion</p>
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	<p>about the absence of objections from all disinterested statutory auditors</p> <p>According to the Target Company Press Release, taking into consideration the legal advice received from TMI Associates and the contents of the Stock Valuation Report (PwC Advisory), and giving the utmost respect to the Report submitted by the Special Committee, the Target Company carefully deliberated on whether the Transactions would contribute to enhancing the Target Company’s corporate value, and whether the Transactions, being carried out through fair procedures, would secure the interests of minority shareholders.</p> <p>As a result, and as stated in “(2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy.” under “3. Purpose of Purchase, etc.” above, the Target Company’s Board of Directors determined that the Transactions, including the Tender Offer, are expected to enhance the Target Company’s corporate value; the Tender Offer Price and the other terms and conditions of the Tender Offer are reasonable for the Target Company’s shareholders; and the Tender Offer provides the shareholders with a fair opportunity to sell their shares. Accordingly, at the Board of Directors meeting held on July 14, 2025, all directors of the Target Company who participated in the deliberation and resolution (six out of seven directors, excluding Mr. Iwao Fusejima) unanimously resolved to express an opinion in support of the Tender Offer and to recommend its shareholders to tender their shares in the Tender Offer.</p> <p>Mr. Iwao Fusejima, who is expected to continue in a management role at the Target Company following the completion of the Tender Offer and is also considering making a direct equity investment in the Tender Offeror, is deemed to have a conflict of interest with respect to the Transactions. Therefore, as an interested director, he did not participate in any deliberations or resolutions at the aforementioned Board meeting and did not take part in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.</p> <p>[8] Setting a minimum number of shares to be purchased that is greater than the number corresponding to the “majority of minority”</p> <p>The minimum number of shares to be purchased in the Tender Offer is greater than the number of shares (7,499,301) obtained by adding 1,924,400 Agreed Tendering Shares to 5,574,901, which is the number of shares corresponding to a majority of the number of shares obtained by subtracting 3,855,428 Non-Tendered Shares and 1,924,400 Agreed Tendering Shares from the Number of Reference Shares. In other words, if the consent of the majority of shareholders who do not have an interest in the Tender Offeror cannot be obtained, the Tender Offer will not be completed, and in this sense, the Tender Offeror places an importance on the intentions of the minority shareholders of the Target Company; thus, the setting of the minimum number of shares to be purchased satisfies the conditions for a “majority of minority”.</p> <p>[9] Securing an objective state where the fairness of the Tender Offer is ensured</p> <p>The minimum purchase period under laws and regulations is 20 business days, but the Tender Offeror has set the Tender Offer Period of 30 business days. This is a comparatively long period compared to the minimum period under laws and</p>
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	<p>regulations; thus, such period ensures opportunities for all shareholders of the Target Company to appropriately determine whether or not to tender their shares in the Tender Offer, and for any competing offerors to make a competing purchase, or the like of the Target Company Shares. In this way, the Tender Offeror intends to ensure the fairness of the Tender Offer.</p> <p>Additionally, the Tender Offeror and the Target Company have not entered into any agreement that restricts the Target Company's contact with any competing offeror, such as an agreement containing a deal protection clause that prohibits the Target Company from contacting a competing offeror. In this way, in addition to adjusting the Tender Offer Period as above, the Tender Offeror ensures an opportunity for competing purchase, or the like, thereby giving consideration to ensuring the fairness of the Tender Offer.</p>
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### (3) Number of Share Certificates to be purchased

Type of share certificate	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common shares	13,074,200 (shares)	7,499,301 (shares)	- (shares)
Total	13,074,200 (shares)	7,499,301 (shares)	- (shares)

Note 1: If the total number of the Tendered Share Certificates is less than the minimum number of shares to be purchased (7,499,301 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates. If the total number of the Tendered Share Certificates is equal to or more than the minimum number of shares to be purchased (7,499,301 shares), the Tender Offeror will purchase all the Tendered Share Certificates.

Note 2: Shares of less than one share unit can also be tendered in the Tender Offer. If a shareholder exercises its right to demand the purchase of shares of less than one share unit in accordance with the Companies Act, the Target Company may buy back its own shares during the Tender Offer Period following statutory procedures.

Note 3: There is no plan to acquire treasury shares held by the Target Company through the Tender Offer.

Note 4: No upper limit is set on the number of shares to be purchased under the Tender Offer. The number of shares to be purchased in this table (13,074,200 shares) shows the maximum number of Target Company Shares that the Tender Offeror will purchase through the Tender Offer. Please note that said maximum number is a number obtained by subtracting the number of the Non-Tendered Shares (3,855,428 shares) from the Number of Reference Shares (16,929,628 shares).

### 5. Ownership Ratio of Share Certificates, etc., after the Purchase, etc.

Category	Number of Voting Rights
Number of voting rights represented by the Share Certificates to be purchased (a)	130,742
Number of voting rights represented by the potentially dilutive Share Certificates included in (a): (b)	-
Number of voting rights represented by beneficiary certificates of the Share Certificates in trust and depositary receipts for the Share Certificates included in (b):(c)	-
Number of voting rights represented by the Share Certificates held by the Tender Offeror (as of July 15, 2025) :(d)	-
Number of voting rights represented by the potentially dilutive Share Certificates included in (d):(e)	-
Number of voting rights represented by beneficiary certificates of the Share Certificates in trust and depositary receipts for the Share	-

Certificates included in (e):(f)	
Number of voting rights represented by the Share Certificates held by specially-related persons (as of July 15, 2025): (g)	38,554
Number of voting rights represented by the potentially dilutive Share Certificates included in (g): (h)	-
Number of voting rights represented by beneficiary certificates of the Share Certificates in trust and depositary receipts for the Share Certificates included in (h):(i)	-
Total number of voting rights of all shareholders, etc. of the Target Company (as of February 28, 2025 (j))	169,061
Proportion of the number of voting rights represented by the Share Certificates to be purchased in the total number of voting rights of all shareholders, etc. :(a/j) (%)	77.23
Ownership ratio of the Share Certificates after the purchase $((a+d+g)/(j+(b-c)+(e-f)+(h-i)) \times 100)$ (%)	100.00

Note 1: “Number of voting rights represented by the Share Certificates to be purchased (a)” is the number of voting rights pertaining to the number of shares to be purchased in the Tender Offer (13,074,200 shares).

Note 2: “Number of voting rights represented by the Share Certificates held by the specially-related persons (as of July 15, 2025) (g)” states the total number of voting rights represented by the Share Certificates held by each specially-related person (however, excluding those to be excluded from the category of specially-related persons under Article 3, paragraph (2), item (i) of the Cabinet Office Ordinance, in the calculation of the ownership ratio of share certificates under items of Article 27-2, paragraph (1) of the Act). However, because the Share Certificates held by the specially-related persons (excluding the Non-Tendered Shares) can also be tendered in the Tender Offer, in the calculation of “Ownership ratio of the Share Certificates after the purchase”, the “Number of voting rights represented by the Share Certificates held by the specially-related persons (as of July 15, 2025) (g)” (excluding the number of voting rights 38,554 represented by the Non-Tendered Shares) was not added to the numerator. Please note that after submitting this Statement, the Tender Offeror will confirm the number of the Share Certificates of the Target Company held by the specially-related persons, and if this Statement needs to be amended, will submit an amendment to this Statement.

Note 3: “Total number of voting rights of all shareholders, etc. of the Target Company (as of February 28, 2025) (j)” is the number of voting rights of all shareholders, etc. as of February 28, 2025, as stated in the Securities Report for Fiscal Year Ending February 2025 submitted by the Target Company on May 28, 2025. However, because shares of less than one share unit can also be tendered in the Tender Offer, in the calculation of “Proportion of the number of voting rights represented by the Share Certificates to be purchased in the total number of voting rights of all shareholders, etc., of the Target Company” and “Ownership ratio of the Share Certificates after the purchase” above, the number of voting rights (169,296) represented by the Reference Number of Shares (16,929,628 shares) was used as the denominator.

Note 4: “Proportion of the number of voting rights represented by the Share Certificates to be purchased in the total number of voting rights of all shareholders, etc. of the Target Company” and “Ownership ratio of the Share Certificates after the purchase” are rounded off to the second decimal place.

## 6. Permits, etc. Concerning Acquisition of Share Certificates, etc.

Not applicable.

## 7. Methods of Tendering Shares and Cancelling Agreements

### (1) Method of tendering shares

[1] Tender offer agent

[2] A person who accepts an offer for the purchase or receive an offer for sales of the Share Certificates pertaining to the Tender Offer (“**Tendering Shareholders**”) is required to enter the necessary particulars in a prescribed “Tender Offer Application Form” at the head office or a branch in Japan of the tender offer agent (a person who already opened an account with the tender offer agent should apply at their respective branches); the same applies hereinafter) by no later than 16:00 on the last day of the Tender Offer Period. As business hours may vary between the head office and/or individual branches in Japan, please confirm business hours in advance before tendering your shares.

(i) If tendering shares through the Online Trade (the online service exclusively offered to customers who have accounts with the tender offer agent), please complete the application process through the Online Trade (<https://www.daiwa.jp/onlinetrade/>) by 16:00 on the last day of the Tender Offer Period. To tender the shares through the Online Trade, a Tendering Shareholder is required to apply for use of the Online Trade with an account under their name that they have opened with the tender offer agent. (Note)

Tendering shares through the Online Trade is available only to individuals and cannot be used by corporate shareholders. In addition, on the Online Trade platform, an application can only be made for share units. Any applications involving amounts of less than one share unit should be submitted to the head office or a branch in Japan of the tender offer agent.

Note: To use the Online Trade, you need to apply.

- If you have a Daiwa Card: A new application will be accepted on the Online Trade login screen. You can use the service from the business day following the application date.
- If you do not have a Daiwa Card: Please contact your branch or the Daiwa Securities Contact Center.

(ii) A person who wishes to tender shares by sending a mail or visiting the head office or a branch in Japan of the tender offer agent (including the cases where the Online Trade is not available to use) is required to enter the necessary particulars in the prescribed Tender Offer Application Form and send by mail or deliver it to the head office or a branch in Japan of the tender offer agent to tender their shares by no later than 16:00 on the last day of the Tender Offer Period. However, in the case of submitting by mail, the Tender Offer Application Form must arrive by no later than 16:00 on the last day of the Tender Offer Period. As business hours may vary between the head office and/or individual branches in Japan, please confirm business hours in advance before tendering your shares.

- \* To improve service quality, please make an appointment before visiting the tender offer agent. For details, please see the tender offer agent’s homepage (<https://www.daiwa.jp/doc/230313.html>).

[3] When tendering the Target Company shares in the Tender Offer, the relevant Share Certificates to be tendered in the Tender Offer must have been entered or recorded in an account under the name of the relevant Tendering Shareholder that they have opened with the tender offer agent (“**Tendering Shareholder’s Account**”). For that reason, if the Share Certificates to be tendered are already entered or recorded in an account opened with a financial instruments business operator other than the tender offer agent, the relevant Tendering Shareholder will need to complete the procedures, before tendering shares, to transfer them to the Tendering Shareholder’s Account opened with the tender offer agent. Please note that, in the Tender Offer, no tender applications will be accepted through a financial instruments business operator other than the tender offer agent.

[4] In some cases, an individual number (or, in the case of a corporate shareholder, a corporate number) and personal identification documents may be required for tendering. (Note 1) (Note 2)

[5] Shareholders, etc., residing outside Japan (including corporate shareholders, “**Foreign Shareholders**”) must tender their shares through a standing proxy in Japan (who must submit a certified “copy” (certified as a copy of the original) of a power of attorney from or a written agreement with the Foreign Shareholder.)

[6] In the case of individual shareholders, the difference between the proceeds from the sale and the acquisition cost of the Share Certificates purchased will be subject to separate self-assessment taxation relating to capital gains from the transfer of shares. (Note 3).

Note 1: Personal identification documents

When a Tendering Shareholder intends to open a new account with the tender offer agent to tender the shares, the following individual number and personal identification documents are required (in the case of a corporate shareholder, in addition to the corporate number and personal identification documents for the corporation itself, personal identification documents of each “person who is actually responsible for the transaction (person in charge of the transaction)” and a verification that the person in charge of the transaction has undertaken responsibility for the transaction on the corporation’s behalf are required). For details regarding personal identification documents and other necessary documents, please contact the tender offer agent.

- Individual shareholders

Please submit any of the documents of A, B, or C below. (To open an account at the head office or a branch, each original of personal identification documents must be presented. To open an account by mail, please submit copies of personal identification documents (but a “copy of residence certificate” must be original).)

	Individual number verification documents	Personal identification documents
A	Individual number (My Number) card (back)	Individual number (My Number) card (front) * To open an account by mail or online, one from a. or b. (below) must be submitted in addition to the “individual number card (front)”.
B	Notification card	One from a. and any two from b. (but a “copy of residence certificate ( <i>juminhyo no utsushi</i> )” and a “certificate of matters indicated on residence certificate ( <i>juminhyo no kisaijiko shomeisho</i> )” cannot constitute the two from b.) * To open an account by mail or online, any two from a. or b. must be submitted (but a “copy of residence certificate” and a “certificate of matters indicated on residence certificate” cannot constitute the two from b.)
C	Copy of residence certificate showing individual number, or certificate of matters indicated on the residence certificate	One from a. or b. other than a “copy of residence certificate ( <i>juminhyo no utsushi</i> )” and a “certificate of matters indicated on the residence certificate ( <i>juminhyo no kisaijiko shomeisho</i> )”

a. Photo IDs

- A copy of a valid original must be submitted.

Passport (a new-type passport that does not have a column for an address (passports applied for and issued on and after February 4, 2020, cannot be used as a personal identification document; please provide another personal identification document), driver’s license, certificate of driving history (*unten menkyo rireki shomeisho*), any type of welfare certificate (*fukushi techo*), residence card (*zairyu card*), or special

permanent resident certificate (*tokubetsu eijusha shomeisho*).

b. Non-Photo IDs

- An original or a copy of any of the following documents issued within the last six months must be submitted.

A copy of a residence certificate (*juminhyo no utsushi*), a certificate of matters indicated on the residence certificate (*juminhyo no kisai-jiko shomeisho*), or a registered seal certificate (*inkan shomeisho*)

- A copy of a valid original must be submitted

Any type of health insurance certificate (*kenko hokencho*), a national pension book (*kokumin-nenkin techo*) (that must indicate name, address, and date of birth), or any type of welfare certificates (*fukushi techo*), or alternate documents

- Corporate shareholders

Please submit the documents of A through C below.

A	Corporate number verification documents	<ul style="list-style-type: none"><li>• A notification of corporate number; or</li><li>• A document on which the corporate number is printed</li></ul>
B	Personal identification documents of a corporate customer	<ul style="list-style-type: none"><li>• A certificate of registered matters (<i>tokijiko shomeisho</i>); or</li><li>• A document issued by any government authorities (on which the name, location of headquarters or principal office, and nature of business can be confirmed)</li></ul>
C	Personal identification documents of the person in charge of the transaction	<ul style="list-style-type: none"><li>• Individual number card (front); or</li><li>• Personal identification documents for individuals as above (any one from a. or any two from b.)</li></ul>

- Foreign individuals (excluding residents) and corporations with headquarters or principal offices outside Japan

Documents issued by a foreign government or an competent international organs recognized by the Japanese Government, or alternate documents, which are comparable to personal identification documents of residents (in the case of a natural person, a document must state their name, address, and date of birth; in the case of a corporation, a document must state their corporate name, location of headquarters or principal office, and nature of business.)

Note 2: Mailing of transaction-related documents

To inform the completion of the personal identification verification process, transaction-related documents will be mailed to the address indicated on those documents.

Note 3: Separate self-assessment taxation for capital gains from the transfer of shares (in the case of individual shareholders)

For individual shareholders, the transfer of shares is subject to separate self-assessment taxation. Please consult with a tax expert, such as a certified tax attorney, regarding specific tax questions and related matters, and make your own decision.

**(2) Method of cancelling the agreement**

A Tendering Shareholder may cancel its agreement for the Tender Offer at any time during the Tender Offer Period. To cancel the agreement, the Tendering Shareholder is required to follow the process of [1] or [2] below by no later than 16:00 on the last day of the Tender Offer Period, in accordance with “(4) Matters concerning the Tendering Shareholder’s right to cancel the agreement” in “11. Other Conditions and Methods of Purchase etc.” below.

[1] To cancel the agreement through the Online Trade, please complete the cancellation process by 16:00 on the



last day of the Tender Offer Period, following the steps described on the webpage.

For issues that are available to trade on the Online Trade, you may also cancel the agreement through the Online Trade for the tender accepted by your branch. However, an application to cancel the agreement involving amounts of less than one share unit must be submitted to your branch.

[2] To cancel the agreement by mail or at the head office or a branch in Japan of the tender offer agent, please enter the necessary particulars in a prescribed cancellation document and mail or visit and deliver it to the head office or the branch in Japan of the tender offer agent where your tender was accepted and cancel the agreement by no later than 16:00 on the last day of the Tender Offer Period. However, in the case of submitting by mail, the cancellation document must arrive no later than 16:00 on the last day of the Tender Offer Period. As business hours may vary between the head office and/or individual branches in Japan, please confirm business hours in advance before cancelling an agreement.

An agreement for the tender applied through the Online Trade can also be cancelled by mailing the cancellation document or visiting and delivering it to the head office or your branch.

\* To improve service quality, please make an appointment before visiting the tender offer agent. For details, see the tender offer agent's homepage (<https://www.daiwa.jp/doc/230313.html>).

Person authorized to receive the cancellation document:

Daiwa Securities Co., Ltd., 1-9-1 Marunouchi, Chiyoda-ku, Tokyo  
(or any branch of Daiwa Securities Co., Ltd. in Japan)

### **(3) Method of return of the Share Certificates**

If a Tendering Shareholder requests cancellation of the agreement for the Tender Offer by the method specified in “(2) Method of cancelling the agreement” above, promptly after completing the cancellation process, the Tender Offeror will return the Tendered Share Certificates by the method specified in “(4) Method of return of the Share Certificates” of “10. Method of Settlement” below.

### **(4) Name and location of the head office of the financial instruments business operator, bank, etc. holding in trust and returning the Share Certificates**

Daiwa Securities Co., Ltd., 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

## **8. Funds Required for Purchase, etc.**

### **(1) Funds required for the purchase**

Purchase price (yen) (a)	14,185,507,000
Type of consideration other than cash	—
Total amount of consideration other than cash	—
Purchase commission (yen) (b)	130,000,000
Other (yen) (c)	10,000,000
Total (yen)(a) + (b) + (c)	14,325,507,000

Note 1: “Purchase price (yen) (a)” shows the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (13,074,200 shares) by the Tender Offer Price (1,085 yen).

Note 2: “Purchase commission (yen) (b)” shows an estimated commission to be paid to the tender offer agent.

Note 3: “Other (yen) (c)” consists of the estimated fees and expenses required for public notice of the Tender Offer, printing costs of the tender offer explanatory statement and other necessary documents, and other incidental expenses.

Note 4: The above amounts do not include consumption taxes.

Note 5: There are other expenses and attorney fees, or the like, to be paid to the tender offer agent, the amount of which will not be determined until after the completion of the Tender Offer.

## (2) Deposits or borrowings allocable to funds required for the purchase

### [1] Deposits as of one or two days preceding the Submission Date

Type of deposit	Amount (thousands of yen)
-	-
Total (a)	-

### [2] Borrowings before the Submission Date

#### i. Financial institutions

	Business category of lender	Name of lender	Terms of the loan agreement	Amount (thousands of yen)
1	-	-	-	-
2	-	-	-	-
Total				-

#### ii. Entities other than financial institutions

Business category of lender	Name of lender	Terms of the loan agreement	Amount (thousands of yen)
-	-	-	-
Total			-

### [3] Funds to be borrowed on or after the Submission Date

#### i. Financial institutions

	Business category of lender	Name of lender	Terms of the loan agreement	Amount (thousands of yen)
1	-	-	-	-
2	Bank	Sumitomo Mitsui Bank (1-1-2, Marunouchi,	Loans to be allocable to funds required for purchase (Note)	(1) Bridge Loan A 2,700,000

		Chiyoda-ku, Tokyo)	(1) Bridge Loan Due date: February 27, 2026 Interest rate: Short-term prime rate Security: Without security  (2) Bridge Loan Due date: February 27, 2026 Interest rate: The interest rate that a lender can obtain in the short-term money market, etc., plus a spread Security: Without security  (3) Bridge Loan Due date: February 27, 2026 Interest rate: The interest rate that a lender can obtain in the short-term money market, etc., plus a spread Security: Without security	(2) Bridge Loan B 11,200,000 (3) Bridge Loan 1,500,000
		Total (b)		15,400,000

Note: As evidence of a commitment to the loans of the above amount, the Tender Offeror has obtained from Sumitomo Mitsui Bank a certificate of loan dated July 14, 2025, stating that Sumitomo Mitsui Bank is prepared to offer loans up to 15,400,000 thousand yen. The conditions precedent to the execution of the loans are expected to be those stipulated in the loan certificate, as attached to this Statement. As of the Submission Date of this Statement, none of such conditions is considered difficult to satisfy. The above amount includes those allocable to the funds required for the Transactions and miscellaneous expenses incidental thereto.

ii. Entities other than financial institutions

Business category of lender	Name of lender	Terms of the loan agreement	Amount (thousands of yen)
-	-	-	-
Total (c)			-

[4] Other methods of financing

Details	Amount (thousands of yen)

Total (d)	-
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[5] Total amount of deposits or borrowings allocable to funds required for the purchase  
15,400,000 thousand yen ((a)+(b)+(c)+(d))

**(3) Relationship, etc., between the issuer of securities to be delivered as consideration for the purchase and the Tender Offeror**

Not applicable.

**9. Status of Issuer of Securities to be Delivered as Consideration for Purchase, etc.**

Not applicable.

**10. Method of Settlement**

**(1) Name and location of the head office of the financial instruments business operator, bank, etc., responsible for the settlement of the purchase**

Daiwa Securities Co., Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

**(2) Commencement date of settlement**

September 3, 2025 (Wednesday)

**(3) Method of settlement**

Without delay after the expiration of the Tender Offer Period, a notice regarding the purchase under the Tender Offer will be mailed to the address or location of the Tendering Shareholders (or the address of the standing proxy in the case of Foreign Shareholders).

The purchases will be settled in cash. The proceeds from the sale of the Share Certificates purchased will be remitted from the tender offer agent to a place designated by the Tendering Shareholder (or the standing proxy in the case of a Foreign Shareholder) or be paid to the Tendering Shareholder's Account with the tender offer agent through which the tender was accepted, at the instructions of the Tendering Shareholder (or the standing proxy in the case of a Foreign Shareholder), without delay on or after the commencement date of settlement.

**(4) Method of return of the Share Certificates**

If all the Tendered Share Certificates are not purchased pursuant to the conditions stipulated in (1) Existence of conditions specified in items of Article 27-13, paragraph (4) of the Act" or "(2) Existence of conditions for withdrawal, etc. of the Tender Offer, details thereof, and method of disclosure of withdrawal, etc." in "11. Other Conditions and Methods of Purchase, etc." below, the relevant Share Certificates will be reverted to the record immediately before the tender was made, by way of restoring the record of the Share Certificates without delay on or after the second business day following the last day of the Tender Offer Period (or the date of withdrawal if the tender offer is withdrawn).

**11. Other Conditions and Methods of Purchase, etc.**

**(1) Existence of conditions specified in items of Article 27-13, paragraph (4) of the Act, and details thereof**

If the total number of the Tendered Share Certificates is less than the minimum number to be purchased (7,499,301 shares), none of the Tendered Share Certificates will be purchased. If the total number of the Tendered Share Certificates is at or above the minimum number of shares to be purchased (7,499,301 shares), all the Tendered Share Certificates will be purchased.

**(2) Existence of conditions of withdrawal, etc., of the Tender Offer, details thereof, and method of disclosure of withdrawal, etc.**

If any of the facts listed in Article 14, paragraph (1), items (i), *i* through *nu* and *wa* through *tsu*, item (iii), *i* through *chi* and *nu*, and Article 14, paragraph (2), items (iii) through (vi) of the Order, the Tender Offer may be withdrawn. In the Tender Offer, “facts equivalent to the facts listed in *i* through *ri*” as stipulated in Article 14, paragraph (1), item (iii) *nu* of the Order means (i) a case where a statutory disclosure document submitted by the Target Company in the past is found to have contained a false statement for a material matter or omit a statement of a material matter that should have been stated, and the Tender Offeror did not know and could not have known of such false statement or omission despite exercising reasonable care, and (ii) a case where any of the events listed in *i* through *to* of said item has occurred to any of the Target Company’s material subsidiaries.

If the Tender Offeror intends to withdraw the Tender Offer, it will give an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to provide the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance, and give public notice immediately after that.

**(3) Existence of conditions to reduce purchase price, details thereof, and method of disclosure of reduction**

Under Article 27-6, paragraph (1), item (i) of the Act, if the Target Company conducts any act specified in Article 13, paragraph (1) of the Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price following the criteria specified in Article 19, paragraph (1) of the Cabinet Office Ordinance.

If the Tender Offeror intends to reduce the purchase price, it will give an electronic public notice and publish a notice in the Nihon Keizai Shimbun to that effect. However, if it is difficult to provide the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and give public notice immediately after that.

If the purchase price is reduced, the Tendered Share Certificates before the date of such public notice will also be purchased at the reduced purchase price.

**(4) Matters concerning the Tendering Shareholders’ right to cancel the agreement**

A Tendering Shareholder may cancel their agreement for the Tender Offer at any time during the Tender Offer Period. The method of cancellation shall be as stated in “(2) Method of cancellation of the agreement” in “7. Tendering and Agreement Cancellation Methods” above.

The Tender Offeror will not claim any compensation for damages or penalty payment from the Tendering Shareholders in connection with the cancellation of agreements by the Tendering Shareholders. The Tender Offeror will also bear the cost of returning the Tendered Share Certificates. Upon a cancellation request, the Tendered Share Certificates will be returned in the manner stated in “(4) Method of return of the Share Certificates” in “10. Method of Settlement” above, promptly after the completion of the cancellation process for such request.

**(5) Method of disclosure if the conditions of the purchase are changed**

During the Tender Offer Period, the Tender Offeror may change the conditions or other particulars of the purchase, except for the cases prohibited by Article 27-6, paragraph (1) of the Act or Article 13 of the Order.

If the Tender Offeror intends to change any conditions or other particulars of the purchase, the Tender Offeror will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to provide the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and give public notice immediately after that.

If the conditions or other particulars of the purchase are changed, the Tendered Share Certificates tendered on or before the date of such public notice will also be purchased under the changed conditions or particulars.

**(6) Method of disclosure if an amended statement is filed**

If the Tender Offeror submits an amended statement to the Director-General of the Kanto Local Finance Bureau (except for the cases provided for in the proviso of Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately make public announcement of the contents of the amended statement that relate to the contents of the public notice of the commencement of the Tender Offer in the manner stipulated in Article 20 of the Cabinet Office Ordinance. Further, the Tender Offeror will immediately amend the tender offer explanatory statement and deliver the amended tender offer explanatory statement to the Tendering Shareholders to whom the tender offer explanatory statement has already been delivered. However, if the amendments are only minor in scope, the Tender Offeror will make the amendments by preparing a document stating the reason for the amendments, the matters amended, and the details of the amendments, and delivering such document to the Tendering Shareholders.

**(7) Method of disclosure of results of the Tender Offer**

The results of the Tender Offer will be announced on the day following the last day of the Tender Offer Period in the manner prescribed in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance.

## Part 2. Status of the Tender Offeror

### 1. In the Case of a Corporation

#### (1) Outline of the company

##### [1] History of the company

Month and year	Matter
June 2025	Established as a stock company with the trade name Yuu Corporation and its head office in the Kitahama Partners office in the Osaka Securities Exchange Bldg., 1-8-16, Kitahama, Chuo-ku, Osaka-shi, Osaka, with a capital of 10,000 yen.
July 2025	Relocated the head office to Freund Building, 6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo

Note: The address of the Tender Offeror was 1-8-16, Kitahama, Chuo-ku, Osaka-shi, Osaka as of July 10, 2025, but its head office was relocated to Freund Building, 6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo on July 11, 2025, and that address change is in the process of application for registration as of the Submission Date of this Statement.

##### [2] Purpose of the company and description of its business

###### Purpose of the company

1. Operations for owning shares and other securities of, or interests in, companies to control and manage the business activities of those companies, etc.
2. All operations related to the preceding item.

###### Description of business

The Tender Offeror's principal business is to acquire and hold the Target Company Shares.

##### [3] Capital and total number of issued shares

As of July 15, 2025

Capital (yen)	Total number of issued shares
10,000	1 share

##### [4] Major shareholders

As of July 15, 2025

Name	Address or location	Number of shares owned (shares)	Ratio of the number of shares owned to the total number of shares issued (excluding treasury shares) (%)
Mr. Iwao Fusejima	Freund Building, 6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo(the location of Yuu Corporation)	1	100.00
Total	-	1	100.00

Note: The Tender Offeror was incorporated with Mr. Yasushi Chubachi as an incorporator, but thereafter, on July 11, 2025, its shares were transferred from Mr. Yasushi Chubachi to Mr. Iwao Fusejima.

[5] Work history of officers and the number of shares owned

As of July 15, 2025

Title	Position	Name	Date of birth	Work history	Number of shares owned (shares)
Representative Director	-	Iwao Fusejima	December 13, 1969	November 1997	Joined the Target Company
				May 2008	Director of the Target Company
				March 2010	Managing Director of the Target Company
				March 2012	President and Representative Director of the Target Company
				September 2012	President and Representative Director of Freund Chemicals, Ltd.
				March 2013	Chairman and CEO of FREUND-VECTOR CORPORATION (currently Freund Inc.)
				April 2014	Chairman and Representative Director of Freund-Turbo Corporation
				November 2020	Director of Cos. Mec S.r.l. (currently Freund S.r.l.) (incumbent)
				April 2023	Chairman of FREUND-VECTOR CORPORATION (currently Freund Inc.) (incumbent)
				April 2024	Director of Freund-Turbo Corporation (current)
				March 2025	President and Representative Director, Division Director of the International



				Business Division of the Target Company (incumbent)	
				July 2025 Representative Director of the Tender Offeror (incumbent)	
Total					1

Note: The Tender Offeror is a company incorporated with Mr. Yasushi Chubachi as a director at incorporation, but after Mr. Yasushi Chubachi submitted a letter of resignation as director dated July 11, 2025, Mr. Iwao Fusejima took office as the Tender Offeror's representative director. As of the Submission Date of this Statement, the change of representative director is in the process of application for registration.

## (2) Status of accounting

The Tender Offeror is a stock company incorporated on June 4, 2025, and has not yet completed its fiscal year; therefore, no financial statements have been prepared.

## (3) Matters relating to the Tender Offeror as a company subject to a continuous disclosure obligation

[1] Documents submitted by the Tender Offeror

- i. Securities report and attachments thereto
- ii. Semiannual reports
- iii. Amended reports

[2] Places for public inspection of the above documents

## 2. In the Case of an Entity Other than a Corporation

Not applicable.

## 3. In the Case of an Individual

Not applicable.

### Part 3. Status of Ownership and Transactions of Share Certificates by the Tender Offeror and its Specially-Related Persons

#### 1. Status of Ownership of Share Certificates

##### (1) Total ownership of the Share Certificates by the Tender Offeror and the specially-related persons

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	38,554 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	38,554	-	-
Total number of Share Certificates owned	38,554	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

Note 1: Following the submission of this Statement, the Tender Offeror will confirm the number of the Share Certificates of the Target Company owned by the specially-related persons, and if this Statement needs to be amended, will submit an amendment to this Statement.

Note 2: “Total number of Share Certificates owned” above includes the number of voting rights (261) represented by the Target Company Shares granted as the restrictive stock compensation (26,128 shares).

##### (2) Status of ownership of the Share Certificates by the Tender Offeror

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph 1, item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	- (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-

Depository receipt for Share Certificates ( )	-	-	-
Total	-	-	-
Total number of Share Certificates owned	-	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

**(3) Status of ownership of the Share Certificates by the specially-related persons (Total of specially-related persons)**

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	38,554 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	38,554	-	-
Total number of Share Certificates owned	38,554	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

Note 1: Following the submission of this Statement, the Tender Offeror will confirm the number of the Share Certificates of the Target Company held by the specially-related persons, and if this Statement needs to be amended, will submit an amendment to this Statement.

Note 2: “Total number of Share Certificates owned” above includes the number of voting rights (261) represented by the Target Company Shares granted as the restrictive stock compensation (26,128 shares).

**(4) Status of ownership of the Share Certificates by the specially-related persons (breakdown by each specially-related person)**

**[1] Specially-related persons**

(As of July 15, 2025)

Name or corporate name	K. K. Fusejima Yokosha
Address or location	6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo
Occupation or business	Management and operation of securities and real estate

Contact information	Contact person: Koji Ebato, attorney; Takuya Tome, attorney; Daiki Asanuma, attorney Contact place: Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo Kitahama Partners Phone number: 03-5219-5151 (main)
Relationship with Tender Offeror	A person who has agreed to exercise voting or other rights as a shareholder of the Target Company jointly with the Tender Offeror after the Tender Offer completes

Name or corporate name	Iwao Fusejima
Address or location	Freund Building, 6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo(the location of Yuu Corporation)
Occupation or business	Representative Director of the Tender Offeror Representative Director of the Target Company
Contact information	Contact person: Koji Ebato, attorney; Takuya Tome, attorney; Daiki Asanuma, attorney Contact place: Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo Kitahama Partners Phone number: 03-5219-5151 (main)
Relationship with Tender Offeror	The officer of the Tender Offeror An individual who has a special capital relationship with the Tender Offeror A person who has agreed to exercise voting or other rights as a shareholder of the Target Company jointly with the Tender Offeror after the Tender Offer completes

Name or corporate name	Yasutoyo Fusejima
Address or location	6-25-13, Nishishinjuku, Shinjuku-ku, Tokyo(the location of K.K. Fusejima Yokosha)
Occupation or business	Advisor to the Target Company
Contact information	Contact person: Koji Ebato, attorney; Takuya Tome, attorney; Daiki Asanuma, attorney Contact place: Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo Kitahama Partners Phone number: 03-5219-5151 (main)
Relationship with Tender Offeror	A person who has agreed to exercise voting or other rights as a shareholder of the Target Company jointly with the Tender Offeror after the Tender Offer completes

Name or corporate name	Okawara Mfg. Co., Ltd.
Address or location	1235, Kando, Yoshida-cho, Haibara-gun, Shizuoka-ken
Occupation or business	Manufacturing and sales of various equipment for drying, granulation, mixing, concentration, centrifugation, powder and granular sterilization, liquid sterilization, filtration, and classification, as well as sludge and waste treatment equipment
Contact information	Contact person: Koji Ebato, attorney; Takuya Tome, attorney; Daiki Asanuma, attorney Contact place: Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo Kitahama Partners Phone number: 03-5219-5151 (main)
Relationship with Tender Offeror	A person who has agreed to exercise voting or other rights as a shareholder of the Target Company jointly with the Tender Offeror after the Tender Offer completes

[2] Number of the Share Certificates owned

## K. K. Fusejima Yokosha

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	16,480 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	16,480	-	-
Total number of Share Certificates owned	16,480	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

## Mr. Iwao Fusejima

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	3,159 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	3,159	-	-
Total number of Share Certificates owned	3,159	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

Note 1: "Total number of Share Certificates owned" above includes the number of voting rights (261) represented by the Target Company Shares granted as the restrictive stock compensation (26,128 shares).

Mr. Yasutoyo Fusejima

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	12,179 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	12,179	-	-
Total number of Share Certificates owned	12,179	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

Okawara Mfg. Co., Ltd.

(As of July 15, 2025)

	Number of Share Certificates owned	Number of Share Certificates falling under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates falling under Article 7, paragraph (1), item (iii) of the Order
Share certificates	6,736 (units)	- (units)	- (units)
Share option certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary certificates of Share Certificates in trust ( )	-	-	-
Depository receipt for Share Certificates ( )	-	-	-
Total	6,736	-	-
Total number of Share Certificates owned	6,736	-	-
(Total number of potentially dilutive Share Certificates owned)	( - )	-	-

## 2. Status of Transactions of Share Certificates

### (1) Status of transactions during the 60 days before the Statement Date

Name or company name	Type of share certificate ,etc.	Number of shares increased	Number of shares decreased	Difference
Iwao Fusejima	Common shares	9,129 shares	—	Increase by 9,129 shares

(Note) Mr. Iwao Fusejima has acquired 9,129 shares as the Restricted Shares (Compensation) on June 27, 2025.

## 3. Important Agreements Executed in Connection with the Share Certificates

The Tender Offeror agreed on July 14, 2025, with the Target Company's top shareholder, Fusejima Yokosha (number of shares owned: 1,648,000 shares, ownership ratio: 9.73%), the third largest shareholder, Mr. Yasutoyo Fusejima (number of shares owned: 1, 217,900 shares, ownership ratio: 7.19%), Mr. Iwao Fusejima (number of shares owned: 315,928 shares, ownership ratio: 1.87%), and Okawara Mfg. Co., Ltd. (number of shares owned: 673,600 shares, ownership ratio: 3.98%) that the Non-Tendering Shareholders will not tender any of the Target Company Shares they respectively hold (total number of shares owned: 3,855,428 shares, total ownership ratio: 22.77%) in the Tender Offer.

In addition, on July 14, 2025, the Tender Offeror executed the Tendering Agreement (JAVF) with JAVF, thus reaching an agreement that JAVF will tender all 1,924,400 Target Company Shares that JAVF holds directly or indirectly (ownership ratio: 11.37%) in the Tender Offer.

## 4. Agreement to Purchase, etc. of Share Certificates On or After the Submission Date of the Statement

Not applicable.

## Part 4. Transactions, etc. Between the Tender Offeror and the Target Company

### 1. Existence of Transactions Between the Tender Offeror and the Target Company or its Officers, and Details Thereof

#### (1) Transactions between the Tender Offeror and the Target Company

Not applicable.

#### (2) Transactions between the Tender Offeror and the Target Company's officers

Not applicable.

### 2. Existence of Agreements Between the Tender Offeror and the Target Company or its Officers, and Details Thereof

#### (1) Existence of agreements between the Tender Offeror and the Target Company

According to the Target Company Press Release, at the meeting of its Board of Directors held on July 14, 2025, the Target Company passed a resolution to express an opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer.

For details of such decision-making process of the Target Company, please see the Target Company Press Release, and the relevant explanation above (Part 1. Terms of the Tender Offer >> 4. Period and Price for Purchase, etc., and Number of Share Certificates etc., to be Purchased >> (2) Purchase price >> Background of the calculation >> (Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer) >> [7] Approval of the Target Company's all disinterested

directors and the opinion about the absence of objections from all disinterested statutory auditors)

**(2) Existence of agreements between the Tender Offeror and the Target Company's officers**

The Tender Offeror executed the Non-Tendering Agreements with Mr. Iwao Fusejima, the representative director of the Target Company (number of shares owned: 315,928 shares; ownership ratio: 1.87%) on July 14, 2025. For details of the Non-Tendering Agreements, please see the relevant explanation above (Part 1. Terms of the Tender Offer >>3. Purpose of Purchase, etc. >> (4) Important agreements relating to the Tender Offer.)

**(3) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy**

Please see the relevant explanations above (Part 1. Terms of the Tender Offer >>3. Purpose of Purchase, etc. >>(2) Background, reasons, and decision-making process leading to the decision to implement the Tender Offer; Post-Tender Offer managerial policy.)

**(4) Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer**

Please see the relevant explanations above (Part 1. Terms of the Tender Offer >>4. Period and Price for Purchase, etc., and Number of Share Certificates to be Purchased >> (2) Purchase price >>Background of the calculation >>(Measures to ensure the fairness of the Tender Offer Price, measures to avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer.)



## Part 5. Status of the Target Company

### 1. Profit and Loss, etc. for the Last Three Years

#### (1) Profits and losses

Fiscal Year End (Month/Year)	-	-	-
Sales	-	-	-
Cost of sales	-	-	-
Selling, general, and administrative expenses	-	-	-
Non-operating revenue	-	-	-
Non-operating expenses	-	-	-
Net profit (net loss) for the term	-	-	-

#### (2) Profit and loss per share

Fiscal Year End (Month/Year)	-	-	-
Net profit or loss per share	-	-	-
Dividends per share	-	-	-
Net assets per share	-	-	-

### 2. Status of Share Price

(unit: yen)

Name of financial instruments exchange or authorized financial instruments firms association	TSE Standard Market						
Month	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	July 2025 (Note 1)
Highest share price	796	810	792	790	753	753	768
Lowest share price	710	752	733	655	713	716	741

Note 1: For July 2025, the figures are for the period until July 14.

### 3. Status of the Shareholders

#### (1) Breakdown by type of holders

As of date

Category	Status of shares (no. of shares in 1 unit: shares)								Status of shares of less than one unit (shares)
	Government and local public agencies	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations		Individuals	Total	
					Entitles other than individuals	Individuals			
Number of shareholders (persons)	-	-	-	-	-	-	-	-	-
Number of shares owned (units)	-	-	-	-	-	-	-	-	-
Ratio of the number of shares owned (%)	-	-	-	-	-	-	-	-	-

#### (2) Number of shares held by major shareholders and officers

##### [1] Major shareholders

As of date

Name or corporation name	Address or location	Number of shares owned (shares)	Ratio of the number of shares owned to the total number of shares issued (excluding treasury shares) (%)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	-	-	-

##### [2] Officers

As of date

Name	Title	Position	Number of shares owned (shares)	Ratio of the number of shares owned to the total number of shares issued (excluding treasury shares) (%)

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

#### **4. Matters Relating to the Target Company as a Company Subject to Continuous Disclosure Obligation**

##### **(1) Documents filed by the Target Company**

**[1] Securities report and attachments thereto**

For the 60th fiscal year (from March 1, 2023, to February 29, 2024), filed with the Director-General of the Kanto Local Finance Bureau on May 31, 2024.

For the 61st fiscal year (from March 1, 2024, to February 28, 2025), filed with the Director-General of the Kanto Local Finance Bureau on May 28, 2025.

**[2] Semiannual reports**

Not applicable.

**[3] Extraordinary reports**

Not applicable.

**[4] Amended reports**

Not applicable.

##### **(2) Places for public inspection of the above documents**

Freund Corporation

(6-25-13 Nishishinjuku, Shinjuku-ku, Tokyo)

Tokyo Stock Exchange, Inc.

(2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

#### **5. Facts That Have Been Conveyed Relating to the Implementation of the Tender Offer**

Not applicable.

#### **6. Other Matters**

##### **(1) Publication of “Summary of Financial Results for the First Quarter of the Fiscal Year Ending February 2026 Japanese GAAP (Consolidated)”**

The Target Company released the “Summary of Financial Results for the First Quarter of the Fiscal Year Ending February 2026 Japanese GAAP (Consolidated)” on July 14, 2025. The outline of the Target Company First Quarter Earnings Briefing, based on the release, is as follows. Please note that the briefing’s contents were not the subject of a quarterly review conducted by an audit firm. For details, please see the released content.

Summary of Financial Results for the First Quarter of the Fiscal Year Ending February 2026 Japanese GAAP (Consolidated) (from March 1, 2025, until May 31, 2025)

## (i) Profits and losses (Consolidated)

(unit: million yen)

Fiscal term	FY ending February 2026 (First Quarter Consolidated Cumulative Period)
Sales	5,544
Operating profit	474
Ordinary profit	466
Quarterly net profit belonging to the parent company shareholders	296

## (ii) Status per share (Consolidated)

(unit: yen)

Fiscal term	FY ending February 2026 (First Quarter Consolidated Cumulative Period)
Net quarterly profit per share	17.54
Dividends per share	0

**(2) Publication of “Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending February 2026 (No Dividend) and Abolition of Shareholder Benefit Program”**

As stated in “Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending February 2026 (No Dividend) and Abolition of Shareholder Benefit Program” announced by the Target Company on July 14, 2025, at its Board of Directors meeting held on July 14, 2025, the Target Company passed a resolution that, subject to the completion of the Tender Offer, the expected year-end dividends for the fiscal year ending February 2026 should be changed, and no dividends (year-end dividends) from the surplus money in the fiscal year ending February 2026 should be distributed. Additionally, it also passed a resolution that, the Shareholder Special Benefit Program should be abolished from the fiscal year ending February 2026. For details, please see the “Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending February 2026 (No Dividend) and Abolition of Shareholder Benefit Program” announced by the Target Company on the same day.