



[Translation]
February 6 (as amended on Feb 7), 2024

To whom it may concern:

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(Securities Code: 9433 TSE Prime Market)
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**Notice Regarding Planned Commencement of Tender Offer for Shares of Lawson, Inc.
(Securities Code: 2651) and the Execution of the Capital and Business Alliance Agreement**

KDDI Corporation (the “Offeror”) hereby announces that today, the Offeror has resolved to enter into with Mitsubishi Corporation (“MC”; the Offeror and MC collectively referred to as the “Offeror Related Parties”) a master agreement stipulating that the Offeror will acquire the share certificates, etc. of Lawson, Inc. (Securities Code: 2651, a company listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”); the “Target”) through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) (the “Tender Offer”) (the “Master Agreement”), and to enter into a capital and business alliance agreement (the “Capital and Business Alliance Agreement”) with MC and the Target (the “Capital and Business Alliance Agreement”).

With respect to the Tender Offer, based on the considerations to date, it is expected that a certain period of time is necessary to complete the procedures and actions required under the competition laws (the “Competition Law Procedures”) of Japan, China, South Korea, and the EU. Accordingly, the Tender Offer is scheduled to be commenced promptly upon the satisfaction (or waiver by the Offeror Related Parties) of the conditions precedent (Note 1) (the “Conditions Precedent”), including the completion of the procedures and actions and other conditions precedent stipulated in the Master Agreement. As of today, based on discussions with local law firms regarding such procedures, etc., the Offeror aims to commence the Tender Offer in or around April 2024, but it is difficult to accurately predict the length of time required for the procedures and actions with Japanese and foreign competition authorities. If there is any change in the expected schedule of the Tender Offer, it will be promptly announced.

(Note 1) Under the Master Agreement, the commencement of the Tender Offer by the Offeror is subject to the satisfaction (I) the representations and warranties made by the Offeror Related Parties (for details of such representations and warranties, please refer to “(I) Master Agreement” under “(6) Material agreements relating to the Tender Offer” under “1. Purposes of Tender Offer” below) are all true and accurate in all material respects; (II) all of the Definitive Agreements (as defined in “(1) Outline of the Tender Offer” under “1. Purposes of Tender Offer” below; hereinafter the same) have been validly and lawfully executed and remain valid, and all obligations to be fulfilled or complied with by each party under the Definitive Agreements prior to the commencement of the Tender Offer have been fulfilled or complied with in all material respects; (III) the Target’s board of directors has approved the Tender Offer and to the Target’s shareholders to recommend that they tender their shares in the Tender Offer (the “Opinion in Favor of Tender Offer”; hereinafter the same) with the unanimous consent of all disinterested directors, and the Opinion in Favor of Tender Offer has been made is made public and it is maintained; (IV) the Special Committee (as defined in “(i) Background of the proposal by the

Offeror Related Parties and establishment of a review system” under “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” under “1. Purposes of Tender Offer” below; hereinafter the same), which was established in connection with the Tender Offer, has made a report to the Target’s board of directors that it is appropriate to express the Opinion in Favor of Tender Offer and such report has been made public, and the report is maintained; (V) all Competition Law Procedures and other procedures with relevant authorities necessary for the implementation of the Transactions (as defined in “(1) Outline of the Tender Offer” under “1. Purposes of Tender Offer” below; hereinafter the same) have been completed; (VI) the implementation of any of the Transactions do not constitute a violation of laws and regulations, and there is no determination, etc. by any relevant authority that restricts or prohibits the implementation of any of the Transactions; and (VII) as of the commencement date of the Tender Offer, there are no material facts regarding the Target’s business, etc. (Article 166, paragraph 2 of the Act) that have not been disclosed (Article 166, paragraph 4 of the Act) and there are no facts regarding the implementation of the tender offer, etc. (Article 167, paragraph 2 of the Act) with respect to the Target’s Share Certificates (as defined in “(1) Outline of the Tender Offer” under “1. Purposes of Tender Offer” below; hereinafter the same) that have not been disclosed (Article 167, paragraph 4 of the Act); (VIII) from today onward, any event that may have a material adverse effect on the business, financial condition, operating results, or cash flows, or the prospects thereof of the Target Group (as defined in “(I) Background, purposes and decision-making process leading to the decision to conduct the Tender Offer” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” under “1. Purposes of Tender Offer” below; hereinafter the same), or any other situation that may make it difficult to achieve the purpose of the Transactions has not occurred or become apparent or is not reasonably expected to occur or become apparent, and no significant changes in domestic and international stock market conditions, other market environments, financial environments, or economic environments have occurred or become apparent or are not reasonably expected to occur or become apparent.

1. Purposes of Tender Offer

(1) Outline of the Tender Offer

As of today, of the shares of common stock of the Target listed on the TSE Prime Market (the “Target Shares”), the Offeror owns 2,110,000 shares (Shareholding Ratio (Note 1): 2.11%).

(Note 1) “Shareholding Ratio” refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the Shareholding Ratio) of the number of Target Shares to the number of shares (100,184,370 shares) (the “Total Number of Shares After Adjustment for Diluted Shares”) calculated by deducting the number of treasury shares held by the Target as of November 30, 2023, as stated in the “Consolidated Financial Results [IFRS] for the Third Quarter of the Fiscal Year Ending February 29, 2024” announced by the Target on January 12, 2024 (the “Target’s Financial Results”) (221,630 shares) from the number of shares calculated by adding the total number of the Target Shares to be issued upon exercise of 1,060 units of Share Options (as defined in “(II) Share options” under “(3) Price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same) (106,000 shares) reported by the Target as remaining as of December 31, 2023 to the total number of issued shares as of January 12, 2024, as stated in the “third Quarterly Report for the 49th fiscal year” submitted by the Target on January 12, 2024 (the “Target Third Quarterly Report”) (100,300,000 shares). The Shareholding Ratio calculated based on the latest information available before the commencement of the Tender Offer may differ from the above figure due to changes after that date (hereinafter the same).

(Note 2) The breakdown of 1,060 units of the Share Options is as follows (The names of the respective share options are defined in “(II) Share options” under “(3) Price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same):

| Name of Share Options | Number of Share Options as of December 31, 2023 (units) | Number of the Target Shares to be issued upon exercise of the Share Options (shares) |
|------------------------------|---|--|
| 14th Series of Share Options | 27 | 2,700 |
| 16th Series of Share Options | 38 | 3,800 |
| 17th Series of Share Options | 62 | 6,200 |
| 18th Series of Share Options | 18 | 1,800 |
| 19th Series of Share Options | 74 | 7,400 |
| 20th Series of Share Options | 92 | 9,200 |
| 21st Series of Share Options | 135 | 13,500 |
| 22nd Series of Share Options | 162 | 16,200 |
| 23rd Series of Share Options | 186 | 18,600 |
| 24th Series of Share Options | 266 | 26,600 |

Today, the Offeror has entered into the Master Agreement and the shareholders agreement (the “Shareholders Agreement”; the Master Agreement, the Shareholders Agreement, and the Capital and Business Alliance Agreement hereinafter collectively referred to as the “Definitive Agreements”) (For details of the Master Agreement, the Shareholders Agreement, and the Capital and Business Alliance Agreement, please refer to “(I) Master Agreement”, “(II) Shareholders Agreement”, and “(III) Capital and Business Alliance Agreement” under “(6) Material agreements relating to the Tender Offer” below) with MC, the parent company of the Target (number of shares held: 50,150,100 shares, Shareholding Ratio: 50.06%), and decided to execute a series of transactions (the “Transactions”) in order to ensure that the Target’s shareholders are solely the Offeror Related Parties, by acquiring all of the Target Shares (including the Target Shares related to such American Depositary Shares (as defined in “(III) Depositary receipts for share certificates” under “(3) Price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same) represented by the American Depositary Receipts (as defined in “(III) Depositary receipts for share certificates” under “(3) Price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same); however, excluding Target Shares owned by the Offeror Related Parties and the treasury shares owned by the Target) and Share Options (the “Target’s Share Certificates”). In addition, the Capital and Business Alliance Agreement has been executed today between the Offeror, MC, and the Target. The Offeror will conduct the Tender Offer as part of the Transactions provided that the Conditions Precedent are satisfied (or waived by the Offeror Related Parties). As of today, the Offeror is not aware of any event of material impediment to the satisfaction of the Conditions Precedent. The Offeror, together with MC, will implement the procedures and actions required under the competition laws of Japan, China, South Korea, and the EU to satisfy the Conditions Precedent, based on the legal advice of local law firms in Japan and in the relevant foreign jurisdictions. The Offeror Related Parties are already making the necessary advance preparations for such procedures and actions, and from today, will consult with the relevant authorities concerning competition law to ensure that such procedures and actions can be implemented.

The Offeror has set the minimum number of tendered shares to be purchased in the Tender Offer at 14,458,800 shares (Shareholding Ratio: 14.43%); and if the total number of the Target’s Share Certificates tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of tendered shares to be purchased, the Offeror will purchase none of the Tendered Shares. Meanwhile, with the Offeror’s intention of having the Target Shares go private, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer; and if the total number of the Tendered Shares is not less than the minimum number of tendered shares to be purchased, the Offeror will purchase all of the Tendered Shares. The minimum number of tendered shares to be purchased (14,458,800 shares) has been set so that upon the completion of the Tender Offer, the total number of voting rights of the Target held by the Offeror Related Parties should be two-thirds (2/3) or more of the total number of voting rights of the Target (the number of voting rights of the Target, 1,000,783, in respect of the number of shares (100,078,370 shares) which is the number of shares calculated by deducting the number of treasury shares held by the Target as of November 30, 2023, as stated in the

Target's Financial Results (221,630 shares) from the total number of issued shares (100,300,000 shares) as of January 12, 2024 as stated in the Target Third Quarterly Report). Due to changes in the number of treasury shares held by the Target after relevant time of the information, the actual minimum number of tendered shares to be purchased in the Tender Offer may differ from the above figure. Prior to the commencement of the Tender Offer, we plan to determine the definitive minimum number of tendered shares to be purchased based on the latest information available at the time of the commencement of the Tender Offer.

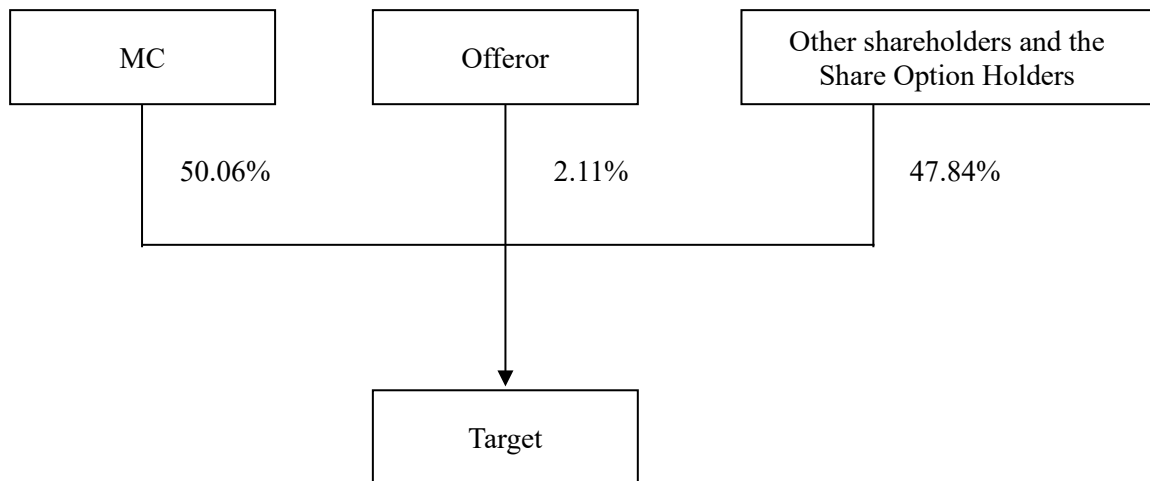
With respect to the number of Target Shares (106,000 shares) to be issued upon exercise of the Share Options, given that (i) the holder of the Share Options (the "Share Option Holders") may exercise such holder's Share Options only in a lump sum, within the exercise period of the Share Options which is limited to the 10-day period (or the following business day if the 10th day falls on a holiday) from the date following the date on which such Share Option Holder has lost his/her/their position as the Target's director and executive officer (the exercise conditions associated with the loss of status hereinafter collectively referred to as the "Forfeiture of Status Exercise Conditions"), and according to the Target, among the Target's current 5 directors and the current 13 executive officers who are the Share Option Holders, there is no person who plans to exercise the Share Options by fulfilling the Forfeiture of Status Exercise Conditions and it is not assumed that the Share Options will be exercised and Target Shares will be issued or transferred to the Share Option Holders during the period for a tender offer in the Tender Offer (the "Tender Offer Period"); and (ii) as stated in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, when the Tender Offer is completed, the Offeror Related Parties plan to request the Target to carry out the procedures reasonably necessary for the execution of the Transactions, such as encouraging the Share Option Holders to forfeit their Share Options and according to the Target, if the Target receives such a request, it intends to cooperate with it promptly after the settlement commencement date of the Tender Offer, the Offeror does not take into account the number of Target Shares (106,000 shares) to be issued upon exercise of the Share Options when setting the minimum number of tendered shares to be purchased.

In addition, as the Offeror aims to make the Offeror Related Parties the sole shareholders of the Target as set forth above, if, upon the completion of the Tender Offer, in the event the Offeror Related Parties fails to acquire all of the Target's Share Certificates in the Tender Offer, the Offeror Related Parties plans, as described in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, to implement a series of procedures to make the Offeror Related Parties the Target's only shareholders (the "Squeeze-out Procedure"). The Offeror plans to use cash on hand and/or borrowings from financial institutions, etc., to fund the Tender Offer.

We plan to conduct each of the transactions as substantially described below as the Transactions.

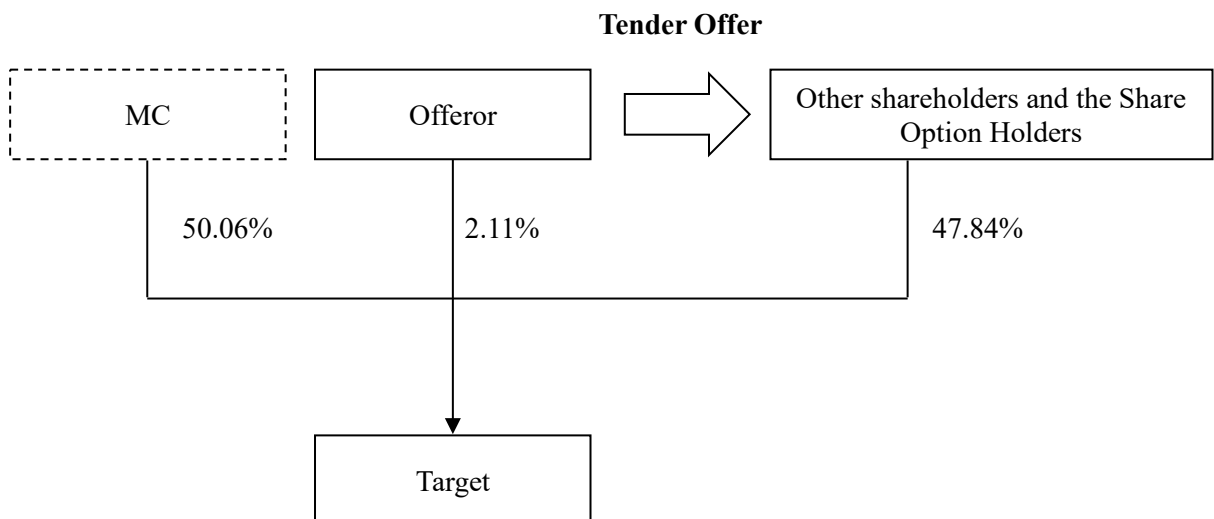
I. Prior to the implementation of the Tender Offer (current status)

As of today, MC owns 50,150,100 Target Shares (Shareholding Ratio: 50.06%), the Offeror owns 2,110,000 Target Shares (Shareholding Ratio: 2.11%), and other minority shareholders own 47,818,270 Target Shares (Shareholding Ratio: 47.73%) and 1,060 Share Options (106,000 Target Shares to be issued upon exercise of the Share Options (Shareholding Ratio: 0.11%)).



II. Tender Offer

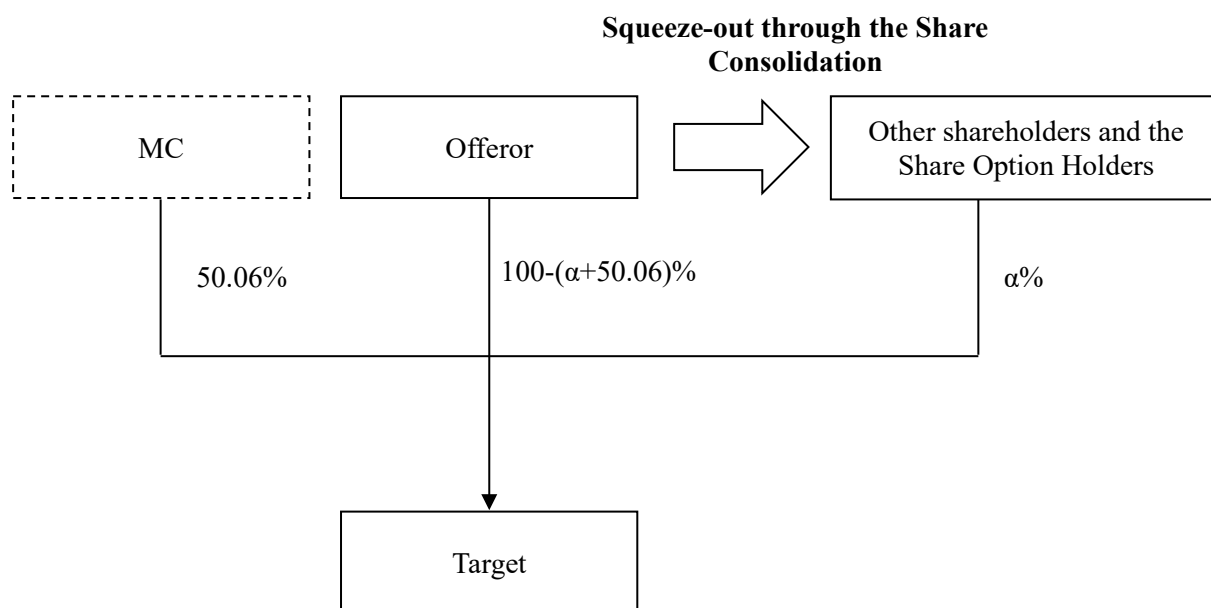
The Offeror will conduct the Tender Offer with the aim of acquiring all of the Target's Share Certificates with the purpose of having the Target Shares go private.



III. Squeeze-out Procedure through Share Consolidation (upon the completion of the Tender Offer)

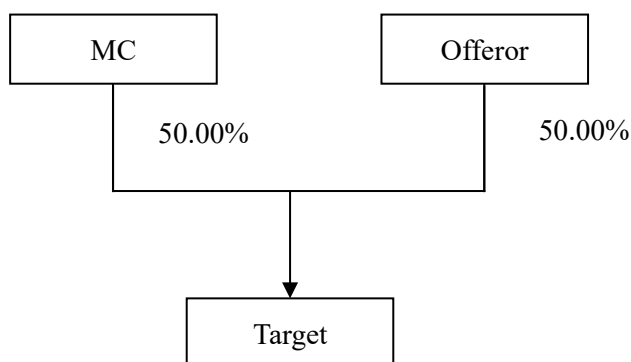
In the event the Offeror fails to acquire all of the Target's Share Certificates in the Tender Offer, the Offeror, together with MC, shall request the Target to implement the procedures for the Share Consolidation (as defined in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below; hereinafter the same), subject to the completion of Tender Offer and the completion of the settlement thereof, and the Target shall implement the procedures to make the Target's shareholders solely the Offeror Related Parties. With respect to the ratio of the Share Consolidation, the Offeror, together with MC, plans to request the Target to set the ratio of the Share Consolidation to a ratio where the total number of issued shares of the Target is two shares (however, if, as a result of discussions between the Offeror Related Parties, the Offeror Related Parties agree to a different ratio, such different ratio) (the "Consolidation Ratio") (if a different ratio is set, such ratio will be promptly disclosed). In addition, if any fractional shares (including fractional shares of the Target Shares owned by MC) result from the implementation of the Share Consolidation, the Offeror plans to purchase the Target Shares equivalent to the total number of such fractional shares (any fractional shares less than one share resulting from the aggregation of fractional

shares shall be discarded; hereinafter the same) in accordance with the procedures provided in Article 235 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) and other relevant laws and regulations.



IV. After the implementation of the Transactions

After completion of the Squeeze-out Procedure, MC and the Offeror each plan to hold 50.00% of the voting rights in the Target.



As of today, the Target Shares are listed on the TSE Prime Market. However, as described in “(5) Possibility of delisting and reason therefor” below, depending on the outcome of the Tender Offer, the Target Shares may become delisted through the prescribed procedures. If the Squeeze-out Procedure is to be implemented after the Tender Offer is completed, the Target Shares will be delisted through the prescribed procedures.

According to “Notice of Expression of Our Opinion in Favor of the Planned Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates by KDDI Corporation and Notice of Capital and Business Alliance” published today by the Target (the “Target’s Press Release”), the Target resolved at its board of directors meeting held today, as the Target’s opinion as of today, to the effect that, if the Tender Offer is commenced, it shall express its opinion in favor of the Tender Offer as the Target’s opinion as of today and recommend that the Target’s shareholders tender their shares in the Tender Offer, that it recommends that the holders of the American Depositary Receipts tender in the Tender Offer by delivering their American Depositary

Receipts to the Depository Bank (as defined in “(III) Depository receipts for share certificates” under “(3) Price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same) in advance and receiving delivery of the Target Shares related to such American Depositary Shares represented on the American Depositary Receipts; and that it leaves the decision to the Share Option Holders whether or not to tender in the Tender Offer.

According to the Target, it has resolved at the above-mentioned board of directors meeting to take the following procedures for the expression of its opinion. Specifically, the Target has also resolved to request, at the commencement of the Tender Offer, that the Special Committee established by the Target regarding the Tender Offer review whether any change should be made to the opinion expressed by the Special Committee to the Target’s board of directors as of February 5, 2024, and either advise the Target’s board of directors accordingly if there is no change, or if any change should be made, state the amended opinion, and to again express the Target’s opinion regarding the Tender Offer upon the commencement of the Tender Offer based on such opinion of the Special Committee, as described in “(ii) Establishment of an independent special committee at the Target and receipt of a report from the special committee” under “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” under “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below.

The Target states that the above-mentioned board resolution of the Target was passed on the assumption that, through the Tender Offer and the Squeeze-out Procedure by the Offeror, the Offeror Related Parties will be the sole shareholders of the Target, and that the Target Shares are scheduled to be delisted.

For details regarding the decision-making process of the Target’s board of directors, please refer to the Target’s Press Release and “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” below.

(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer

The background, purpose and decision-making process leading to the decision to conduct the Tender Offer by the Offeror Related Parties and the Target, and management policy following the Tender Offer are as follows. The below descriptions of the Target are based on the information made publicly-available by the Target, the Target’s Press Release, and the explanations from the Target. Furthermore, the below descriptions of MC are based on the information made publicly-available by MC, the “Notification Regarding Changing Status of MC Subsidiary (Lawson, Inc.) into that of Equity-method Affiliate Company” announced today by MC, and the explanations received from MC.

(I) Background, purposes and decision-making process leading to the decision to conduct the Tender Offer

The Offeror was established in 2000 as DDI Corporation as a result of the merger of three companies (Kokusai Denshin Denwa Co., Ltd. (KDD), which was established in 1953, DDI Corporation (DDI), which was established in 1984 and changed its trade name in 1985, and IDO Corporation (IDO), which was established in 1987,) with DDI as the surviving corporation, with the purpose of further enriching customers’ lives, business, and communications through “communication”. Subsequently, through the absorption-type mergers, etc., of mobile communication service companies consisting of seven cellular group companies and three TU-KA group companies, and POWEREDCOM, Inc., which is an electric power communication service provider, the Offeror has provided various services to its customers as a comprehensive communication service provider that can provide mobile and Fixed Broadband (FTTH/CATV) Service (Note 1) by a single company. DDI listed its shares on the TSE in 1993 and changed its trade name to KDDI Corporation in 2001.

(Note 1) “Fixed Broadband (FTTH/CATV) Service” means communication services that can send and receive large-capacity data at a high speed. Those using optical fibers are referred to as “FTTH” and those using cable TV lines are referred to as “CATV.”

Currently, the Offeror Group (which refers to a corporate group consisting of the Offeror, its 189 consolidated subsidiaries, and its 43 affiliated companies subject to equity method (as of September 30, 2023)) is expanding its business into various fields, with the provision of communication services to individuals and corporate customers in Japan and overseas as its core business. In May 2022, the Offeror Group announced “KDDI VISION 2030: The creation of a society in which anyone can make their dreams a reality, by enhancing the power to connect,” and determined that it would aim to become a presence that can add value to every industry and life scene, and become a “Platformer Supporting Society”. In addition, the New Medium-Term Business Strategy (from the fiscal year ending March 2023 through the fiscal year ending March 2025) is built upon “Sustainability Management” that aims to achieve the sustainable growth of society and the enhancement of corporate value together with its partners, and the Offeror Group aims for an era in which new value is created, by evolving the “power to connect” through the use of 5G’s characteristics and blending telecommunications into every kind of scene. In particular, the Offeror Group has set out a “Satellite Growth Strategy” as its business strategy and defined DX, finance, energy, LX, and regional co-creation as its five focused areas, and is accelerating the expansion of new business domains by evolving the Offeror Group’s 5G telecommunications business and its businesses in focus areas centered on telecommunications.

On the other hand, according to the Target, the Target was incorporated in April 1975 as Daiei Lawson Co., Ltd. and changed its trade name to Lawson, Inc. in June 1996. Subsequently, according to the Target, the Target listed its shares on the First Section of the TSE Market in July 2000; and in April 2022, the Target moved to the Prime Market of the TSE Market in accordance with the review of the market classification of the TSE. According to the Target, currently, the Target Group (referring to a corporate group consisting of the Target, 30 consolidated subsidiaries, and 9 equity method affiliates (as of November 30, 2023)) operates a franchising system for the convenience stores “LAWSON” and directly managed stores as its main business.

According to the Target, since entering into a business alliance agreement (as amended) with MC in February 2000, the Target has pursued mutual business synergies with MC and established its position as one of Japan’s leading convenience store chains. In addition, according to the Target, the Target has aimed to realize the group philosophy of “Creating Happiness and Harmony in Our Communities” in the medium-term management vision “Challenge 2025” formulated in FY 2021 in preparation for 2025, the 50th anniversary of the Target’s incorporation, focusing its efforts on creating “new hubs of refreshment in every community” (Note 2), and carried out various initiatives centered on “Superior taste”, “Human kindness”, and “Environmental (Machi) friendliness”.

(Note 2) “New hubs of refreshment in every community” refers to stores in which everyone can find “Whew!” Surprises and that bring peace of mind, excitement, and convenience to everyone’s daily life, which is the ideal store image targeted by the Target.

According to the Target, the details of the main business and the mid to long term management strategies for each business of the Target Group are as below.

(A) Domestic convenience store business

According to the Target, in the domestic convenience store business, the Target operates a franchising system as the headquarters of franchise chains for “LAWSON,” “NATURAL LAWSON,” and “LAWSON STORE 100” as well as directly managed stores. According to the Target, Lawson Urban Works, Inc., a consolidated subsidiary of the Target, operates the convenience store “LAWSON” mainly in Tokyo and Chiba prefecture; Lawson Store 100, Inc., a consolidated subsidiary of the Target, operates, and provides management support for, the directly managed stores of “LAWSON STORE 100”; and SCI, Inc., a consolidated subsidiary of the Target, is a functional subsidiary that comprehensively manages the business process from procurement of raw materials to sales, improving the efficiency of, and optimizing the entire process.

According to the Target, amid the outbreak of COVID-19, which has caused major changes in consumer behavior, the Target has strengthened its lineup of daily-use products such as fresh and frozen foods in order to respond to the customers’ stay-at-home demand, and in the current situation where more people are going out as the flow of people recovers, the Target is responding to this change in consumer behavior more than ever, and is continuing to innovate products and create sales

spaces that are easy to shop at. In addition, based on the use of digital technologies, including the use of data within the Target Group, and the motivation and spirit of challenge of colleagues working together, the Target is pursuing “Three Promises” (Note 3) and is accelerating changes to create “new hubs of refreshment in every community,” which can provide new convenience in the future. In order to accelerate these initiatives under the strategic concept of “community based × individual customer and individual store-focused” (Note 4), the area company system (Note 5), which was partially introduced in FY 2022, has been expanded nationwide since FY 2023.

According to the Target, the Target has positioned the domestic convenience store business as its core business in its business portfolio strategy and plans to continue to strengthen this business through concentrated investment, and at the same time, intends to accelerate the evolution of its convenience store business, including peripheral businesses, in order to implement “new convenience” and create a sustainable business model. As its most recent major initiative, the Target has been working to realize the world’s fastest quick commerce platform by linking delivery platform companies with its systems and increasing the number of delivery products it handles.

(Note 3) “Three Promises” refers to “Superior taste,” “Human kindness,” and “Environmental (Machi) friendliness” promised to customers and society by the Target.

(Note 4) “Community based × individual customer and individual store-focused” refers to aiming to optimize product offerings that meet the needs of customers in each area.

(Note 5) “Area company system” refers to a structure for rigorously pursuing the creation of value for customers at locations closer to them, in which companies with great discretion are established in eight areas nationwide to realize “community based × individual customer and individual store-focused.”

(B) Seijo Ishii business

According to the Target, Seijo Ishii Co., Ltd., a consolidated subsidiary of the Target, mainly operates 181 directly managed “Seijo Ishii” supermarkets (as of the end of November 2023) and a franchising system. Seijo Ishii Co., Ltd. establishes its own unique business model of “vertical integration of food,” in which all of its processes, from importing, logistics, and manufacturing to wholesaling, retail sales, and restaurant operations, are carried out in-house. Against the backdrop of its strong brand power, backed by high-quality products and services, which are its strengths, Seijo Ishii Co., Ltd. has succeeded in capturing the stay-at-home demand and is achieving rapid expansion in the scale of its business.

The new, integrated central kitchen, the “Yamato No. 3 central kitchen,” went into operation in July 2022, significantly strengthening Seijo Ishii Co., Ltd.’s existing manufacturing capacity. Given that, Seijo Ishii Co., Ltd. now plans to open a new distribution center in order to promote the development of new categories of products in the delicatessen division, further accelerate store openings in the Kanto region, and build a distribution system in preparation for advancement and expansion into western Japan. Furthermore, in the EC business, the Seijo Ishii Net Supermarket has been jointly operating on Amazon.co.jp since March 2022, and Seijo Ishii Co., Ltd. is working to strengthen its EC and to promote last-mile businesses.

(C) Entertainment-related business

According to the Target, Lawson Entertainment, Inc., a consolidated subsidiary of the Target, operates ticketing businesses such as LAWSON Tickets and LAWSON Travel and a product sales business that sells music/video software at HMV stores and via EC, etc. In addition, United Cinemas Co., Ltd., a consolidated subsidiary of the Target, operates a cinema complex business that operates 41 movie theater complexes (as of the end of December 2023).

In its business portfolio strategy, the Target has positioned this business as one of the main sources of earnings in 2025. In addition to vertically launching the travel business with a view to developing services which seamlessly provide both entertainment and travel tickets and utilizing M&A transactions and alliances, as well as strengthening product lineups and developing new products in the EC business, the Target is working to develop its entertainment complex business by providing high added-value, such as premium seats and other theatrical facilities, in the cinema business and expanding screening content other than movies. Through these initiatives, the Target is aiming to become the one and only comprehensive entertainment distribution company.

(D) Financial services business

According to the Target, Lawson Bank, Inc., a consolidated subsidiary of the Target, has developed its ATM business and retail businesses based on 13,509 ATMs installed at LAWSON stores nationwide (as of the end of March 2023); in addition, it provides services which connect ATM users with partner financial institutions (385 companies as of the end of March 2023) and cashless operating companies through its ATM network.

According to the Target, in its business portfolio strategy, the Target has positioned this business as one of the main sources of earnings in 2025 and is working to increase the number of ATM users by expanding the number of partner financial institutions and expanding Lawson Bank's ATM services. In addition, the Target aims to provide, as the "bank closest to customers," new retail financial services to more than 3.6 billion store visitors annually.

(E) Overseas business

According to the Target, as an overseas business, the Target operates "LAWSON" stores in China, Thailand, the Philippines, Indonesia, and Hawaii, U.S.A. with operating companies in the respective regions (Note 6).

(Note 6) According to the Target, in China, Thailand, the Philippines, and Hawaii, U.S.A., business operations are primarily conducted through subsidiaries based on investments by the Target, and in Indonesia, the Target is conducting franchising operations through area-licensing to local companies rather than conducting business operations through subsidiaries.

According to the Target, among the Target's overseas businesses, in China, which boasts the largest scale of business and is the main source of overseas sales revenue, in addition to store openings by the Target's Chinese subsidiaries, the Target is proceeding with opening stores through mega-franchise agreements with local retailers in cities such as Shanghai, Chongqing, Shenyang, and Beijing, opening stores based on area license agreements where local partner companies have headquarter functions and are responsible for overall operation and development in designated areas, and is accelerating the expansion of store opening areas and number of stores. Specifically, the number of stores in China surpassed 6,000 in August 2023, reaching 6,251 as of the end of November 2023 (a net increase of 631 stores from the end of the previous fiscal year). The Target has set a goal of operating 10,000 stores in China in FY 2025, and to achieve this goal, the Target is promoting product strategies such as strengthening private brands, as well as strengthening delivery, OMO (Note 7), and EC, in addition to accelerating store openings in new areas and expanding the scale of stores in areas where it has already opened stores. According to the Target, in the future, the Target may consider various options relating to business strategies and capital policies to accelerate the growth of its Chinese subsidiaries, including alliances with business partners, acceptance of external capital, public offerings, business restructuring, and organizational restructuring, taking into account the state of its business and geopolitical risks in China; however, no concrete decisions have been made as of today. Furthermore, in regions other than China, the Target operates 964 stores in Thailand, the Philippines, Indonesia, and Hawaii, U.S.A. as of the end of November 2023. In Southeast Asia, where economic growth is remarkable, demand for convenience stores is steadily growing, reflecting the expansion of the middle class, and the Target is striving to expand the scale of its business with a target of 3,000 stores by FY 2025. In order to further accelerate store openings, in addition to initiatives including alliances with leading local companies, in the Philippines, the Target is promoting full-scale development of franchises, opening new stores in diverse forms and locations, and in Indonesia, the Target is promoting the expansion of the area of store openings in major cities other than Jakarta. In addition, the Target's policy is to strengthen the appeal of its products by expanding its lineup of private-brand products and over-the-counter fast food, and by strengthening vendor policies.

(Note 7) "OMO" is an abbreviation of "online merges with offline" and refers to measures to eliminate the distinction between sales through the Internet (electronic commerce) and sales at physical stores to encourage purchasing by customers.

According to the Target, in September 2020, the Target Group launched the “Lawson Group Sweeping Transformation Executive Committee” to consider the implementation of a growth strategy for the entire Target Group in light of the changing lifestyles and values of consumers due to the impact of the global spread of COVID-19 in order to realize “Challenge 2025,” which is the medium-term management plan for FY 2021 to FY 2025 formulated in preparation for 2025, the 50th anniversary of the Target’s incorporation. Under this committee, the Target Group is taking on challenges such as providing new forms of conveniences and improving the job satisfaction of employees and store crews. Furthermore, the Target Group also aims to achieve the performance indicators of Challenge 2025 (an ROE of 15% or more and an EPS of 500 yen or more) through “enhancing corporate value,” “balancing growth investment and shareholder returns,” and “growth of individual group companies and growth of the LAWSON Group as a whole” through concentrated investment in its core domestic convenience store business. The Target Group plans to achieve these challenges two years ahead of schedule starting in FY 2025.

Against this backdrop, the environment surrounding the retail industry in which the Target operates is characterized by increasingly intense competition across business categories and increasingly diverse consumer needs, as well as increases in various costs, including raw material, labor, and logistics costs. To achieve sustained growth in these difficult circumstances, the Target believes that it should provide high-value-added products and services in the Target Group’s various businesses, pursue further expansion of scale and efficiency improvements, and deepen DX to achieve these goals. In addition, as demand for a sustainable society increases, the Target has introduced the Environmental Vision “Lawson Blue Challenge 2050!” (Note 8) in order to contribute to the creation of a decarbonized society through de-carbon activities and by reducing food waste and plastic use and to SDGs in response to intensifying environmental changes, such as climate change, which is a social issue, and the Target views such environmental changes as business issues that must be addressed with priority.

(Note 8) “Lawson Blue Challenge 2050!” was introduced in 2019 as the Target’s environmental vision that focuses on three areas: (i) reducing CO2 emissions, (ii) reducing food waste, and (iii) reducing plastic use (in containers and shopping bags).

The Offeror and the Target executed a capital and business alliance agreement in December 2019 with the purpose of promoting data marketing that leverages the customer bases of both companies and of creating new consumer experiences through the utilization of cutting-edge technologies. Through measures such as collaborations of points, they have worked, among others, to expand their customer bases and enhance services for their members. In addition, in June 2022, the Offeror executed a business alliance agreement with the Target, MC, and menu, Inc., an Offeror Group company, and has been expanding the delivery business, that is one of the new consumer experiences at convenience stores.

In promoting such alliances, in late May 2023, the Offeror received a proposal from MC, the parent company of the Target, to conduct a joint consideration on collaboration including the privatization of the Target Shares by the three companies, i.e., the Offeror Related Parties and third party that was initially considering participating in the Transactions (the “Initial Partner Candidate”), with the Offeror and the Initial Partner Candidate as the new partner candidates of the Target who can mutually utilize their own real store network and customer bases and support the expansion and functional improvement of the Target’s network of real stores across Japan, and expansion of functions in the digital area, including utilization for the Target’s digital marketing, (hereinafter the transaction toward the privatization of the Target Shares by the Offeror Related Parties and the Initial Partner Candidate mentioned above is referred to as the “Transactions (Initial Proposal)”). However, as described below, the Initial Partner Candidate declined the proposal to the Transactions (Initial Proposal) during the Transactions (Initial Proposal) review process.

According to MC, MC was incorporated on April 1, 1950, and listed its shares on the TSE and Osaka Exchange, Inc. in 1954. According to MC, MC comprises a corporate group consisting of 1,367 consolidated subsidiaries and 410 equity method affiliates (as of September 30, 2023) including MC and the Target (“MC Group”). MC has indicated that through its domestic and

overseas network, MC operates in a wide range of industries in ten groups: natural gas, industrial materials, chemicals solution, mineral resources, industrial infrastructure, automotive & mobility, food industry, consumer industry, power solutions, and urban development, as well as the industry digital transformation group and next-generation energy business group. According to MC, in addition to trading, MC also plays a role in development, production, and manufacturing at sites around the world with various partners.

According to MC, MC has formulated the “Midterm Corporate Strategy 2024” for three years starting from FY 2022 in May 2022, which aims for the continuous creation of MC Shared Value by elevating the MC Group’s collective capabilities in order to address societal challenges, with “fostering and leveraging connections” of diverse businesses, intelligence, human resources, and stakeholders as the keywords. In particular, according to MC, the Consumer Industry Group aims to provide consumers with highly attractive consumption experiences and highly convenient services by collaborating with other industries, streamlining the supply chain through DX, and providing products, services, and information that meet consumer needs through digital marketing by leveraging MC’s far-reaching operations (contacts) with a wide range of consumers (customers) across real world and digital technology fields, based on the mission of “Creating a rich life by connecting consumers and producers as well as the real world and digital technology fields.” According to MC, in this context, the real store network centered on the Target and far-reaching operations of digital services centered on Ponta are sources of value creation within the Consumer Industry Group; and since the execution of a business alliance agreement between the Target and MC in February 2000, the Target has been responsible for the most important business in the downstream business area of the MC Group.

According to MC, with respect to capital relationships between MC and the Target, MC Retail Investment Co., Ltd. (“MCRI”), a wholly-owned subsidiary of MC, acquired 9,109,300 Target Shares (7.93% of the issued shares at that time) in February 2001, and a further 22,980,000 shares (21.36% of the issued shares at that time) in August 2001 (resulting in the aggregate holding of 32,089,300 shares, including the 9,109,300 shares acquired previously, accounting for 29.82% of the issued shares at that time), becoming the Target’s largest shareholder. MC has indicated that in December 2004, MC purchased all of these Target Shares from MCRI, and became the Target’s largest shareholder. According to MC, through market purchase thereafter and though the Target a consolidated subsidiary in February 2017, MC has been operating the Target’s business together with the Target for nearly a quarter of a century. According to MC, as a result of the above, MC owns 50,150,100 Target Shares (Shareholding Ratio: 50.06%) as of today.

According to MC, MC recognizes that the Target, which continues to provide value to approximately 10 million customers per day using a network of approximately 14,600 stores across Japan, is a rare entity that possesses critical infrastructure functions that are indispensable to local customers. In addition, MC has expressed that it realizes that the Target’s business, which is a “hub of refreshment in every community,” has been established through the efforts of many people, including franchisees and crews who support the Target’s business operations, employees of the Target Group, and those who are engaged in logistics, vendor business, etc. According to MC, MC believes that extensive contact with consumers and the customer base of the Target’s business, which is essential to customers in this way, are valuable business resources that can serve as the foundation for the MC Group to develop new business concepts in downstream fields. According to MC, MC will continue to seek to provide services that are convenient and profitable for consumers, create new customer experiences, and support prosperous local communities, including the possibility of collaboration between the Target’s business and the financial, advertising, and healthcare businesses operated by the MC Group and in the urban development, electric power, mobility, and energy fields.

On the other hand, according to MC, as it internally has considered measures to contribute to further enhancing the Target’s corporate value, it had reached the conclusion by mid-May 2023 that as the environment surrounding the retail business is expected to change, including advances in digital technology, diversification of consumer needs, future population decline, and intensifying competition, including in other industries, based on the recognition that providing services that integrate the real and digital more than ever will lead to consumer value, rather than stopping at the efforts made by the Target Group or the support system for the Target by the MC Group, MC has

come to believe that collaborating with new partners with a customer base and rich digital knowledge will contribute to further enhancing the Target's corporate value. According to MC, in parallel with these ongoing in-house consultations, MC had an opportunity to conduct initial exchanges of views with the Offeror in order to consider a wide range of possibilities for further collaboration aimed at enhancing the Target's corporate value, taking advantage of the entry into the capital and business alliance agreement between the Offeror and the Target in December 2019. In addition, according to MC, MC had been conducting initial exchanges of views with the Initial Partner Candidate in order to consider the possibility of a partnership between the Initial Partner Candidate and the Target, since being approached by the Initial Partner Candidate in late December 2022 regarding joint consideration of the possibility of collaboration through a partnership with the Target.

According to MC, MC began approaching the Initial Partner Candidate and the Offeror in mid-May 2023 and in late May 2023, respectively, to jointly consider a collaboration, including the privatization of the Target Shares, given that, through these initial exchanges of views with the Offeror and the Initial Partner Candidate, MC confirmed that both parties have a strong interest in business collaboration with the Target, and MC has come to believe that it can aim to become a familiar presence for all customers by combining the digital knowledge of the Offeror with the social infrastructure centered on the "real world" sites owned by the Offeror and the Initial Partner Candidate, and that these two companies could become new partner candidates for further enhancing the Target's corporate value. Thereafter, the Initial Partner Candidate indicated its willingness to consider the Transactions (Initial Proposal) in mid-May 2023, and the Offeror indicated its intention to agree to proceed with the concrete examination of the Transactions (Initial Proposal) in late June 2023, as described below. According to MC, MC intends to work together with the Offeror, with which MC has reached an agreement to implement the Transactions, to enhance the corporate value of the Target, which will celebrate its 50th anniversary in 2025, and further to take on the challenge of realizing a "hub of refreshment in every community" with a view to the next 50 years.

In response to this, the Offeror has repeatedly had initial discussions with MC regarding the significance of the Transactions (Initial Proposal) and the potential synergies with the Target. The Offeror believes that convenience stores, which is the Target's mainstay business, are an indispensable part of social infrastructures, and that their importance has been increasing in recent years. On the other hand, the Offeror believes that the diversification of consumer values, including lifestyle and consumer behaviors, triggered by the spread of COVID-19, will necessitate the provision of new values beyond real stores in the future. Under such business conditions, the Offeror recognizes that the Target has developed distinctive stores, such as "LAWSON," a convenience store with approximately 14,600 stores across Japan, "LAWSON STORE 100," and "NATURAL LAWSON," by adopting "community based × individual customer and individual store-focused" as a strategy and has established its position as one of the leading convenience store chains in Japan through the provision of products and services closely tailored to local customers and that it has a wide range of customer contact points, such as through Seijo Ishii, which is a supermarket with strong brand power due to its high-quality original products, and the entertainment business, which sells tickets and operates movie theaters, etc.

The Offeror recognizes that in order to continue to be an enterprise selected by customers in the future, while responding to a declining domestic population and changes in the environment surrounding the communications industry, maintaining and strengthening contact points with customers will be matters of even more importance for management than ever before. The Offeror believes that collaborating with the Target will enable the Offeror to build contact points with more customers and that by providing digital support for the Target through the utilization of various assets, including communication systems owned by the Offeror Group, the Offeror will be able to improve the convenience of the Target's stores and provide new value to customers.

Based on this consideration, the Offeror has come to believe that meeting the needs of local communities and customers by deepening alliances between the Target, which has close contacts with "real" customers, and the Offeror, which has close contacts with "digital" customers, is also consistent with the Offeror's aim to become a "Platformer Supporting Society." Accordingly, in

late June 2023, the Offeror has agreed to the proposal from MC and has started to specifically examine the Transactions (Initial Proposal).

Since late June 2023, the Offeror has continued discussions with MC on the transaction structures and management policies for the Transactions (Initial Proposal) by the three companies, including the Initial Partner Candidate, through explanations regarding the Initial Partner Candidate from MC, and has also considered specific collaborative measures with the Target in addition to deepening its understanding of the Target through explanations regarding the Target from MC.

In late June 2023, the Offeror appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as a legal advisor independent of the Offeror Related Parties and the Target, and in early September 2023, it appointed UBS Securities Japan Co., Ltd. (“UBS Securities”) as a financial advisor independent of the Offeror Related Parties and the Target. In addition, in mid-May 2023, MC appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as a financial advisor independent of the Offeror Related Parties and the Target, and appointed Nagashima Ohno & Tsunematsu as a legal advisor independent of the Offeror Related Parties and the Target. After that, the three companies, including the Initial Partner Candidate, have held consultations on multiple occasions since late August 2023 on fundamental matters such as the transaction structure and schedule, as well as specific measures to enhance the corporate value of the Target. As a result, in late August 2023, the Offeror has come to share with MC and the Initial Partner Candidate the view that the Target’s corporate value could be enhanced by utilizing the networking, management resources, and knowledge possessed by the Offeror Related Parties, the Initial Partner Candidate, and the Target in their respective industries, and by promoting their business activities based on mutual collaboration. Specifically, for the Target Group’s business activities that support customers nationwide through the provision of food and daily necessities, by utilizing the knowledge of the Offeror Group, an infrastructure company with leading domestic shares in the field of communications; and the Initial Partner Candidate, and by the Offeror Related Parties, the Initial Partner Candidate, and the Target cooperating in each area of “real,” aiming to expand networks and enhance store functions through the mutual utilization of real stores; “digital,” aiming to expand the points economic zone and develop real and digital integrated services; and “green,” aiming to promote measures to reduce the environmental burden, the parties came to believe that they could contribute to enhancing the Target’s corporate value by creating value for consumers through the realization of a new business form that surpasses conventional convenience stores based on the concept of “real × digital × green.” In addition, with regard to the means to realize the above, the parties decided that it would be best to take private the Target Shares, based on the view that accelerating the mutual utilization of management resources, implementing various measures that lead to the growth of the Target over the medium to long term even if not directly related to the short-term benefits of the Target, and building stronger alliances will ultimately contribute to the enhancement of the Target’s corporate value.

Based on the discussions as described above, the Offeror Related Parties and the Initial Partner Candidate provided an initial proposal as of September 1, 2023, concerning the Transactions (Initial Proposal), to the Target, and in early September 2023, the Target indicated its intention to establish a review system for discussions regarding the Transactions (Initial Proposal). After that, since mid-September 2023, the Offeror Related Parties and the Initial Partner Candidate have commenced consultations on specific matters with the Target toward the implementation of the Transactions (Initial Proposal). In addition, since mid-October 2023, the Offeror Related Parties and the Initial Partner Candidate have consecutively commenced due diligence on the Target to deepen their understanding of the business environment, growth strategies, management issue, etc., with respect to the Target and its business. At the same time, they confirmed matters with respect to the fields of business, accounting, tax affairs, legal affairs, etc. of the Target.

In such situation, in late December 2023, the Offeror Related Parties were consulted by the Initial Partner Candidate regarding the impact on the Transactions (Initial Proposal) due to the circumstances of the Initial Partner Candidate. After discussions between the Offeror Related Parties and the Initial Partner Candidate, the parties came to the conclusion that it would be difficult to continue with the Transactions (Initial Proposal), and the Offeror Related Parties received an offer concerning the declining of the Transactions (Initial Proposal) from the Initial Partner Candidate.

Based on this, the Offeror Related Parties consulted again regarding the best way to enhance the Target's corporate value. As a result, the Offeror Related Parties reconfirmed their understanding that in order to enhance the corporate value of the Offeror Related Parties and the Target, it is essential to mutually leverage their respective management resources, such as their respective human resources and know-how, etc., and to promote swift decision-making. On the other hand, the Offeror Related Parties also confirmed that they are mutually aware of the issue that it is impossible to deny the risk of a short-term downturn in business results due to a temporary increase in costs incurred as a result of taking various measures and the possibility of the adverse effect on stock prices resulting from them. As a result, based on the belief that taking private the Target Shares without impairing benefits of the Target's minority shareholders by providing the Target's minority shareholders with appropriate and reasonable opportunities to sell the Target Shares, taking various measures that lead to the growth of the Target over the medium to long term, even if such measures may not be directly related to the short-term benefits of the Target, and building stronger alliances, will ultimately contribute to the enhancement of the Target's corporate value, the Offeror Related Parties have determined that taking private the Target Shares and putting the Target under a joint management structure by the Offeror Related Parties is the best option for enhancing the corporate value of the Target.

After that, the Initial Partner Candidate officially provided the Target with a notice as of December 25, 2023 declining the proposal regarding the Transactions (Initial Proposal). In addition, as a result of consultation, the Offeror Related Parties provided the Target with a written proposal as of December 26, 2023 for a change in the initial proposal regarding the Transactions that changed the Transactions (Initial Proposal) from a collaboration involving the privatization of the Target Shares by three companies (i.e., the Offeror Related Parties and the Initial Partner Candidate) to a collaboration involving the privatization of the Target Shares by two companies (i.e., the Offeror Related Parties).

In response to this, according to the Target, on January 4, 2024, the Target and the Special Committee held an interview session with the Offeror Related Parties to review the impact of the changes to the initial proposal. In the interview, according to the Target, the Target and the Special Committee received an explanation from the Offeror that due to the Initial Partner Candidate's decline, the business alliance matters proposed by the Initial Partner Candidate will be excluded from the scope of the proposal, but as the voting rights ratio of the Offeror after the Transactions will be raised to 50.00%, with respect to the business alliance matters proposed by the Offeror, the Offeror will be able to give prompt and generous support based on a stronger commitment; therefore, they believed that it would be worthwhile to deepen consideration and discussions on the details of the proposed changes to the initial proposal, and decided to continue to consider the Transactions.

The Offeror Related Parties expect synergies in each of the "real × digital × green" fields through the creation of new consumer value that combines "real × digital × green" and by making the Offeror Related Parties the Target's only shareholders through the Transactions and conducting business operations in an integrated manner with the Target, and they are considering the following matters as measures to realize those synergies. Further, the Offeror Related Parties may consider entering into an alliance with a new outside partner as a future option after the Transactions is completed in order for the Target to continue to grow sustainably in the future as well. However, as of today, no consideration has been given to entering into an alliance with a specific outside partner, nor is there a specific policy for inviting an outside partner.

(i) Specific Measures and Synergies in Real Areas

The Offeror Related Parties believe it possible to build a leading domestic real store network regarding the Offeror's and the Target's approximately 16,800 real stores, which are the strengths of both the Target and the Offeror (Target stores: approximately 14,600; au shops: approximately 2,200). On that basis, the Offeror Related Parties expect to improve the Target's competitive advantage by providing new services that utilize the functions and commodities of the Offeror Related Parties and the Target.

Specifically, as measures to expand the networks and strengthen the functions of the Target's stores, the Offeror Related Parties are considering providing new services by combining the Offeror's assets, such as the handling of Target goods and services at au shops,

the provision of commodities and services centered on communications of the Offeror at Target stores (such as merchandise-based communication services), and the provision of services that are more in tune with customers' lives through the introduction of online remote customer service.

(ii) Specific Measures and Synergies in Digital Areas

The Offeror Related Parties expect that the Target will improve customer satisfaction and loyalty by utilizing the largest customer database in Japan resulting from the shared member information (attributes, purchase information, etc.) held by the Offeror Related Parties and the Target.

Specifically, the Offeror Related Parties are considering conducting new customer referrals to Target stores from the Offeror's membership base and developing and offering new services for members aimed at expanding use of Target stores by existing members of the Offeror and the Target. The Offeror Related Parties are also considering establishing a data-sharing and analytical system with the Offeror to expand the Target's earnings, as well as utilizing the Offeror's DX knowledge and technologies for Target store management issues, such as optimized operation of Target stores.

(iii) Specific Measures and Synergies in Green Areas

By making maximum use of the business foundations of the Offeror Related Parties and the Target and promoting initiatives to decarbonize the Target's business, the Offeror Related Parties expect to realize a green and sustainable society.

Specifically, the Offeror Related Parties are considering promoting the greening of Target stores by installing solar panels at Target stores and having electricity be generated by the Offeror. In addition, the Offeror Related Parties will consider promoting a circular economy business, such as manufacturing biodiesel whose raw material is waste oil made by Target stores and contributing to achievement of "Lawson Blue Challenge 2050!" introduced by the Target by replacing plastic containers and plastic bottle materials with bio-materials in Target's business.

In parallel, the Offeror and MC have repeatedly and continuously held consultations with the Target from mid-October 2023 until today on a specific business alliance, such as the management structure and business policies following completion of the Transactions. After several consultations, as of today, the Offeror Related Parties and the Target executed the Capital and Business Alliance Agreement, and the Offeror Related Parties executed the Shareholders Agreement. For summaries of the Capital and Business Alliance Agreement and the Shareholders Agreement, please refer to "(II) Shareholders Agreement" and "(III) Capital and Business Alliance Agreement" under "(6) Material agreements relating to the Tender Offer" below. In connection with the execution of the Capital and Business Alliance Agreement, it was agreed that the business alliance agreement between MC and the Target on September 16, 2016, will be terminated subject to the effectiveness of the Capital and Business Alliance Agreement.

In addition, based on the results of due diligence on the Target conducted from mid-October 2023 to late January 2024, with respect to the tender offer price in the Tender Offer (the "Tender Offer Price"), the Offeror made an initial proposal (the "Initial Proposal") in writing to the Target on December 26, 2023, making the Tender Offer Price per Target Share be 8,650 yen (8,650 yen is the amount calculated by adding an 18.64% premium to 7,291 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on December 25, 2023 (such date being the business day immediately preceding December 26, 2023, when the proposal was made) (rounded to the second decimal place; hereinafter the same applies in the calculation of the premium rate), an 18.98% premium to 7,270 yen, which was the simple average of the closing prices for the one month ending on December 25, 2023 (rounded to the nearest whole number; hereinafter the same applies in the calculation of the simple average of closing prices), a 21.80% premium to 7,102 yen, which was the simple average of the closing prices for the three months ending on December 25, 2023, and a 23.64% premium to 6,996 yen, which was the simple average of the closing prices for the six months ending on December 25, 2023), making the tender offer price per Share Option (the

“Share Option Price”) be 1 yen, and making the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts be 8,650 yen. In response to the Initial Proposal, the Offeror received a request from the Target on December 27, 2023 to consider revising the Tender Offer Price from the perspective of considering the interests of the Target’s minority shareholders.

In response to that request from the Target, the Offeror made a second proposal (“Proposal No. 2”) in writing to the Target on January 4, 2024 setting the Tender Offer Price per Target Share at 9,000 yen (9,000 yen is the amount calculated by adding a 23.58% premium to 7,283 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on December 29, 2023 (such date being the business day immediately preceding January 4, 2024, when the proposal was made), a 24.09% premium to 7,253 yen, which was the simple average of the closing prices for the one-month period ending on December 29, 2023, a 26.32% premium to 7,125 yen, which was the simple average of the closing prices for the three-month period ending on December 29, 2023, and a 28.13% premium to 7,024 yen, which was the simple average of the closing prices for the six-month period ending on December 29, 2023), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 9,000 yen. In response to Proposal No. 2, the Offeror received a request from the Target on January 6, 2024 to once again consider revising the Tender Offer Price from the perspective of considering the interests of the Target’s minority shareholders.

In response to that request from the Target, the Offeror made a third proposal (“Proposal No. 3”) in writing to the Target on January 11, 2024 setting the Tender Offer Price per Target Share at 9,500 yen (9,500 yen is the amount calculated by adding a 29.85% premium to 7,316 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 10, 2024 (such date being the business day immediately preceding January 11, 2024, when the proposal was made), a 31.51% premium to 7,224 yen, which was the simple average of the closing prices for the one-month period ending on January 10, 2024, a 32.50% premium to 7,170 yen, which was the simple average of the closing prices for the three-month period ending on January 10, 2024, and a 34.35% premium to 7,071 yen, which was the simple average of the closing prices for the six-month period ending on January 10, 2024), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 9,500 yen. In response to Proposal No. 3, the Offeror received a request from the Target on January 12, 2024 to once again consider revising the Tender Offer Price from the perspective of considering the interests of the Target’s minority shareholders.

In response to that request from the Target, the Offeror made a fourth proposal (“Proposal No. 4”) in writing to the Target on January 18, 2024 setting the Tender Offer Price per Target Share at 10,000 yen (10,000 yen is the amount calculated by adding a 20.63% premium to 8,290 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 17, 2024 (such date being the business day immediately preceding January 18, 2024, when the proposal was made), a 35.23% premium to 7,395 yen, which was the simple average of the closing prices for the one-month period ending on January 17, 2024, a 37.76% premium to 7,259 yen, which was the simple average of the closing prices for the three-month period ending on January 17, 2024, and a 40.61% premium to 7,112 yen, which was the simple average of the closing prices for the six-month period ending on January 17, 2024), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,000 yen. In response to Proposal No. 4, the Offeror received a request from the Target on January 24, 2024 to consider further raising the Tender Offer Price in exchange for an opinion in favor of and a recommendation to tender in the Transactions, from the perspective of considering the interests of the Target’s minority shareholders and in light of the recent growth in the Target’s business, including the details of the Target’s Financial Results, and the continued rise in the current stock price.

In response to that request from the Target, the Offeror made a fifth proposal (“Proposal No. 5”) in writing to the Target on January 26, 2024 setting the Tender Offer Price per Target Share at 10,200 yen (10,200 yen is the amount calculated by adding a 23.40% premium to 8,266 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 25, 2024 (such date being the business day immediately preceding January 26, 2024, when the proposal was made),

a 31.61% premium to 7,750 yen, which was the simple average of the closing prices for the one-month period ending on January 25, 2024, a 37.99% premium to 7,392 yen, which was the simple average of the closing prices for the three-month period ending on January 25, 2024, and a 42.04% premium to 7,181 yen, which was the simple average of the closing prices for the six-month period ending on January 25, 2024), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,200 yen. In response to Proposal No. 5, the Offeror received a request from the Target on January 28, 2024 to consider further raising the Tender Offer Price from the perspective of considering the interests of the Target's minority shareholders, for the opinion in favor of, and a recommendation to tender in, the Transactions.

In response to that request from the Target, the Offeror made a sixth proposal ("Proposal No. 6") in writing to the Target on January 29, 2024, setting the Tender Offer Price per Target Share at 10,290 yen (10,290 yen is the amount calculated by adding a 24.20% premium to 8,285 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 26, 2024 (such date being the business day immediately preceding January 29, 2024, when the proposal was made), a 31.91% premium to 7,801 yen which was the simple average of the closing prices for the one-month period ending on January 26, 2024, a 38.81% premium to 7,413 yen which was the simple average of the closing prices for the three-month period ending on January 26, 2024, and a 43.08% premium to 7,192 yen which was the simple average of the closing prices for the six-month period ending on January 26, 2024, setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,290 yen. In response to Proposal No. 6, the Offeror received a request from the Target on January 29, 2024 to consider further raising the Tender Offer Price from the perspective of fully securing the interests of the Target's minority shareholders for the opinion in favor of, and a recommendation to tender in, the Transactions.

In response to that request from the Target, the Offeror made a seventh proposal ("Proposal No. 7") in writing to the Target on January 30, 2024 setting the Tender Offer Price per Target Share at 10,350 yen (10,350 yen is the amount calculated by adding a 23.01% premium to 8,414 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 29, 2024 (such date being the business day immediately preceding January 30, 2024, when the proposal was made), a 30.60% premium to 7,925 yen, which was the simple average of the closing prices for the one-month period ending on January 29, 2024, a 39.19% premium to 7,436 yen, which was the simple average of the closing prices for the three-month period ending on January 29, 2024, and a 43.67% premium to 7,204 yen, which was the simple average of the closing prices for the six-month period ending on January 29, 2024), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,350 yen. In response to Proposal No. 7, on January 31, 2024, the Offeror received a request from the Target that the Offeror will consider further raising the Tender Offer Price for the opinion in favor of, and a recommendation to tender in, the Transactions from the perspective of fully securing the interests of the Target's minority shareholders.

In response to that request from the Target, the Offeror made the final proposal ("Final Proposal") in writing to the Target on January 31, 2024 setting the Tender Offer Price per Target Share at 10,360 yen (10,360 yen is the amount calculated by adding a 23.00% premium to 8,423 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on January 30, 2024 (such date being the business day immediately preceding January 31, 2024, when the proposal was made), a 30.27% premium to 7,953 yen, which was the simple average of the closing prices for the one-month period ending on January 30, 2024, a 38.89% premium to 7,459 yen, which was the simple average of the closing prices for the three-month period ending on January 30, 2024, and a 43.61% premium to 7,214 yen, which was the simple average of the closing prices for the six-month period ending on January 30, 2024), setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,360 yen. In response to the Final Proposal, on February 2, 2024, the Offeror received a response from the Target stating that it views the Tender Offer Price in the Final Proposal as the maximum price that the Offeror could offer and accepts the Tender Offer Price in the Final Proposal.

As a consequence of the above, the Offeror and the Target agreed on February 2, 2024 to set the Tender Offer Price per Target Share at 10,360 yen (10,360 yen is the amount calculated by adding a 19.99% premium to 8,634 yen, which was the closing price of the Target Shares on the Prime Market of the TSE on February 1, 2024 (such date being the business day immediately preceding February 2, 2024, when the agreement was made), a 29.32% premium to 8,011 yen, which was the simple average of the closing prices for the one-month period ending on February 1, 2024, a 38.10% premium to 7,502 yen, which was the simple average of the closing prices for the three-month period ending on February 1, 2024, and a 43.17% premium to 7,236 yen, which was the simple average of the closing prices for the six-month period ending on February 1, 2024), the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,360 yen. The Offeror also agreed with MC today to set the Tender Offer Price per Target Share at 10,360 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Shares relating to American Depositary Shares represented by American Depositary Receipts at 10,360 yen.

(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target

According to the Target's Press Release, the decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target are as follows.

(i) Background of the proposal by the Offeror Related Parties and establishment of a review system

According to the Target, as described in "(I) Background, purposes, and decision-making process leading to the decision to conduct the Tender Offer" above, upon the receipt of a written initial proposal regarding the Transactions (Initial Proposal) on September 1, 2023, the Target appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities") as its financial advisor and third-party valuator independent of the Offeror Related Parties and the Target with respect to the Transactions (Initial Proposal), after examining the expertise and past performances of SMBC Nikko Securities, to receive advice and assistance from a financial perspective, including advice on the calculation of the value of the Target Shares and the policy for negotiation with the Offeror Related Parties, and appointed Anderson Mori & Tomotsune Gaikokuho-Kyodo-Jigyo ("Anderson Mori & Tomotsune") as its external legal advisor, after examining the expertise and past performances of Anderson Mori & Tomotsune, to receive legal advice, including advice on the measures to be taken to ensure the fairness of the procedures for the Transactions (Initial Proposal), the procedures for the Transactions (Initial Proposal), and the method and process of decision-making by the Target concerning the Transactions (Initial Proposal). Because MC, which is one of the Offeror Related Parties, owns 50,150,100 Target Shares (Shareholding Ratio: 50.06%) and is the parent company of the Target, and therefore, the Transactions (Initial Proposal) including the Tender Offer may fall under important transactions with controlling shareholders, and therefore the Transactions (Initial Proposal) may fall under the type of transaction involving the issue of structural conflicts of interest and information asymmetry with minority shareholders, in order to address these issues and ensure the fairness of the Transactions (Initial Proposal), the Target's board of directors, based on the advice of Anderson Mori & Tomotsune, immediately set about establishing a system to review, negotiate, and make decisions regarding the Transactions (Initial Proposal) from the perspective of enhancing the corporate value of the Target and securing the interests of the minority shareholders of the Target, from a stand point independent of the Offeror Related Parties.

Specifically, according to the Target, as described in "(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below, the Target began preparations to establish the Special Committee comprised of the Target's independent outside directors and independent outside auditors from early September 2023. Then, according to the Target, the Target, by resolution at its board of directors meeting held on September 13, 2023, established a special committee comprised of three (3) members, Ms. Miki Iwamura (the Target's independent outside director), Ms. Satoko Suzuki (the Target's independent outside director), and

Ms. Yuko Gomi (the Target's independent outside auditor) (the "Special Committee"; for details of background of establishment, background of consideration, and details of decision of the Special Committee, please refer to "(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below). In addition, according to the Target, the Target resolved to consult the Special Committee on (i) whether the purposes of the Transactions are appropriate and reasonable (including whether the Transactions would contribute to the Target's corporate value); (ii) whether the fairness and appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price) are ensured; (iii) whether due attention is paid in the Transactions to the interests of the Target's shareholders through fair procedures; (iv) whether it is deemed appropriate for the Target's board of directors to express an opinion in favor of the Tender Offer to recommend that the Target's shareholders tender in the Tender Offer and to recommend that the owners of American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive delivery of the Target Shares represented by those American Depositary Receipts to tender their shares in the Tender Offer and that it would leave the decision as to whether to tender shares in the Tender Offer to the judgment of the Share Option Holders; and (v) whether implementation of the Transactions would be considered disadvantageous to the Target's minority shareholders from perspectives other than (i) to (iv) (collectively, the "Consultation Matters") (for the method of resolution of the Target's board of directors, please refer to (viii) "Unanimous approval of all disinterested directors of the Target and the opinion of all auditors of the Target that they have no objection" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below). According to the Target, as described in "(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below, the Target has also received approval from the Special Committee to appoint SMBC Nikko Securities as its financial advisor and third-party valuator, and Anderson Mori & Tomotsune as its legal advisor. In addition, according to the Target, as described in "(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below, on September 13, 2023, based on the above authority, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its independent legal adviser, and appointed Daiwa Securities Co., Ltd. ("Daiwa Securities") as its independent financial adviser and third-party valuator.

Furthermore, according to the Target, the Target has established a system within the Target to review, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Offeror Related Parties (including the scope and duties of the Target's officers and employees to be involved in the review, negotiation, and decisions regarding the Transactions) and has received confirmation from the Special Committee that such review system has no problem from the perspectives of independence and fairness (for details on such review system, please refer to "(vii) Establishment of independent review system at the Target" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below).

(ii) Process of review and negotiation

According to the Target, the Target received from SMBC Nikko Securities a report on the results of valuation of the Target Shares and advice on the policy of the negotiation with the Offeror, as well

as legal advice from Anderson Mori & Tomotsune on measures to ensure the fairness of the procedures for the Transactions, and based on these, the Target carefully considered whether to implement the Transactions and whether the terms and conditions of the Transactions, including the Tender Offer Price, were appropriate.

According to the Target, the Target held an interview session on October 12, 2023 to give an explanation on the Target's corporate profile to the Offeror Related Parties and the Initial Partner Candidate, and since mid-October 2023, the Target has held discussions and negotiations with the Offeror Related Parties and the Initial Partner Candidate with respect to the significance and purpose of the Transactions (Initial Proposal) and the plans for management and business operation after the Transactions (Initial Proposal). Specifically, according to the Target, on October 6, 2023, the Target sent a questionnaire concerning the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate, and on October 27, 2023, the Target received a written response to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate, and verbally confirmed the intent of such response on October 30, 2023. According to the Target, based on the response received from the Offeror Related Parties and the Initial Partner Candidate, the Target sent an additional questionnaire concerning the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate on November 28, 2023. According to the Target, after receiving the written response to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate on December 4, 2023, the Target verbally confirmed the intent of such response on December 13, 2023.

In addition, according to the Target, on November 17, 2023, the Special Committee sent a questionnaire concerning the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate, and on December 4, 2023, after receiving the written response to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate, the Special Committee verbally confirmed the intent of such response on December 7, 2023.

Thereafter, according to the Target, the Target received an offer to decline the proposals on the Transactions (Initial Proposal) from the Initial Partner Candidate as of December 25, 2023, and received from the Offeror Related Parties a written proposal for partial changes to the initial proposal regarding the Transactions (Initial Proposal) as of December 26, 2023. According to the Target, on January 4, 2024, the Target and the Special Committee had an interview session with the Offeror Related Parties to review the impact of the changes to the initial proposal. In the interview session, according to the Target, the Target and the Special Committee received an explanation from the Offeror that due to the Initial Partner Candidate's decline, the business alliance matters proposed by the Initial Partner Candidate will be excluded from the scope of the proposal, but as the voting rights ratio of the Offeror after the Transactions will be raised to 50.00%, with respect to the business alliance matters proposed by the Offeror, the Offeror will be able to give prompt and generous support based on a stronger commitment; therefore, they believed that it would be worthwhile to deepen consideration and discussions on the details of the proposed changes to the initial proposal, and decided to continue to consider the Transactions.

At the same time, according to the Target, the Target has been discussing specific business alliances with the Offeror Related Parties since October 2023, including the management system and business policies after the Transactions. According to the Target, after several discussions, the Target and the Offeror Related Parties executed the Capital and Business Alliance Agreement as of today. For an outline of the Capital and Business Alliance Agreement, please refer to "(iii) Capital and Business Alliance Agreement" in "(6) Material agreements relating to the Tender Offer" below. As a result of the execution of the Capital and Business Alliance Agreement, the business alliance agreement as of September 16, 2016, between MC and the Target was decided to be dissolved on condition that the Capital and Business Alliance Agreement becomes effective.

According to the Target, on December 26, 2023, the Target received in writing the Initial Proposal regarding the Tender Offer Price from the Offeror. According to the Target, on December 27, 2023, in response to the Initial Proposal, the Target requested the Offeror to reconsider an increase of the Tender Offer Price, because the Tender Offer Price in the Initial Proposal is insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 4, 2024, the Target received Proposal No. 2 in writing from the Offeror in response to such request. According to the Target, on January 6, 2023, in response to Proposal No. 2, the Target

requested that the Offeror consider an increase of the Tender Offer Price, because the Tender Offer Price in Proposal No. 2 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 11, 2024, the Target received Proposal No. 3 in writing from the Offeror in response to such request. According to the Target, on January 12, 2024, in response to Proposal No. 3, the Target requested that the Offeror consider an increase of the Tender Offer Price, because the Tender Offer Price in Proposal No. 3 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on the January 18, 2024, the Target received Proposal No. 4 in writing from the Offeror in response to such request. According to the Target, on January 24, 2023, in response to Proposal No. 4, the Target requested that the Offeror consider an increase of the Tender Offer Price for the Opinion in favor of and Planned Commencement of a Tender Offer in view of the current growth of the Target's business performance, including Target's Financial Results, and continuous increase in the price of Target's shares, because the Tender Offer Price in Proposal No. 4 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 26, 2024, the Target received Proposal No. 5 in writing from the Offeror in response to such request. According to the Target, on January 28, 2024, in response to Proposal No. 5, the Target requested that the Offeror consider an increase of the Tender Offer Price for the Opinion in favor of and Planned Commencement of a Tender Offer, because the Tender Offer Price in Proposal No. 5 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 29, 2024, the Target received Proposal No. 6 in writing from the Offeror in response to such request. According to the Target, on January 29, 2024, in response to Proposal No. 6, the Target requested that the Offeror consider a further increase of the Tender Offer Price for the Opinion in favor of and Planned Commencement of a Tender Offer, because the Tender Offer Price in the Proposal No. 6 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 30, 2024, the Target received Proposal No. 7 in writing from the Offeror in response to such request. According to the Target, on January 31, 2024, in response to Proposal No. 7, the Target requested that the Offeror consider a further increase of the Tender Offer Price for the Opinion in favor of and Planned Commencement of a Tender Offer, because the Tender Offer Price in the Proposal No. 7 was insufficient to recommend that the Target's minority shareholders tender their shares. According to the Target, on January 31, 2024, the Target received the Final Proposal from the Offeror in response to such request. According to the Target, on February 2, 2024, in response to the Final Proposal, the Target responded to the Offeror that the Target agrees to set the Tender Offer Price per Target Share at 10,360 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,360 yen.

According to the Target, in the course of the review and negotiation described above, the Special Committee received reports from the Target, the Target's financial advisor, SMBC Nikko Securities, and the Special Committee's financial advisor, Daiwa Securities, confirmed such reports, and expressed its opinions as appropriate. Specifically, according to the Target, the Target received confirmation and approval from the Special Committee on the reasonableness of the details, material conditions precedent, and process of preparation of the business plan prepared by the Target for the period from the fiscal year ending February 2024 to the fiscal year ending February 2028 (the "Business Plan"). In addition, the Target's financial advisor, SMBC Nikko Securities, conducted negotiations with the Offeror in accordance with the policy of negotiation deliberated and determined by the Special Committee, and immediately reported to the Special Committee each time the Target received a proposal from the Offeror regarding the Tender Offer Price and responded in accordance with the instructions of the Special Committee.

On February 5, 2024, the Target received a written report (the "Written Report") from the Special Committee which stated that, as of the date of the report, (a) the Transactions would contribute to the Target's corporate value and the purposes of the Transactions are appropriate and reasonable; (b) the fairness and appropriateness of the terms and conditions of the Transactions (including the tender offer price in the Tender Offer) are ensured; (c) due consideration is given in the Transactions to the interests of the Target's shareholders through fair procedures; (d) it is appropriate for the Target's board of directors to express an opinion in favor of the Tender Offer, to recommend that the Target's

shareholders tender in the Tender Offer, and to recommend that the owners of American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive delivery of the Target Shares represented by those American Depositary Receipts in order to tender their shares in the Tender Offer, and that it would leave the decision as to whether to tender shares in the Tender Offer to the judgment of the Share Option Holders; and (e) in addition to (a) to (d) above, the implementation of the Transactions would not be considered disadvantageous to the Target's minority shareholders in the event that the Tender Offer is commenced (for a summary of the Written Report, please refer to "(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee" under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below).

(iii) Details of the Target's decision making

According to the Target, based on the above circumstances, the Target carefully considered and discussed at its board of directors meeting held today whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Target's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, were appropriate, taking into account the legal advice received from Anderson Mori & Tomotsune, the advice received from SMBC Nikko Securities, and the details of a share valuation report concerning the results of valuation of the Target Shares submitted on February 5, 2024 (the "Share Valuation Report (Nikko Securities)") (please refer to "(iv) Receipt of a share valuation report from an independent financial advisor and a third-party valuator of the Target" below under "(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below), with the utmost respect for the details of the Special Committee's judgment expressed in the Written Report.

As a result, according to the Target, the Target has concluded that the Transactions will contribute to the enhancement of the Target's corporate value as described below.

According to the Target, as described in "(I) Background, purposes and decision-making process leading to the decision to conduct the Tender Offer" above and the following synergies related to the Transactions below, the retail industry in which the Target operates is facing a severe situation characterized by increasingly intense competition across business categories and increasingly diverse consumer needs, as well as expected increases in various costs, including raw material, labor, and logistics costs. According to the Target, the Target believes that in order to achieve sustained growth in such situation, it is necessary to provide high-value-added products and services in each of the Target Group's businesses, pursue further expansion of scale and efficiency improvements, and deepen DX to achieve these goals, and as consumer values continue to diversify, including changes in lifestyles and consumer behavior and other diversifying consumer values triggered by the recent expansion of the new coronavirus infections, the Target has begun to transform itself into a "Real × Tech Convenience" that breaks away from a business model that relies solely on conventional real stores. However, according to the Target, the Target believes that the implementation of each of the initiatives to transform into "Real × Tech Convenience" will contribute to enhancing the Target's corporate value in the medium to long term, but in the short term, initial costs and investments will be required and they may have an impact on the Target's financial condition and business performance; therefore, there is a possibility that the Target will not be able to obtain an adequate assessment from the capital markets in the short term, and it will be difficult for the Target to implement each of the initiatives simultaneously and promptly while maintaining the Target's listing and pursuing the interests of minority shareholders, and this also has limitations from the perspective of contributing to enhancing the Target's corporate value. Accordingly, according to the Target, today, the Target determined that the best way to enhance the Target's corporate value is to quickly and steadily maximize the following synergies in (A) to (G) and to accelerate the Target's growth by the Offeror making the Offeror Related Parties the sole shareholders of the Target, more promptly and boldly promoting the transformation into "Real × Tech Convenience," and actively implementing each of the initiatives to drastically strengthen the

Target's businesses and management foundation in response to rapid changes in the business environment.

According to the Target, the specific synergies that the Target considers to be achievable through the Transactions are as follows.

(A) Accelerate transformation into "Real × Tech Convenience" through the use of management resources

According to the Target, as a company that responds to change, the Target has constantly captured changes in the environment around the world, created businesses from the perspective of "convenience," and has grown through the appreciation of customers. In recent years, the Target has taken advantage of the diversification of consumer values, including changes in lifestyles and consumer behavior triggered by the spread of new coronavirus infectious diseases, and has revamped its products and refurbished its stores. On the other hand, in pursuing further "convenience," the Target believes that by utilizing stores for "real" shopping venues as EC centers, the Target can develop the quickest global delivery service in the world (Quickest E Commerce service: QEC). By making the best of Tech, the Target seeks to take on the challenge of becoming "Real × Tech Convenience" equipped with QEC from a "real" retailer through Tech.

In order to accelerate the expansion of the new service based on Tech, QEC, by establishing a system by around spring 2024 so that consumers can check the product inventories of each of the Target's stores on their smartphones, the Target aims to enable approximately 14,600 inventory bases of the Target's stores, which will be the base of QEC, and approximately 3,000 different items to be directly linked to consumers, and products to be delivered in as little as 15 minutes. According to the Target, the Target believes that by further utilizing the resources and assets held by the Offeror Group, which has strengths in the digital field, QEC will become even more convenient and easy to use for customers, and it is highly likely to accelerate and stabilize the growth of business. Specifically, the Target will promote QEC that enables provision of products to customers at the fastest speed in the convenience store industry to accelerate the transformation into "Real × Tech Convenience" by strengthening the technological structure, including the development of systems through the dispatch of engineers and other human resources from the Offeror, and enhancing the Offeror's customer base of more than 13 million subscription service members and the digital marketing system that utilizes high-resolution location-based big data unique to a telecommunications company with approximately 31 million customers.

(B) Strengthen profitability by sharing customer base

According to the Target, in recent years, as marketing methods, in addition to conventional advertising methods such as TV commercials, and new digital contact points such as SNS and a company's own applications, retail media that utilize data obtained at real stores as a result of the development of DX and distribute ads tailored to customer needs are attracting attention. According to the Target, the Target also aims to expand its marketing business using consumer data collected across stores and the Group businesses, as well as its owned media, through the "Unified Use of Group Data Project" in the "Lawson Group Sweeping Transformation Executive Committee." The Target believes that for the growth of such business, the Target needs to strengthen the Target Group's membership base and expand loyal customers.

In order to achieve these goals, the Target intends to utilize the Offeror's base of approximately 31 million customers and promote high-resolution marketing measures. Specifically, in addition to reaching more customers and attracting more customers through new customer referrals from the Offeror Group's economic area and referrals to individual stores by utilizing location information, the Target intends to create new value in the application and membership domains through development and provision of new services. By responding in a one-stop manner to collecting, gathering, analyzing, and visualizing a wealth of big data and by maximizing the value of data through promotion of these measures, the Target will be able to consider promoting cross-selling and developing new businesses and services, and expects to expand its marketing business.

(C) Coexistence with local communities by providing social infrastructure utilizing cutting-edge technologies

According to the Target, convenience store operators have established a position as social infrastructure that is indispensable for everyday life, and the Target, which started as “handyman in the community,” is determined to continue pursuing and advancing the “hub of refreshment in every community” from the customer’s perspective, in order to ensure its position as an essential party of the community that provides support for residents. As a provider of social infrastructure, the Target believes that in the context of the need to resolve issues faced by local communities, to revitalize local communities, and to further promote coexistence with local communities, it is necessary to create future convenience stores by utilizing cutting-edge technologies.

For example, with the social implementation of drones accelerating, it is expected that the Offeror Group’s sophisticated drone technology can be used to resolve issues including the depopulation and aging of communities, such as by improving convenience for consumers in regions without stores. In addition, the 5G network and satellite communications technology of the Offeror, a telecommunications operator, can be used to develop stores and provide products in augmented reality and virtual reality linked to its own apps through metaverse services, including provision of medical services such as remote health checkups through vital sensing. Through the provision of services that support various aspects of life in this way, the Target hopes to encourage innovation into lifestyle experiences and behaviors associated with the evolution of technology, aims to resolve social issues, and hopes to build standards for future convenience stores.

(D) Strengthen the business foundation by utilizing management resources such as advanced human resources and know-how

According to the Target, the Target believes that through the use of digital and technology, it is required to concentrate its management resources on the evolution of its core business, domestic convenience stores, and the growth of its portfolio business, which has strong group synergies. On the other hand, the Target believes that it needs to develop and secure digital human resources that can utilize AI and the like more effectively, and to accumulate know-how in various business areas. Under these circumstances, the Target believes that by promoting human resource exchanges between the Offeror Group, the MC Group, and the Target, and by mutually providing human resource support, including the secondment and dispatch of employees, it will be able to take measures against the normalization of labor shortages and develop human resources. In addition, the Target can expect to strengthen the Target Group’s portfolio and maximize the Group’s synergies through the utilization of know-how of the financial business developed by the Offeror Group, collaboration in the entertainment field, and the ongoing sharing of the MC Group’s global network.

(E) Strengthen cooperation in the environmental field to realize a decarbonized society

According to the Target, as the importance of sustainability, represented by climate-change, is recognized as an urgent issue, the Target is taking steps to address this issue as a priority management issue. In particular, in response to environmental changes, the Target has introduced its environmental vision, “Lawson Blue Challenge 2050!,” aiming to realize a decarbonized society through decarbonization activities and reduction of food loss and plastic consumption. Specifically, by 2030, the Target has set goals for (i) a 50% reduction in CO2 emissions (per store compared to 2013 levels), (ii) a 50% reduction in food loss (compared to 2018 levels), and (iii) a 30% reduction in plastic consumption (compared to 2017 levels), and it is currently seeing steady progress toward these goals (reduction by 30.6% for (i) above, reduction by 23.1% for (ii) above, and reduction by 25.1% for (iii) above (actual results in 2022) have been achieved).

By utilizing the functions of the Offeror Group and the MC Group to promote the use of renewable energy generated by solar panels, the purchase of food products with reduced consumption prices near their expiration dates using vast location data and purchasing data, and the replacement of plastic containers and PET bottle materials with biomass materials, the Target believes that it will be able to achieve the goal above by 2030, which is a milestone and to further strengthen and accelerate its green and sustainable initiatives toward by 2050, achieving each KPI of (i) a reduction of CO2 emissions by 100% (per store; compared to 2013 levels), (ii) a reduction of food loss by 100% (compared to 2018 levels), and (iii) 100% use of eco-friendly materials for containers and packaging of original products.

(F) Growth in the businesses of group companies

According to the Target, in the retail finance business for the development of the “Real × Tech Convenience,” collaboration of the financial know-how of MC and the Offeror Group, including FinTech, is expected.

In addition, the entertainment business is one of the key businesses to realize Target’s corporate philosophy of “Creating Happiness and Harmony in our Communities.” In this field, the Target believes that contents and functions pertaining to digital technology possessed by MC and the Offeror Group will accelerate the Target’s growth in this business area. In addition, the Target believes that in the Target’s supermarket business and overseas business, smart digital capabilities and global expansion capabilities are essential; and that it can accelerate the growth of these businesses by forming alliances with both companies.

(G) Reduction of listing maintenance costs and operational burden of the management division and reallocation of resources

In recent years, according to the Target, it has been pointed out that there has been an increase in the human and economic costs required to maintain listing, and the Target recognizes that it cannot deny the possibility that such an increase in costs will also be a further burden on its management. The Target believes that taking the Target Shares private through the Transactions will allow it to avoid the costs associated with maintaining listing and allocating resources to the various key initiatives described above.

Generally, according to the Target, the disadvantages of taking shares private include becoming unable to raise funds through equity financing from the capital markets and becoming unable to enjoy the benefits that have been enjoyed as a listed company, such as improvement of name recognition and social credibility, thereafter. Nevertheless, the Target believes that it will be able to utilize the necessary funding from financial institutions that are the Target’s business partners even after the Transactions have been implemented. In addition, the Target’s name recognition, branding, and social credibility, which are key to recruitment of human resources in the Target, are largely acquired and maintained through its business activities; and it is able to acquire and maintain them through implementation of businesses even after the Transactions are implemented. Therefore, the Target believes that the impact of delisting will be limited. In addition, the Target has granted the Share Options to the Target’s directors and executive officers as compensation equivalent to retirement benefits; however, in order not to harm the interests of the Share Option Holders through implementation of the Transactions, since it is planned to introduce a new retirement bonus system to provide economic benefits to be enjoyed by the Share Option Holders, it is determined that there is little likelihood that the Target’s corporate value will be impaired by the employment separation of the Target’s directors and executive officers due to the implementation of the Transactions.

Based on the above, the Target’s board of directors determined that the advantages of taking the Target Shares private outweighed its disadvantages, and that taking the Target Shares private through the Transactions including the Tender Offer would contribute to enhancing the Target’s corporate value.

Additionally, according to the Target, the Target has determined, based on the following points, that 10,360 yen per share, the Tender Offer Price, is a reasonable price that secures the benefit to be enjoyed by the Target’s minority shareholders and that other conditions of the Tender Offer are fair; therefore, the Tender Offer provides the Target’s minority shareholders with a reasonable opportunity to sell the Target Shares at a price with an appropriate premium.

- (a) The Tender Offer Price is the price agreed upon by the Target as a result of sufficient negotiations with the Offeror through substantial involvement of the Special Committee, after sufficient measures have been taken in the Target to secure the fairness of the trade terms of the Transactions, including the Tender Offer Price described in “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the

Tender Offer Price and measures to avoid conflicts of interest)” under “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below.

- (b) The Tender Offer Price exceeds the upper limit of the range based on the Market price analysis and falls within the range based on the Discounted Cash Flow analysis (the “DCF analysis”) as a result of calculation of the value of the Target Shares calculated by SMBC Nikko Securities in the Share Valuation Report (Nikko Securities) described in (iv) “Receipt of a share valuation report from an independent financial advisor and a third-party valuator of the Target” under “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” under “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below.
 - (c) In the Transactions, although this Tender Offer Period is designated as 20 business days (Note), which is the shortest period provided by laws and regulations, because the period from the announcement of the tender offer plan to the commencement of the actual tender offer is long, the opportunity to make an appropriate decision on tendering their shares in the Tender Offer by minority shareholders and the opportunity for a tender offer for Target Shares by a person other than the Offeror are secured.
- (Note) The Tender Offer Period will be a period which covers 20 business days in the United States, which is the minimum number of days required as a tender offer period under U.S. securities laws. The same applies hereinafter to the description of business days of the Tender Offer Period.
- (d) In the Transactions, the lower limit of the number of shares to be purchased in the Tender Offer does not meet the “majority of minority” (Majority of Minority). However, because other adequate fairness security measures have been taken in the Transactions, the fact that the lower limit of the number of shares to be purchased is not set at “majority of minority” (Majority of Minority) is not considered to impair the fairness of the Tender Offer.
 - (e) In the Transactions, the amount of money to be delivered to each shareholder as consideration in the Share Consolidation will be calculated to be the same as the Tender Offer Price multiplied by the number of Target Shares owned by each shareholder of the Target (except for Offeror Related Parties and Target) which were not tendered in the Tender Offer, and thus, consideration is given so that the minority shareholders will have the opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, and so as not to cause any coercion.
 - (f) It has been determined that the fairness and appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price) is ensured in the Written Report acquired from the Special Committee, as described in (ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee” under “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” under “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below.”

According to the Target, based on the above, the Target has resolved that in the opinion of the Target at the present time, if the Tender Offer is commenced, the Target will express its favor for the Tender Offer and that it will recommend that the Target shareholders tender in the Tender Offer, and recommend that the holders of the American Depositary Receipts tender in the Tender Offer after delivering the American Depositary Receipts to the Depository Bank in advance and

receiving the delivery of the Target Shares pertaining to the American Depositary Shares represented by the American Depositary Receipts, and resolved that it will leave the holders of the Share Options to decide whether or not to tender in the Tender Offer.

According to the Target, in addition, the Target's board of directors has also resolved that, when the Tender Offer is commenced, the Target's board of directors will request that the Special Committee established by the Target examine whether there is any change in the opinion expressed by the Special Committee to the Target's board of directors as of February 5, 2024, and, if there is no change, shall state as such to the Target's board of directors and, if there is any change, the Special Committee shall state its opinion after the change, and, based on the opinion of the Special Committee, the Target's board of directors will express its opinion on the Tender Offer again when the Tender Offer is commenced.

Further, for details of the Target's board of directors' decision-making process, please refer to "(viii) Unanimous approval of all disinterested directors of the Target and the opinion of all disinterested auditors of the Target that they have no objection" under "(II) Background of calculation" under "(4) Basis for calculation of the price of tender offer" under "2. Summary of Tender Offer" below."

(III) Management policy after the Tender Offer

After the Tender Offer is successfully completed, the Offeror Related Parties are scheduled to appoint persons designated by them as officers of the Target with the aim of implementing measures to realize each effect described in "(I) Background, purposes and decision-making process leading to the decision to conduct the Tender Offer" above and establishing an appropriate management structure for this purpose. However, the specific details of those measures, the specific time of appointment of those officers, and the candidates themselves have not yet been determined. The detailed management structure of the Target, including these points, will be determined in consultation with the Target after the Tender Offer is successfully completed.

The Offeror entered into the Shareholders Agreement with MC as of today, where they agreed that, as directors of the Target after completion of the Transactions, MC and the Offeror will each appoint three directors, and MC and the Offeror will each appoint one representative director of the Target. For a summary of the Shareholders Agreement, please refer to "(II) Shareholders Agreement" in "(6) Material agreements relating to the Tender Offer" below.

In addition, with regard to the Share Options, since the Share Option Price is 1 yen and as stated in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, in the event that the Tender Offer has been successfully completed but the Offeror Related Parties are unable to acquire all of the Share Options in the Tender Offer and the Share Options are not exercised and remain outstanding, the Offeror Related Parties plan to request that the Target implement reasonably necessary procedures for carrying out the Transactions, such as recommending that the Share Option Holders forfeit their Share Options. Therefore, in order not to harm the interests of the Share Option Holders, the Offeror plans to make a determination regarding the introduction of a new retirement benefit system that provides economic benefits to be enjoyed by the Share Option Holders in consultation with the Target and the Share Option Holders promptly after the settlement commencement date of the Tender Offer after the Tender Offer has been successfully completed. The determination regarding such retirement benefit system, which takes into account the fact that Share Options were granted as officers' compensation equivalent to retirement benefits and is intended to not harm the interests of the Share Option Holders, is planned to be made in consultation with the Target and the Share Option Holders after the Tender Offer has been successfully completed, and is expected to be made independent of the Share Option Holders tendering shares in the Tender Offer and without requiring that the Share Option Holders tender their shares in the Tender Offer. Therefore, the Offeror believe that such retirement benefit system is not contrary to the purport of the regulation on uniformity of the tender offer price.

(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest

As of today, the Offeror Related Parties and the Target have implemented the measures set forth in (i) to (x) below in the Transactions, including the Tender Offer, with a view to ensuring the fairness

of the Tender Offer from the time of the Tender Offer, eliminating arbitrariness in decision-making concerning the Transactions, securing the fairness, transparency, and objectivity of the decision-making process, and avoiding any doubt of a conflict of interest given the fact that the Target is a consolidated subsidiary of MC, which is one of the Offeror Related Parties, and that the Transactions, including the Tender Offer, constitute transactions that typologically contain structural conflicts of interest issues and information asymmetry with minority shareholders. The measures implemented by the Target described below are based on the explanation made by the Target.

In addition, as of today, the Offeror Related Parties hold 52,260,100 Target Shares (Shareholding Ratio: 52.16%) in total. Therefore, the Offeror Related Parties believe that setting a “Majority of Minority” minimum amount would destabilize the successful completion of the Tender Offer, which in turn might not serve the interests of minority shareholders who wish to tender in the Tender Offer, and have not set a “Majority of Minority” minimum amount in the Tender Offer. However, considering that the Offeror Related Parties and the Target have taken the measures from (i) through (x) below, the Offeror Related Parties believe that due consideration was given to the interests of the Target’s minority shareholders.

- (i) Receipt of a share valuation report from an independent third-party valuator by the Offeror;
- (ii) Establishment of an independent special committee at the Target and receipt of a report from the special committee;
- (iii) Advice from an independent legal advisor by the Target;
- (iv) Receipt of a share valuation report from an independent financial advisor and a third-party valuator by the Target;
- (v) Advice from an independent legal advisor by the Special Committee;
- (vi) Receipt of a share valuation report and the Fairness Opinion (defined in “(iv) Receipt of a share valuation report and the Fairness Opinion from an independent third-party valuator retained by the Special Committee” under “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” under “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below; hereinafter the same) from a third-party valuator by the Special Committee;
- (vii) Establishment of an independent review system at the Target;
- (viii) Receipt of the unanimous approval of all disinterested directors of the Target and the opinion of all auditors of the Target that they have no objection;
- (ix) Establishment of measures to secure purchase opportunities from other purchasers; and
- (x) Establishment of measures to ensure opportunities for the Target’s shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer.

For details of the above, please refer to “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” in “(II) Background of calculation” under “(4) Basis for calculation of the price of tender offer” under “2. Summary of Tender Offer” below.

(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)

If the Offeror is unable to acquire all of the Target’s Share Certificates in the Tender Offer, the Offeror jointly with MC plans to implement a series of procedures to make the Offeror Related Parties the only shareholders of the Target through the method described below following the successful completion of the Tender Offer.

Specifically, the Offeror jointly with MC plans to request that the Target convene an extraordinary shareholders’ meeting (the “Extraordinary Shareholders’ Meeting”), at which the matters for resolution shall include consolidation of the Target Shares (the “Share Consolidation”), and on the condition that the Share Consolidation takes effect, a partial amendment of the articles of incorporation to abolish the provision concerning the share unit number. In addition, the Offeror jointly with MC plans to request that the record date of the Extraordinary Shareholders’ Meeting be a date close to the commencement of the settlement of the Tender Offer. Each of the Offeror Related Parties intend to vote in favor of each of the above proposals at the Extraordinary Shareholders’ Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’

Meeting, then on the date on which the Share Consolidation takes effect, the shareholders of the Target will hold the Target Shares in the number corresponding to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If any fraction of less than one share results from the implementation of the Share Consolidation, an amount in cash equal to the purchase price to be obtained by selling to the Offeror the Target Shares equivalent to the total number of such fractional shares will be delivered to the shareholders in accordance with the procedures provided in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the purchase price of the Target Shares equivalent to such total number of fractional shares, it is scheduled to be set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the Target shareholders who did not tender in the Tender Offer (however, excluding the Offeror Related Parties and the Target) will be the same as the price obtained by multiplying the Tender Offer Price for the Target Shares by the number of Target Shares held by each such shareholder. After the above process, a court petition to obtain permission for a voluntary sale will be filed. The Offeror intends to request together with MC that the Target use the Consolidation Ratio as the ratio of the Share Consolidation. The Consolidation Ratio will be determined such that the number of Target Shares held by Target shareholders who did not tender in the Tender Offer (excluding the Offeror Related Parties) will be a fraction of less than one share so that the Offeror Related Parties will hold all of the Target Shares.

The Target Shares subject to the Share Consolidation include the Target Shares represented by American Depositary Receipts and held by the Depositary Bank. Therefore, if the above determination is made, the number of Target Shares held by the Depositary Bank after the Share Consolidation is also expected to be a fraction of less than one share. In this case, according to the American Depositary Receipts Notifications (as defined in "(III) Depositary receipts for share certificates" under "(3) Price of tender offer" under "2. Summary of Tender Offer" below; hereinafter the same), each of the Depositary Banks may cancel the American Depositary Receipts and deliver to each holder of such American Depositary Receipts a portion of the cash received by the Depositary Bank (converted into U.S. dollars) in accordance with the number of American Depositary Shares represented by the American Depositary Receipts held by such holder after deducting Depositary Bank's fees and applicable taxes, in accordance with the provisions stated in the American Depositary Receipts.

As for provisions of the Companies Act that aim to protect the rights of minority shareholders in connection with the above, the Companies Act provides that if fractional shares of less than one share are created as a result of the Share Consolidation, then the shareholders of the Target may request that the Target purchase all of the fractional shares less than one share that they hold at a fair price in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations and may file a court petition to determine the price of the Target Shares. The court will eventually determine the purchase price per share via this method.

If a holder of American Depositary Receipts intends to make a share purchase demand and a petition for the determination of the price, such holder required to make a share purchase demand and a petition for determination of the price in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations following the delivery of such holder's American Depositary Receipts to the Depositary Bank and receipt by such holder of the corresponding Target Shares deposited with the Depositary Bank.

If the Tender Offer is successfully completed, but not all of the Share Options have been tendered and purchased in the Tender Offer and such Share Options are not exercised and remain outstanding, the Offeror Related Parties plan to request that the Target implement reasonably necessary procedures for the execution of the Transactions, such as recommending that the Share Option Holders forfeit their Share Options. According to the Target, if the Target receives such a request, the Target intends to cooperate with such request promptly after the settlement commencement date of the Tender Offer.

The procedures above may take time to implement, and the implementation method may change, depending on the situation, such as the amendment, effectuation, and interpretation by the authorities of relevant laws and regulations. Even in such a case, if the Tender Offer is successfully completed, the method of eventually delivering money to the Target shareholders who did not tender in the Tender Offer will be adopted, and in such case, the amount of money delivery to the Target's shareholders will be calculated to be equal to the Tender Offer Price multiplied by the number of Target Shares

held by the shareholders of the Target. In such cases, the amount of money to be delivered to the Depository Banks in respect of the Target Shares represented by American Depositary Receipts and held by the Depository Banks will be the same. According to the American Depositary Receipts Notifications, the Depository Banks may cancel the American Depositary Receipts and deliver to each holder of such American Depositary Receipts a portion of the cash received by the Depository Bank (converted into U.S. dollars in accordance with the number of Target Shares represented by the American Depositary Receipts held by such holder after deducting Depository Bank's fees and applicable taxes.

For the specific procedures and time of implementation of the above, the Offeror will consult with the Target, and the Target will promptly announce the details once they have been determined.

(5) Possibility of delisting and reason therefor

The Target Shares are listed on the Prime Market of the TSE as of today. Because the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Target Shares may become delisted through the prescribed procedures in accordance with the TSE's delisting criteria depending on the results of the Tender Offer. In addition, even if such delisting criteria are not met as at the time of successful completion of the Tender Offer, in the case where the Tender Offer is successfully completed, a series of procedures is planned to be implemented so that the Offeror Related Parties will be the only shareholders of the Target, as explained in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" above. Therefore, in such cases, the Target Shares will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria. After the delisting of the Target Shares, the Target Shares may no longer be traded on the Prime Market of the TSE.

(6) Material agreements relating to the Tender Offer

(I) Master Agreement

As described in "(1) Outline of the Tender Offer" above, the Offeror executed the Master Agreement with MC as of today, with respect to the Transactions. A summary of the Master Agreement is as follows.

(i) Matters regarding the Transactions

- The Offeror Related Parties will conduct the Transactions as follows:
 - (A) The Offeror will conduct the Tender Offer for privatization of the Target. MC will not tender the Target Shares held by MC in the Tender Offer.
 - (B) If not all of the Target Share Certificates are acquired in the Tender Offer even if the Tender Offer was successfully completed, the Squeeze-out Procedure will be conducted in order to make the Offeror Related Parties the only Target shareholders and to privatize the Target Shares.
- The Offeror will conduct the Tender Offer subject to the satisfaction of all of the Conditions Precedent or waiver by the Offeror Related Parties, in accordance with applicable laws, regulations, etc. and the Master Agreement.
- Until the Transactions have been completed, the Offeror Related Parties will not directly or indirectly make any proposal, solicitation, provision of information, or consultation with any third party regarding transactions that virtually compete with, conflict with, or infringe on the Transactions, such as implementation of the tender offer subject to the Target Share Certificates, or make it difficult to implement the Transactions, or which have a concrete possibility of doing so (the "Competing Transactions"); and they will not conduct any act that conflicts with or infringes on the Transactions such as an agreement related to the Competing Transactions (including the exercise or non-exercise of voting rights at the Target's shareholders meeting that conflict with or infringe on the Transactions); if they receive a proposal for Competing Transactions from any third party or come to know that there is such proposal, they will reasonably promptly notify the other party to that effect and of the details of the relevant proposal, and consult on responses to the Competing Transactions in good faith.
- In the Tender Offer, solicitation of the Target's shareholders located in the United States will be conducted, tenders for the Tender Offer from the United States will be accepted

(however, the Offeror will not accept tenders for American Depositary Receipts, and will accept only tenders for the Target Shares related to American Depositary Shares represented by American Depositary Receipts), and the Offeror Related Parties will provide mutual cooperation (including reasonably necessary cooperation by each party's subsidiaries and affiliates) to provide responses in compliance with the U.S. Securities Act.

(ii) Other matters

- In addition, under the Master Agreement, (A) MC shall be obliged to use its best effort to the extent reasonably possible and commercially and reasonably necessary to ensure that the Target will perform its business operations and manage and operate its assets substantially the same as before the execution date of the Master Agreement and within the scope of ordinary business and the Target will not perform certain acts from the execution date of the Master Agreement to the completion of settlement of the Tender Offer, except for the case necessary for conducting the Transactions or agreed between the Parties in accordance with the Master Agreement, (B) the Offeror Related Parties shall be obliged to make the same efforts as above (A) from the completion of settlement of the Tender Offer to the completion of the Transaction, (C) the Offeror Related Parties shall have an obligation to consult in good faith on the business operations of the Target Group from the completion of settlement of the Tender Offer to the completion of the Transactions, (D) the Offeror Related Parties shall be obliged not to transfer their Target Shares from the execution date of the Master Agreement to the completion of the Transactions, unless otherwise following the Definitive Agreements or with the prior written consent of another party, (E) the Offeror Related Parties, as soon as practicable after the execution of the Master Agreement, shall be obliged to legally complete the Competition Act Response Procedure, to which they have obligations in relation to the implementation of the Transactions in accordance with laws and regulations, (F) the Offeror Related Parties shall respectively make representations and warranties (Notes 1 and 2), and (G) the Offeror Related Parties shall be obliged to compensate for damages, etc., in the event of breach of the representations and warranties or the obligations under the Master Agreement.

(Note 1) Regarding MC, MC generally represents and warrants under the Master Agreement as to (a) the validity of its survival and powers, (b) the validity of its power to enter into and perform the Definitive Agreements and performance of necessary procedures, (c) the enforceability of the Definitive Agreements, (d) no conflict of laws or regulations, (e) no legal insolvency procedures, and (f) the possession of the Target Shares. In addition, regarding the Target Group, MC represents and warrants as to (a) the validity of the survival and powers of the Target, (b) the total number of issued shares of the Target, the number of share options, etc., (c) no legal insolvency procedures, (d) non-applicability of anti-social forces, and (e) accuracy of information disclosed by the Target Group.

(Note 2) With respect to the Offeror, the Offeror generally represents and warrants under the Master Agreement as to (a) the validity of its survival and powers, (b) the validity of its power to enter into and perform the Definitive Agreements and performance of necessary procedures, (c) the enforceability of the Definitive Agreements, (d) no conflict of laws or regulations, (e) no legal insolvency procedures, and (f) the possession of the Target Shares.

(II) Shareholders Agreement

As described in "(1) Outline of the Tender Offer" above, the Offeror executed the Shareholders Agreement with MC as of today, with respect to the joint operation of the Target Group. A summary of the Shareholders Agreement is as follows. Except for certain general and other provisions, the Shareholders Agreement shall be effective when the Squeeze-out Procedure is completed and the voting rights ratio of MC and the Offeror in Target becomes 50.00%, respectively.

(i) Matters concerning the organization and operation of the Target, etc.

- Organizational planning of the Target (board of directors, board of company auditors,

- companies with financial auditors)
- Changes in the articles of incorporation, regulations of the board of directors, and regulations of the management meeting
- The right to appoint the Target’s directors (the number of directors shall be six; MC and the Offeror will appoint three each)
- The right to appoint the Target’s representative directors (the number of representative directors shall be two; MC will appoint one representative director and president and the Offeror will appoint one representative director and vice president; to be agreed through faithful consultations as to which party will appoint the representative director and president and the representative director and vice president for fiscal years following the fiscal year in which the five-year periods after the date of completion of the Transactions has elapsed)
- Establishment of the management meeting of the Target
- Establishment of the steering committee between the Offeror Related Parties for five years after the completion of the Transaction
- The right to appoint auditors of the Target (the number of auditors shall be four, of which one each shall be appointed by MC and the Offeror, and the remaining auditors shall be agreed upon after faithful consultations)
- Sincere consultation about the business plan and the annual budget proposal of the Target
- Matters related to the distribution policy of the Target (100% in principle, based on the International Financial Reporting Standards (IFRS))
- Procedures in the case of deadlock
- (ii) Matters concerning transfer of shares, etc.
 - Restrictions on transfer of the Target Shares
 - Preferred negotiating rights and the tag along right of the Offeror Related Parties after five years from the date of completion of the Transaction
 - Call options and put options, etc. in the breach of the Shareholders Agreement
- (iii) Other matters
 - In addition, under the Shareholders Agreement, the Offeror Related Parties agree on (A) representations and warranties, (B) in the case where the nominated director concurrently holds the post of officer or employee of a company, etc. carrying out a business that may compete with the business of the Target, the obligation to have the director obtain approval after submitting a report to the Target’s board of directors, (C) the prohibition of headhunting of the Target Group employees, etc., and (D) the obligation to provide information on the Target Group, etc.

(III) Capital and Business Alliance Agreement

As described in “(1) Outline of the Tender Offer” above, the Offeror executed the Capital and Business Alliance Agreement with MC and the Target as of today with respect to the capital and business alliance between the Offeror Related Parties and the Target Group after the Transactions. A summary of the Capital and Business Alliance Agreement is as follows.

- (i) Purposes
 - Maximize corporate value of the Target Group by strengthening each business of the Target Group to realize a new-generation “hub of refreshment in every community” that creates new consumer value by combining “real × digital × green” by leveraging leading contact points with consumers in the country
 - Expand the business foundations of the MC Group and the Offeror Group and create new value through growth of the Target Group
- (ii) Details of the capital alliance
 - Establishment of the capital alliance between the Offeror Related Parties and the Target by the Transactions (this provision shall be effective on the closing date (meaning the date when the voting rights ratio of MC and the Offeror in the Target becomes 50.00%, respectively, after the Share Consolidation becomes effective; hereinafter the same)
- (iii) Details of the business alliance

- In general, the implementation of a business alliance in the following alliance fields (the “Business Alliance”), the contribution and cooperation to the promotion of the following various measures (this provision shall be effective as of the closing date), and establishment of the collaboration committee as a forum for consultation on the policy and progress of the Business Alliance
 - (A) Real store-related: Creation of new store forms in real stores, the strengths of the Target and the Offeror, and that can provide new services utilizing each company’s functions and products
 - (B) Digital collaboration-related: Link member information held by each group of the Offeror Related Parties and the Target and expand the customers who use services of the Target Group by utilizing the customer database and make them loyal customers
 - (C) Green collaboration-related: Decarbonization of the Target Group and promotion of the circular economy business utilizing the business foundations of the Offeror Related Parties and their groups
 - (D) Business alliances in other areas: Cooperation with measures in other areas that aim to maximize the corporate value of the Target Group determined by the collaboration committee after consultation between the Offeror Related Parties and the Target
- (A) Provision of sufficient management resources by the Offeror Related Parties and their groups to the Target Group within the scope of economic rationality, and (B) consultation and consideration of details of implementation of the Business Alliance and roles of each party based on the provision of sufficient management resources by the Target Group to the Offeror Related Parties and their groups within the scope of economic rationality (this provision shall be effective as of the closing date)
- Agreement by the collaboration committee on the details of implementation of the Business Alliance and specific roles of each party based on the results of the above consultation and consideration within 12 months from the execution date of the Capital and Business Alliance Agreement (this provision shall be effective as of the closing date)
- Implementation of measures agreed upon by the collaboration committee (the relevant measures and the roles of each party shall be reviewed every three years from the time of the above agreement) within three years from the closing date in principle (this provision shall be effective as of the closing date)
- (iv) Management of the Target, etc.
 - Confirmation by the Offeror Related Parties of the Target Group’ officers and employees strengthening the Target’s existing businesses and developing new businesses to maximize Target’s corporate value, and operating with the aim of “improving Life Time Value of consumers” and “a prosperous local community in Japan” through the Business Alliance (this provision will be effective as of the closing date)
 - The Offeror Related Parties’ utmost respect for the Target Group’s contractual and business relationships existing prior to the closing date (including contractual terms and conditions agreed to with franchisee owners) to the extent that such relationships contribute to enhancing the Target Group’s corporate value, and in the commercially reasonable scope of the Target’s transaction practices existing before the closing date (this provision will be effective as of the closing date)
 - The Offeror Related Parties’ obligation to maintain the employment of the Target Group employees and to maintain the employment terms and conditions of the employees not to be substantially less than the level as of the execution date of the Capital and Business Alliance Agreement (the Offeror Related Parties’ obligation does not extend to retirement or disciplinary actions in accordance with laws and regulations and internal rules, the case where the Target Group needs to change the terms and conditions of employment of the Target Group’s employees in order to maintain substantially the same business operation as before in line with changes in the market situation or the business environment, or any other case that follows prior established practice of the Target Group) (this provision will be effective as of the closing date)

- Sincere consultation about the stock option system of the Target that exists as of the execution date of the Capital and Business Alliance Agreement
- Target's obligation to make requests to each shareholding association to the extent commercially reasonable to require all of the Target Shares owned by each shareholding association of the Target Group to take measures to legally subscribe to the Tender Offer and to take measures required to comply with laws and regulations applicable to Tender Offer
- Dispatch or secondment of the officers and employees of Offeror Related Parties and their groups to the Target Group as required for the purpose of effectively and substantially promoting the Business Alliance (this provision shall be effective as of the closing date)

2. Summary of Tender Offer

(1) Summary of Target and MC

(I) Summary of Target

| | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|------------------------|--------|--|-------|---|-------|----------------------------|-------|------------------|-------|------------------|-------|------------------------------------|-------|-------------------------------------|-------|--|-------|---|-------|
| (I) | Name | Lawson, Inc. | | | | | | | | | | | | | | | | | | | | |
| (II) | Address | Osaki 1-11-2, Shinagawa-ku, Tokyo | | | | | | | | | | | | | | | | | | | | |
| (III) | Title/name of representative | President and CEO, Representative Director, Chairman of the Board Sadanobu Takemasu | | | | | | | | | | | | | | | | | | | | |
| (IV) | Details of business | Development of franchise chains of "Lawson" convenience stores | | | | | | | | | | | | | | | | | | | | |
| (V) | Stated capital | 58,506 million yen (as of November 30, 2023) | | | | | | | | | | | | | | | | | | | | |
| (VI) | Date of establishment | April 15, 1975 | | | | | | | | | | | | | | | | | | | | |
| (VII) | Major shareholders and shareholding ratio (as of August 31, 2023) (Note 1) | <table border="0"> <tr> <td>Mitsubishi Corporation</td> <td>50.11%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>8.15%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trust account)</td> <td>2.74%</td> </tr> <tr> <td>SMBC Nikko Securities Inc.</td> <td>2.31%</td> </tr> <tr> <td>KDDI Corporation</td> <td>2.11%</td> </tr> <tr> <td>NTT DOCOMO, INC.</td> <td>2.09%</td> </tr> <tr> <td>Japan Securities Finance Co., Ltd.</td> <td>1.73%</td> </tr> <tr> <td>JPMorgan Securities Japan Co., Ltd.</td> <td>1.20%</td> </tr> <tr> <td>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</td> <td>1.20%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)</td> <td>0.93%</td> </tr> </table> | Mitsubishi Corporation | 50.11% | The Master Trust Bank of Japan, Ltd. (trust account) | 8.15% | Custody Bank of Japan, Ltd. (trust account) | 2.74% | SMBC Nikko Securities Inc. | 2.31% | KDDI Corporation | 2.11% | NTT DOCOMO, INC. | 2.09% | Japan Securities Finance Co., Ltd. | 1.73% | JPMorgan Securities Japan Co., Ltd. | 1.20% | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 1.20% | STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 0.93% |
| Mitsubishi Corporation | 50.11% | | | | | | | | | | | | | | | | | | | | | |
| The Master Trust Bank of Japan, Ltd. (trust account) | 8.15% | | | | | | | | | | | | | | | | | | | | | |
| Custody Bank of Japan, Ltd. (trust account) | 2.74% | | | | | | | | | | | | | | | | | | | | | |
| SMBC Nikko Securities Inc. | 2.31% | | | | | | | | | | | | | | | | | | | | | |
| KDDI Corporation | 2.11% | | | | | | | | | | | | | | | | | | | | | |
| NTT DOCOMO, INC. | 2.09% | | | | | | | | | | | | | | | | | | | | | |
| Japan Securities Finance Co., Ltd. | 1.73% | | | | | | | | | | | | | | | | | | | | | |
| JPMorgan Securities Japan Co., Ltd. | 1.20% | | | | | | | | | | | | | | | | | | | | | |
| Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 1.20% | | | | | | | | | | | | | | | | | | | | | |
| STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 0.93% | | | | | | | | | | | | | | | | | | | | | |
| (VIII) | Relationship between Offeror and Target | | | | | | | | | | | | | | | | | | | | | |
| | Capital relationship | As of today, the Offeror holds 2,110,000 Target Shares (Shareholding Ratio: 2.11%). | | | | | | | | | | | | | | | | | | | | |
| | Personnel relationship | Not applicable. | | | | | | | | | | | | | | | | | | | | |

| | | | |
|---|---|---|--|
| | Business relationship | The Offeror has executed the Capital and Business Alliance Agreement with the Target. In addition, the Offeror has executed the business alliance agreement with the Target, MC, and menu, Inc. | |
| | Applicable status of related parties | The Offeror does not fall under a related party. | |
| (IX) | Target's consolidated management performance and consolidated financial position for the last three years (based on international accounting standards) | | |
| Accounting period | Fiscal year ending February 2023 | | |
| Total assets | 2,242,421 million yen | | |
| Total shareholders' equity | 253,858 million yen | | |
| Gross operating revenue | 1,000,385 million yen | | |
| Core operating profit | 64,311 million yen | | |
| Income attributable to owners of the parent | 29,708 million yen | | |
| Income per share | 296.86 yen | | |
| Dividend per share | 150 yen | | |
| | Target's consolidated management performance and consolidated financial position for the last three years (based on Japanese accounting standards) | | |
| Accounting period | Fiscal year ending February 2021 | Fiscal year ending February 2022 | |
| Consolidated net assets | 272,931 million yen | 278,473 million yen | |
| Consolidated total assets | 1,365,430 million yen | 1,337,245 million yen | |
| Consolidated net assets per share | 2,674.53 yen | 2,726.97 yen | |
| Consolidated total operating revenue | 666,001 million yen | 698,371 million yen | |
| Consolidated operating income | 40,876 million yen | 47,096 million yen | |
| Consolidated ordinary income | 37,610 million yen | 47,571 million yen | |
| Net income attributable to owners of the parent | 8,689 million yen | 17,900 million yen | |
| Consolidated net income per share | 86.84 yen | 178.87 yen | |
| Dividend per share | 150 yen | 150 yen | |

(Note 1) “(VII) Major shareholders and shareholding ratio (as of August 31, 2023)” is quoted from “status of major shareholders” in the second Quarterly Report for the 49th fiscal year submitted by the Target on October 13, 2023.

(Note 2) The Target has prepared its consolidated financial statements in accordance with the international financial reporting standards (IFRS) from the fiscal year ending February 2023.

(II) Summary of MC

| | | | | |
|--------|---|---|-------------------------------|-------------------------------|
| (I) | Name | Mitsubishi Corporation | | |
| (II) | Address | Marunouchi 2-3-1, Chiyoda-ku, Tokyo | | |
| (III) | Title/name of representative | Representative Director, President and Chief Executive Officer Katsuya Nakanishi | | |
| (IV) | Details of business | MC is a company that is developing business jointly with bases in approximately 90 countries and regions around the world and approximately 1,700 consolidated business companies. Also, it has a system with 10 groups (natural gas, industrial materials, oil and chemicals solution, mineral resources, industrial infrastructure, automotive & mobility, food industry, consumer industry, power solutions, and urban development) as well as the industry DX department; and it has broad industries as its business fields, and is promoting DX (digital transformation) and EX (energy transformation) to address digitalization and a low or decarbonized society collectively as measures for important issues for the future. | | |
| (V) | Stated capital | 204,447 million yen (as of September 30, 2023) | | |
| (VI) | Date of establishment | April 1, 1950 (founded on July 1, 1954) | | |
| (VII) | Major shareholders and shareholding ratio (as of September 30, 2023) (Note 1) | | | |
| | | The Master Trust Bank of Japan, Ltd. (trust account) | | 14.84% |
| | | EUROCLEAR BANK S.A./N.V. (standing proxy: Transaction Services Division, MUFG Bank, Ltd.) | | 9.22% |
| | | Custody Bank of Japan, Ltd. (trust account) | | 5.46% |
| | | Meiji Yasuda Life Insurance Company | | 4.16% |
| | | Tokio Marine & Nichido Fire Insurance Co., Ltd. | | 2.88% |
| | | The Master Trust Bank of Japan, Ltd. (employee pension trust account/voting trustee exercise type) | | 2.30% |
| | | STATE STREET BANK WEST CLIENT-TREATY 505234 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | | 1.60% |
| | | The Master Trust Bank of Japan, Ltd. (employee pension trust account/Mitsubishi Electric Corporation account) | | 1.26% |
| | | JP MORGAN CHASE BANK 385781 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | | 1.09% |
| | | JPMorgan Securities Japan Co., Ltd. | | 1.07% |
| (VIII) | Relationship between Offeror and MC | | | |
| | Capital relationship | Not applicable. | | |
| | Personnel relationship | Not applicable. | | |
| | Business relationship | The Offeror has executed the Business Alliance Agreement with MC, the Target, and menu, Inc. | | |
| | Applicable status of related parties | The Offeror does not fall under a related party. | | |
| (IX) | MC's consolidated management performance and consolidated financial position for the last three years | | | |
| | Accounting period | Fiscal year ending March 2021 | Fiscal year ending March 2022 | Fiscal year ending March 2023 |

| | | | |
|---|---------------------------|---------------------------|---------------------------|
| Total assets | 18,634,971 million yen | 21,912,012 million yen | 22,152,882 million yen |
| Total stated capital | 6,538,390 million yen | 7,857,172 million yen | 9,124,417 million yen |
| Equity attributable to owners of the parent per share | 3,803.01 yen | 4,659.68 yen | 5,648.84 yen |
| Revenue | 12,884,521 million yen | 17,264,828 million yen | 21,571,973 million yen |
| Income before tax | 253,527 million yen | 1,293,116 million yen | 1,680,631 million yen |
| Net income | 132,241 million yen | 1,004,459 million yen | 1,271,499 million yen |
| Net income attributable to owners of the parent | 172,550 million yen | 937,529 million yen | 1,180,694 million yen |
| Basic net income per share | 116.86 yen | 635.06 yen | 809.29 yen |
| Diluted net income per share | 116.57 yen | 625.73 yen | 805.69 yen |
| Dividend amount per share | 134 yen | 150 yen | 180 yen |

(Note 1) “(VII) Major shareholders and shareholding ratio (as of September 30, 2023)” is quoted from “status of major shareholders” in the second Quarterly Report for the 2023 fiscal year submitted by MC on November 13, 2023.

(2) Schedule

The Offeror intends to promptly conduct the Tender Offer once the Conditions Precedent are satisfied (or waived by the Offeror Related Parties). As of today, the Offeror aims to commence the Tender Offer in around April 2024. However, as it is difficult to accurately predict the period required for the procedures to be taken by the competition authorities in and outside Japan, the details of the schedule for the Tender Offer will be announced promptly after they are determined.

The Tender Offer Period is scheduled to be 20 business days (Note 1).

(Note 1) Since the Tender Offer Period will be a period which covers 20 business days in the United States, which is the minimum number of days required for the tender offer period under U.S. securities laws, the Tender Offer Period may be greater than 20 business days.

The schedule of the capital and business alliance is as follows:

| | | |
|-----|---|------------------------|
| (1) | Resolution date of the board of directors | February 6, 2024 |
| (2) | Execution date of the Capital and Business Alliance Agreement | February 6, 2024 |
| (3) | Commencement date of the Tender Offer | April, 2024 (Plan) |
| (4) | Effective date of the Share Consolidation | August, 2024 (Plan) |
| (5) | Commencement date of business alliance | September, 2024 (Plan) |

(3) Price of tender offer

(I) 10,360 yen per common share

(II) Share options

1 yen per share option issued pursuant to the resolution of the Target’s board of directors meeting held on March 25, 2015 (the “14th Series of Share Options”) (the exercise period is from April 10, 2015 to March 24, 2035)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on April 13, 2016 (the "16th Series of Share Options") (the exercise period is from May 2, 2016 to April 13, 2036)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on April 12, 2017 (the "17th Series of Share Options") (the exercise period is from May 1, 2017 to April 11, 2037)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on July 5, 2017 (the "18th Series of Share Options") (the exercise period is from July 21, 2017 to July 4, 2037)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 22, 2018 (the "19th Series of Share Options") (the exercise period is from June 8, 2018 to May 21, 2038)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 21, 2019 (the "20th Series of Share Options") (the exercise period is from June 7, 2019 to May 20, 2039)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 27, 2020 (the "21st Series of Share Options") (the exercise period is from June 12, 2020 to May 26, 2040)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 25, 2021 (the "22nd Series of Share Options") (the exercise period is from June 11, 2021 to May 24, 2041)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 25, 2022 (the "23rd Series of Share Options") (the exercise period is from June 10, 2022 to May 24, 2042)

1 yen per share option issued pursuant to the resolution of the Target's board of directors meeting held on May 24, 2023 (the "24th Series of Share Options") (the exercise period is from June 9, 2023 to May 23, 2043)

(The 14th Series of Share Options, 16th Series of Share Options, 17th Series of Share Options, 18th Series of Share Options, 19th Series of Share Options, 20th Series of Share Options, 21st Series of Share Options, 22nd Series of Share Options, 23rd Series of Share Options, and 24th Series of Share Options, collectively, the "Share Options".)

(III) Depository receipts for share certificates

10,360 yen per share of the Target Shares related the American depository sharers (the "American Depository Shares") deposited with Citibank, N.A., and Deutsche Bank Trust Company Americas (collectively, the "Depository Banks") and represented by the American depository receipts related to the Target Shares issued by the Depository Banks in the United States (the "American Depository Receipts").

(Note) According to the notification for the American Depository Receipts (Form F-6EF) submitted by Citibank, N.A. as of February 13, 2018 to the U.S. Securities and Exchange Commission (the "SEC") and the one submitted by Deutsche Bank Trust Company Americas as of April 2, 2018 to the SEC (collectively, the "American Depository Receipts Notifications"), the American Depository Receipts for the Target Shares were issued in the United States. However, according to the Target, the Target was not involved in the issuance of these American Depository Receipts. Since the Offeror aims to acquire all of the Target Shares in the Tender Offer (excluding the Target Shares

held by the Offeror Related Parties and treasury shares held by the Target), the Offeror, in accordance with Article 27-2, paragraph (5) of the Act and Article 8, paragraph (5), item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended), includes the American Depositary Receipts as the type of share certificates, etc., to be purchased, because it is necessary to solicit applications for sales, etc., for all the share certificates, etc. issued by the Target. On the other hand, while the American Depositary Receipts are securities issued in the United States, it has been determined that it will be difficult for the Offeror, which is a resident of Japan, to acquire the American Depositary Receipts themselves in the Tender Offer conducted outside the United States because there are no financial instruments business operators, etc., that can handle the acquisition as a tender offer agent in practice. Accordingly, in the Tender Offer, the Offeror will accept tenders of the Target Shares and the Share Options only, and instead of accepting tenders of the American Depositary Receipts themselves, it will accept tenders of the Target Shares related to such American Depositary Shares represented by the American Depositary Receipts. Therefore, the owners of the American Depositary Receipts who wish to tender in the Tender Offer should deliver the American Depositary Receipts to the Depository Banks and receive the delivery of the Target Shares related to such American Depositary Shares represented by the American Depositary Receipts, in advance.

(4) Basis for calculation of the price of tender offer

(I) Basis for calculation

(i) Common shares

To ensure the fairness of the Tender Offer Price, the Offeror, in determining the Tender Offer Price for the Target Shares, requested UBS Securities, its financial adviser, to calculate the value of the Target Shares as its third-party valuation institution independent of the Offeror Related Parties and the Target. UBS Securities is not a related party of the Offeror Related Parties or the Target and has no material interest in the Transactions including the Tender Offer.

After considering the valuation method that should be adopted among various share valuation methods when assessing the share value of the Target, UBS Securities assess the share value of the Target using each of (i) the average market price analysis because the Target Shares are listed on the Prime Market of the Tokyo Stock Exchange, (ii) the comparable company analysis because there is a listed company comparable to the Target and it is possible to infer by analogy the share value of the Target by comparing the Target with such a comparable company, and (iii) the DCF analysis so as to reflect future business activities in the valuation, subject to the condition precedent set forth below (Note) and certain other conditions, based on the premise that the Target is a going concern and from the perspective that it would be appropriate to assess the share value of the Target in multiple ways. As of February 5, 2024, the Offeror received the share valuation report from UBS Securities (the “Share Valuation Report (UBS Securities)”).

According to UBS Securities, the ranges of the per share value of the Target Shares calculated using each of the above methods are as follows. For the conditions precedent and considerations related to the preparation of the Share Valuation Report (UBS Securities) and the valuation analysis that serve as a basis therefor, please refer to the below (Note).

Average market price analysis: 7,264 yen to 8,721 yen
Comparable company analysis: 6,568 yen to 8,835 yen
DCF analysis: 9,711 yen to 13,038 yen

Under the average market price analysis, February 5, 2023 was used as the valuation base date, and the per share value of the Target Shares was calculated to range from 7,264 yen to 8,721 yen, based on the closing price of the Target Shares listed on the Prime Market of the Tokyo Stock Exchange on the valuation base date of 8,721 yen and the simple average of closing prices over the prior one month of 8,154 yen, over the prior three months of 7,545 yen, and the simple average of closing prices over the prior six months of 7,264 yen.

Under the comparable company analysis, the share value of the Target was calculated through comparison with trading prices and financial indices indicating profitability, etc. of listed companies engaged in businesses considered to be relatively similar to those of the Target. The per share value of the Target Shares was calculated to range from 6,568 yen to 8,835 yen.

Under the DCF analysis, the per share value of the Target Shares was calculated to range from 9,711 yen to 13,038 yen, as a result of analyzing the enterprise value and the equity value of the Target by discounting the free cash flow that is expected to be generated by the Target in the future using a certain discount rate, based on the earnings forecast of the Target in and after the fiscal year ending February 2024 which takes into consideration various factors including the Target's business plan confirmed by the Offeror for five years from the fiscal year ending February 2024 to the fiscal year ending February 2028, the trend of the Target's business performance, and publicly available information. The Target's business plan, which served as a basis for the DCF analysis, does not include any fiscal year in which a substantial increase/decrease in profit is expected. Further, the business plan does not assume the implementation of the Transactions, and does not include the synergies expected to be realized from the implementation of the Transactions being completed because it is difficult to specifically estimate such synergies at this time.

(Note) The Share Valuation Report (UBS Securities) has been delivered solely for the Offeror to examine the Tender Offer Price of the Target Shares from a financial point of view. UBS did not conduct any valuation analysis of the Share Options. The Share Valuation Report (UBS Securities) does not express any opinion or view on the following: (a) the terms of, or other aspects of, the Transaction (including, without limitation, the manner or structure of the Transaction or other elements) or (b) the relative advantage of the Transaction compared with other strategies or transactions that may be adopted or implemented by the Offeror, or business decision-making related to promoting or implementing the Transaction. Furthermore, the Share Valuation Report (UBS Securities) does not make any recommendations to the Offeror and the Board of the Directors of the Offeror on any particular purchase price or any recommendations that any particular purchase price is the only appropriate purchase prices. UBS Securities also does not express any opinion or view on the fairness (whether financial or otherwise), as compared with the Tender Offer Price, of the amount, nature, or other aspects of any remuneration for officers, directors, or employees of any party to the Transaction. The Share Valuation Report (UBS Securities) does not express any opinion on the price at which the Target Shares should be transacted at any time, including after the Transaction is publicly announced or commences.

In preparing the Share Valuation Report (UBS Securities), UBS Securities has assumed and relied upon the accuracy and completeness of the assumptions and information that were publicly available or were furnished to UBS Securities by the Offeror or the Target or their other advisors or were otherwise reviewed by UBS Securities for the purposes of preparing the Share Valuation Report (UBS Securities). The content of the assumptions and information has not been independently verified by UBS Securities or any of its directors, officers, employees, agents, representatives and/or, advisers, or any other person.

No representation, warranty, or undertaking, express or implied, is or will be given by UBS Securities or its directors, officers, employees, agents, representatives, or advisors in relation to the accuracy, completeness, reliability, or sufficiency of the information contained in the Share Valuation Report (UBS Securities) or the reasonableness of any assumption contained in the Share Valuation Report (UBS Securities).

The Share Valuation Report (UBS Securities) is provided solely for the benefit of the Offeror, and the Offeror's shareholders and other persons should not rely upon the Share Valuation Report (UBS Securities) and will not be conferred any interests, rights, or remedies by the Share Valuation Report (UBS Securities).

By receiving the Share Valuation Report (UBS Securities), the Offeror acknowledges and agrees that to the maximum extent permitted by law, except in the case of fraud and save as provided in the engagement letter, UBS Securities and its directors, officers,

employees, agents, representatives and advisors expressly disclaim any liability which may arise from the Share Valuation Report (UBS Securities), or any other written or oral information provided in connection with the Share Valuation Report (UBS Securities), and any errors contained therein or omissions therefrom.

The Share Valuation Report (UBS Securities) may also contain forward-looking statements, projections, estimates, forecasts, targets, and/or opinions (collectively, the "Forecasts") provided to UBS Securities by the Offeror or the Target, and UBS Securities has relied upon the opinion of the Offeror as to the reasonableness and achievability of the Forecasts (and the assumptions and bases thereof). UBS Securities has assumed that the Forecasts represent the best available assessments and judgments of the Offeror and the Target as of the date of the Share Valuation Report (UBS Securities) and that the Forecasts will be realized in the amounts and time periods contemplated by the Offeror and the Target. All assumptions contained in the Share Valuation Report (UBS Securities) have been discussed and agreed with the Offeror. The Forecasts involve significant assumptions and subjective judgments which may or may not prove to be correct, and there can be no assurance that any Forecasts are a reliable indicator of future performance, nor that they are attainable or will be realized. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any Forecasts contained in the Share Valuation Report (UBS Securities). The Share Valuation Report (UBS Securities) was prepared based on the economic, regulatory, market, and other conditions as in effect on the date thereof and the information made available to UBS Securities as of the same date. Subsequent changes in these conditions may affect the information contained in the Share Valuation Report (UBS Securities). The Share Valuation Report (UBS Securities) speaks as at the date thereof (unless an earlier date is otherwise indicated therein), and in furnishing the Share Valuation Report (UBS Securities), no obligation is undertaken, nor is any representation or undertaking given, by any person: (i) to provide the Offeror with any additional information, (ii) to update, revise, or re-affirm any information in the Share Valuation Report (UBS Securities), including any Forecasts, or (iii) to correct any inaccuracies therein which may become apparent.

The analyses conducted by UBS Securities described in the Share Valuation Report (UBS Securities) are summaries of the material financial analyses presented by UBS Securities to the Offeror in connection with the Share Valuation Report (UBS Securities) and are not comprehensive descriptions of all analyses undertaken or information referred to by UBS Securities in connection with the Share Valuation Report (UBS Securities). The preparation of the Share Valuation Report (UBS Securities) and its underlying analysis are a complex analytical process involving various judgments about the appropriateness and relevance of methods of financial analysis and the application of those methods to the particular circumstances; therefore, a part or summary of the analysis results do not necessarily accurately present all aspects of the analyses. UBS Securities' analysis results must be considered holistically, and reference to a part or summary thereof, without considering all of such analysis results as a whole, may give rise to failure to obtain a correct understanding of the processes underlying UBS Securities' analyses. None of the companies reviewed in UBS Securities' analyses as a comparable company is identical to any business units or subsidiaries of the Target, and these companies were selected because they were publicly traded companies with businesses that, for purposes of UBS Securities' analyses, could be considered similar to those of the Target. The analyses made by UBS Securities necessarily involve complex considerations and judgments concerning differences in financial and business characteristics of the companies reviewed for comparison with the Target and other factors that could affect these companies.

In preparing the Share Valuation Report (UBS Securities), UBS Securities has: (i) not made any independent valuation or appraisal of the physical assets and liabilities of the Target or any other company referred to in the Share Valuation Report (UBS Securities), nor been furnished with any such valuation or appraisal; (ii) not carried out any

assessment as to the commercial merits of the Transaction; (iii) not conducted any legal, tax, accounting, or other analysis in respect of the Transaction, and where relevant, has relied solely upon the judgments of the relevant professional advisors in these areas; and (iv) assumed that in the course of obtaining any regulatory or third party approvals, consents, and releases for the Transaction, no delay, limitation, restriction, or condition would be imposed that would have an adverse effect on the Target, any other company referred to in the Share Valuation Report (UBS Securities), or the Transaction.

UBS Securities is acting as financial advisor of the Offeror in connection with the Transaction and receives remuneration for its services as financial advisor, and such remuneration becomes payable subject to the successful completion of the Transaction. In addition, the Offeror has agreed to indemnify UBS Securities for all costs borne by UBS Securities in relation to UBS Securities' involvement and certain liabilities arising out of UBS Securities' engagement.

The Offeror comprehensively considered elements such as the valuation results of the Share Valuation Report (UBS Securities) obtained on February 5, 2024 from UBS Securities, the results of due diligence conducted on the Target during the period from mid-October 2023 to late-January 2024, the approval or disapproval of the Tender Offer by the Target's board of directors, the trends in market price of the Target Shares, and prospects for tendering in the Tender Offer, and took into account the results of consultations and negotiations with the Target, and decided to set the Tender Offer Price at 10,360 yen per share as of today.

The Tender Offer Price of 10,360 yen per share of the Target Shares represents a price obtained by adding a premium of 18.79% to the closing price of 8,721 yen of the Target Shares in the Prime Market of the TSE on February 5, 2024, the business day prior to the date of the announcement of the scheduled commencement of the Tender Offer, premium of 27.05% to the simple average of closing prices for the last one month until the same date (8,154 yen), premium of 37.31% to the simple average of closing prices for the last three months until the same date (7,545 yen), or premium of 42.62% to the simple average of closing prices for the last six months until the same date (7,264 yen), respectively.

In addition, the Tender Offer Price per Target Share, 10,360 yen, exceeds the upper limit of the valuation result range, based on the average market price analysis and the comparable companies analysis in the Share Valuation Report (UBS Securities), and is within the valuation result range based on the DCF analysis.

(ii) Share Options

The Share Options were granted to directors and executive officers of the Target as executive compensation equivalent to retirement benefits. The holder of the Share Options may exercise such holder's Share Options only in a lump sum, within the exercise period of the Share Options, which is limited to the 10-day period (or the following business day, if the 10th day falls on a holiday) from the date following the date on which such holder has lost his/her/their position as the Target's director or executive officer. Considering the fact that the Offeror may not exercise the Share Options even if the Offeror acquires them, the Offeror set the Share Option Price at 1 yen. Since the Offeror set the Share Option Price as described above, the Offeror has not obtained a valuation report from a third-party valuator.

(iii) American Depositary Receipts

Considering that the American Depositary Receipts represent the American Depositary Shares deposited with Depositary Banks, and one American Depositary Shares is equivalent to one Target Share, the price of the tender offer of the American Depositary Receipts is set at 10,360 yen per share of the American Depositary Shares, which is the same price as the Tender Offer Price per share of the Target Shares.

(II) Background of calculation

(Background leading to the decision of the Tender Offer Price)

As described in “(I) Background, purposes and decision-making process leading to the decision to conduct the Tender Offer” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer,” the Offeror, in late June 2023, appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent of the Offeror Related Parties and the Target, and in early September 2023, appointed UBS Securities as its financial adviser independent of the Offeror Related Parties and the Target, and it commenced specifically considering the Transactions (Initial Proposal). On September 1, 2023, the Offeror, together with MC and the Initial Partner Candidate, submitted a written initial proposal regarding the Transactions (Initial Proposal) to the Target, and made a proposal to the Target to take the Target Shares private with only the Offeror Related Parties and the Initial Partner Candidate as the Target’s shareholders.

Since mid-September 2023, the Offeror Related Parties and the Initial Partner Candidate have commenced consultations on specific matters with the Target toward the implementation of the Transactions (Initial Proposal). In addition, since mid-October 2023, the Offeror Related Parties and the Initial Partner Candidate have consecutively commenced due diligence on the Target.

After the Initial Partner Candidate provided the Target with official notice as of December 25, 2023, declining the proposal regarding the Transactions (Initial Proposal), as a result of the consultations, the Offeror Related Parties provided the Target with a written proposal on December 26, 2023, amending the initial proposal to change the Transactions (Initial Proposal) from a collaboration involving the privatization of the Target Shares by three companies (i.e., the Offeror Related Parties and the Initial Partner Candidate) to a collaboration involving the privatization of the Target Shares by two companies (i.e., the Offeror Related Parties). Thereafter, the Offeror Related Parties and the Target continued to consider the Transactions.

In addition, based on the results of due diligence on the Target conducted from mid-October 2023 to late January 2024, with respect to the Tender Offer Price, the Offeror made the Initial Proposal in writing to the Target on December 26, 2023, setting the Tender Offer Price per Target Share at 8,650 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 8,650 yen. In response to the Initial Proposal, the Offeror received a request from the Target on December 27, 2023 to consider revising the Tender Offer Price, considering the interests of the Target’s minority shareholders.

In response to that request, the Offeror made Proposal No. 2 in writing to the Target on January 4, 2024, setting the Tender Offer Price per Target Share at 9,000 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 9,000 yen. In response to Proposal No. 2, the Offeror received a request from the Target on January 6, 2024 to once again consider revising the Tender Offer Price, considering the interests of the Target’s minority shareholders.

In response to that request, the Offeror made Proposal No. 3 in writing to the Target on January 11, 2024, setting the Tender Offer Price per Target Share at 9,500 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 9,500 yen. In response to Proposal No. 3, the Offeror received a request from the Target on January 12, 2024, to once again consider revising the Tender Offer Price, considering the interests of the Target’s minority shareholders.

In response to that request from the Target, the Offeror made Proposal No. 4 in writing to the Target on January 18, 2024, setting the Tender Offer Price per Target Share at 10,000 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 10,000 yen. In response to Proposal No. 4, the Offeror received a request from the Target on January 24, 2024 to consider further raising the Tender Offer Price, considering the interests of the Target’s minority shareholders and in light of the recent growth in the Target’s business results, including the details of the Target’s Financial Results and the continued rise in the current stock price, for an opinion in favor of, and recommendation to tender in, the Transactions.

In response to that request from the Target, the Offeror made Proposal No. 5 in writing to the Target on January 26, 2024, setting the Tender Offer Price per Target Share at 10,200 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary

Shares, represented by American Depositary Receipts, at 10,200 yen. In response to Proposal No. 5, the Offeror received a request from the Target on January 28, 2024, to consider further raising the Tender Offer Price, considering the interests of the Target's minority shareholders, for an opinion in favor of, and recommendation to tender in, the Transactions.

In response to that request from the Target, the Offeror made Proposal No. 6 in writing to the Target on January 29, 2024, setting the Tender Offer Price per Target Share at 10,290 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 10,290 yen. In response to Proposal No. 6, the Offeror received a request from the Target on January 29, 2024, to consider further raising the Tender Offer Price, with the aim of fully securing the interests of the Target's minority shareholders, and for an opinion in favor of, and recommendation to tender in, the Transactions.

In response to that request from the Target, the Offeror made Proposal No. 7 in writing to the Target on January 30, 2024 setting the Tender Offer Price per Target Share at 10,350 yen, setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,350 yen. In response to Proposal No. 7, on January 31, 2024, the Offeror received a request from the Target that the Offeror will consider further raising the Tender Offer Price for the opinion in favor of, and recommendation to tender in, the Transactions from the perspective of fully securing the interests of the Target's minority shareholders.

In response to that request from the Target, the Offeror made the Final Proposal in writing to the Target on January 31, 2024 setting the Tender Offer Price per Target Share at 10,360 yen, setting the Share Option Price at 1 yen, and setting the Tender Offer Price per Target Share relating to American Depositary Shares represented by American Depositary Receipts at 10,360 yen. In response to the Final Proposal, on February 2, 2024, the Offeror received a response from the Target stating that it views the Tender Offer Price in the Final Proposal as the maximum price that the Offeror could offer and accepts the Tender Offer Price in the Final Proposal.

As a consequence of the above, the Offeror and the Target agreed on February 2, 2024, to set the Tender Offer Price per Target Share at 10,360 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Share relating to American Depositary Shares, represented by American Depositary Receipts, at 10,360 yen. The Offeror also agreed with MC today, to set the Tender Offer Price per Target Share at 10,360 yen, the Share Option Price at 1 yen, and the Tender Offer Price per Target Shares relating to American Depositary Shares, represented by American Depositary Receipts, at 10,360 yen.

(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)

As described in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" in "1. Purposes of Tender Offer" above, considering the fact that the Target is a consolidated subsidiary of MC, which is one of the Offeror Related Parties, and therefore the Transactions including the Tender Offer and execution of the Capital and Business Alliance Agreement fall under the type of transaction involving the issue of structural conflicts of interest and information asymmetry with minority shareholders, in the Transactions, including the Tender Offer, and execution of the Capital and Business Alliance Agreement, the Offeror Related Parties and the Target implemented the measures set forth in (i) to (x) below with a view to ensuring the fairness of the Tender Offer from the time of the Tender Offer, eliminating arbitrariness in decision-making concerning the Transactions and execution of the Capital and Business Alliance Agreement, securing the fairness, transparency, and objectivity of the decision-making process, and avoiding any doubt of a conflict of interest. The measures implemented by the Target described below are based on the explanation made by the Target.

(i) Receipt of a share valuation report from an independent third-party valuator retained by the Offeror

To ensure the fairness of the Tender Offer Price, the Offeror, in determining the Tender Offer Price, requested UBS Securities as its financial adviser to be its third-party valuator independent of

the Offeror Related Parties and the Target to calculate the value of the Target Shares. UBS Securities is not a related party of the Offeror Related Parties or a Target related party and has no material interest in the Transactions including the Tender Offer. In addition, since the Offeror took each of the measures in (i) and (ii) to (x) below and determined the Tender Offer Price through consultation and negotiations with the Target, the Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from UBS Securities. For details, please refer to “(I) Basis for calculation.”

(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee

(A) Background of establishment

According to the Target, as described in “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the Target established the Special Committee by a resolution at the Target’s board of directors meeting held on September 13, 2023. According to the Target, before the establishment of the Special Committee, the Target, since early September 2023, with the advice from Anderson Mori & Tomotsune, for the purpose of establishing a system to review, negotiate, and make decisions concerning the Transactions from the perspective of enhancing the Target’s corporate value and protecting the interests of minority shareholders of the Target from a standpoint independent of the Offeror Related Parties, explained to all of the independent outside directors and independent outside auditors of the Target who have no material interest in relation to the Offeror Related Parties and the Transactions, that the Target received the initial proposal regarding the Transactions (Initial Proposal), and that, in reviewing and negotiating the Transactions, it is necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transactions, including the establishment of a special committee, because the Transactions fall under the type of transaction involving the issue of structural conflicts of interest and information asymmetry with minority shareholders. According to the Target, at the same time, the Target considered candidates for the members of the Special Committee with the advice from Anderson Mori & Tomotsune. According to the Target, after confirming that the candidates for the members of the Special Committee were independent of the Offeror Related Parties, and that they had no material interest different from those of the minority shareholders regarding the success or failure of the Transactions, the Target held discussions with the Target’s independent outside directors and independent outside audit & supervisory board members above, and with the advice from Anderson Mori & Tomotsune, selected three persons, Ms. Miki Iwamura, Ms. Satoko Suzuki, and Ms. Yuko Gomi, as the candidates for the members of the Special Committee for the purpose of the Special Committee being at an appropriate scale while securing a balance of knowledge, experience, and skills of the Special Committee as a whole (The members of the Special Committee have not changed since its establishment. As for the remuneration of the members of the Special Committee, a fixed amount of remuneration is paid as consideration for their duties, regardless of the content of the report, and no contingency fee has been adopted.).

Accordingly, according to the Target, as described in “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under ““(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the Target established the Special Committee by a resolution at the Target’s board of directors meeting held on September 13, 2023, and consulted the Special Committee on the Consultation Matters.

In establishing the Special Committee, according to the Target, the Target’s board of directors resolved that (a) the Special Committee may obtain advice from the Target’s advisor concerning the Transactions in considering the Consultation Matters and may entrust the Target’s share valuation, provision of the Fairness Opinion concerning the Transactions, and other matters deemed necessary by the Special Committee to a third-party organization and the like, and the reasonable cost for such entrustment in such case will be borne by the Target; (b) the Target’s board of directors

will conduct its decision making regarding the Transactions with the utmost respect for the details of the Special Committee's judgment and if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the Target's board of directors will support the Transactions; (c) in order to ensure that an appropriate decision will be made, the authority to request the Target's directors, employees, and other persons deemed necessary by the Special Committee to attend the Special Committee meetings and give an explanation for necessary information will be given to the Special Committee; and (d) the authority to be substantially involved in the negotiation process regarding the terms and conditions of the Transactions by confirming the policy of negotiations by the Target regarding the terms and conditions of the Transactions in advance, receiving a timely report of its circumstances, expressing an opinion, giving instructions, or making requests, as well as conduct direct negotiations by itself when necessary, will be granted to the Special Committee.

According to the Target, at the Target's board of directors meeting above, among the five directors of the Target, the above resolution was unanimously passed after discussion by three directors of the Target, excluding two directors, Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi (that is, Mr. Sadanobu Takemasu, Ms. Miki Iwamura, and Ms. Satoko Suzuki). At the Target's board of directors meeting above, all of the five statutory auditors expressed their opinion that they have no objection to the above resolution. In light of the fact that on and before April 1, 2022, Mr. Masayuki Itonaga concurrently held the position of director at Mitsubishi Corporation Financial & Management Services (Japan) Ltd., MC's subsidiary, and Mr. Kiyotaka Kikuchi concurrently holds the position of managing executive officer at MC, in order to eliminate, as much as possible, possible impact of the issues of structural conflicts of interest and information asymmetry with minority shareholders through the Transactions, they did not participate in the board of directors meeting above and refrained from expressing their opinion. On the other hand, although Mr. Sadanobu Takemasu previously worked at MC, more than nine years has passed since he was transferred from MC to the Target and is not in a position to receive instructions from the Offeror Related Parties, and the side of the Offeror Related Parties has never been involved in the Transactions and is not in a position to be involved therein. Therefore, since it has been determined that the Target's decision-making in the Transactions has no risk of a conflict of interest, he has participated in the discussions and resolutions at the Target's board of directors meeting above.

(B) Background of consideration

According to the Target, the Special Committee held a total of 22 meetings (total meeting time of over approximately 22 hours) from September 13, 2023 until February 5, 2024, and performed its duties regarding the Consultation Matters through such means as reporting, information sharing, consideration, and decision making.

According to the Target, the Special Committee confirmed that SMBC Nikko Securities, the financial advisor and third-party valuator of the Target, was independent and professionally qualified, and approved the appointment thereof. The Special Committee also confirmed that Anderson Mori & Tomotsune, the legal advisor of the Target, does not constitute an Offeror Related Party or a Target related party and had no material interest in the Transactions, including the Tender Offer, and approved the appointment thereof. In addition, the Special Committee confirmed that Daiwa Securities, the financial advisor and third-party valuator of the Special Committee, was independent and professionally qualified, and appointed Daiwa Securities. The Special Committee also confirmed that Nakamura, Tsunoda & Matsumoto, the legal advisor of the Special Committee, does not constitute an Offeror Related Party or a Target related party and had no material interest in the Transactions, including the Tender Offer, and appointed Nakamura, Tsunoda & Matsumoto. Furthermore, as described in "(vii) Establishment of independent review system at the Target" below, the Special Committee confirmed that the internal review system for the Transactions established by the Target (including the scope of officers and employees of the Target who will be involved in the review, negotiation, and judgment for the Transactions and their duties) is independent and fair.

According to the Target, based on the above, the Special Committee is considering the measures to be taken to ensure the fairness of the procedures for the Transactions based on the opinions

obtained from Nakamura, Tsunoda & Matsumoto. Further, while taking into account the advice obtained from Daiwa Securities, the Special Committee received explanations from the Target on the Business Plan prepared by the Target regarding the details, important preconditions, and the background of preparation, and confirmed the reasonableness of these matters and approved the same.

According to the Target, the Special Committee received explanations from the Target on the purpose and significance of the Transactions as well as the expected impact on the business of the Target, and held a question-and-answer session on the foregoing. The Special Committee also presented questions to the Offeror Related Parties and held a question-and-answer session in the form of interviews with the Offeror Related Parties on the purpose and background of the Transactions and the management policy following the Transactions.

Furthermore, as described in “(iii) Receipt of a share valuation report and the Fairness Opinion from an independent third-party valuator retained by the Special Committee” below, Daiwa Securities calculated the value of the Target Shares based on the Business Plan. According to the Target, the Special Committee received explanations regarding the method of calculation used by Daiwa Securities for the calculation of the value of the Target Shares, the reasons for adopting such method of calculation, the details of the calculations by each method of calculation, and important conditions precedent, and confirmed the reasonableness of these matters after Q&A sessions, discussions and considerations.

Further, according to the Target, the Special Committee also received reports from the Target and SMBC Nikko Securities on the Target’s negotiations with the Offeror from time to time and discussed and reviewed the same, and expressed necessary opinions on the Target’s negotiation policies as appropriate. Specifically, the Special Committee received reports on the proposals of the Tender Offer Price from the Offeror upon receipt and after obtaining analysis and opinions from SMBC Nikko Securities and Daiwa Securities regarding the response policies and the policy for the negotiation with the Offeror, considered these proposals based on the advice from Daiwa Securities from a financial perspective. Then, the Special Committee expressed its opinions to the Target on the matters to be discussed with the Offeror in order to achieve the significance and purpose of the Transactions as the Target, and participated in the overall process of discussion and negotiation between the Target and the Offeror regarding the terms and conditions of the Transactions, including the Tender Offer Price. As a result, on January 31, 2024, the Target received a proposal from the Offeror that includes the Tender Offer Price of 10,360 yen per share, and as a result, the Target received a total of eight proposals, resulting in a price increase of 19.77% from the initial price proposal.

Furthermore, according to the Target, the Special Committee received explanations from Anderson Mori & Tomotsune and Nakamura, Tsunoda & Matsumoto on the details of the draft of the Target’s Press Release concerning the Tender Offer to be announced or submitted by the Target on multiple occasions and confirmed that appropriate information disclosure will be conducted.

(C) Details of decision

According to the Target, under the circumstances above, while taking into account the details of the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice received from Daiwa Securities, and the Share Valuation Report (Daiwa Securities) and the Fairness Opinion received as of February 5, 2024, after careful consultations and consideration on the Consultation Matters, the Special Committee, with the unanimous consent of all members, submitted the Written Report on the Consultation Matters to the Target’s board of directors as of February 5, 2024, the content of which is substantially as described below.

(a) Contents of the report by the Special Committee

- 1 The Transactions will contribute to the Target’s corporate value and the purposes of the Transactions are appropriate and reasonable.
- 2 The fairness and appropriateness of the terms and conditions of the Transactions (including the tender offer price in the Tender Offer) are ensured.

- 3 Due consideration is given in the Transactions to the interests of the Target's shareholders through fair procedures.
- 4 It is appropriate for the Target's board of directors to express an opinion in favor of the Tender Offer to recommend that the Target's shareholders tender in the Tender Offer and to recommend that the owners of American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive delivery of the Target Shares related to such American Depositary Shares represented by those American Depositary Receipts to tender their shares in the Tender Offer and that it would leave the decision as to whether to tender shares in the Tender Offer to the judgment of the Share Option Holders.
- 5 In addition to No.1 to No.4 above, the implementation of the Transactions is not considered disadvantageous to the Target's minority shareholders.

(b) Reasons for the decisions

- 1 Report on the Items for Consultation Matter (i) (whether the purposes of the Transactions are appropriate and reasonable (including whether the Transactions would contribute to the Target's corporate value))

Based on the following aspects, regarding the Items for Consultation Matter (i), the Transactions would contribute to the Target's corporate value and the purposes of the Transactions are appropriate and reasonable.

(i) Synergies forecast by the Target

As synergies from the Transactions, the Target explained that the following points are expected to be achieved.

(I) Accelerate transformation into "Real × Tech Convenience" through the use of management resources

- The Target is seeking to take on the challenge of becoming the fastest global delivery service business in the world (Quickest E Commerce service: QEC) by making the most of Tech and utilizing stores "real" shopping venues as EC centers.
- Through the Transactions, the Target is expected to promote QEC that enables provision of products to customers at the fastest speed in the convenience store industry and accelerate transformation into "Real × Tech Convenience", by strengthening its technological structure, including the development of systems through the dispatch of engineers and other human resources from the Offeror, and enhancing the Offeror's customer base and the digital marketing system that utilizes high-resolution location-based data unique to the telecommunications company.

(II) Strengthen profitability by sharing customer base

- The Transactions will involve the utilization of the Offeror Group's base of approximately 31 million customers and promotion of the high-resolution marketing measures.
- Specifically, by reaching more consumers and attracting more customers through new customer referrals from the Offeror Group's economic areas and referrals to individual stores by utilizing location information, creating new value in the application and membership domains through development and provision of new services, providing a one-stop response from the collection to the aggregation, analysis, and visualization of a wealth of big data, and maximizing the value of data through promotion of these measures, the Target will be able to consider promoting cross-selling and developing new businesses and services, and Target's marketing business are expected to expand.

(III) Coexistence with local communities by providing social infrastructure utilizing cutting-edge technologies

- It can be expected that, by the Transactions, through the provision of services that support various aspects of life, innovation into lifestyle experiences and behaviors associated with the evolution of technology will be encouraged and social issues will be resolved.

- Specifically, for example, issues including the depopulation and aging of communities are expected to be resolved by improving convenience for consumers in regions without shops, through the use of the Offeror Group's sophisticated drone technology.
- In addition, by the use of the 5G network and satellite communications technology of the Offeror, development of stores and provision of products in augmented and virtual reality linked to its own apps through metaverse services, including provision of medical services such as remote diagnosis through health checks using vital sensing, are expected to be enabled.

(IV) Strengthen the business foundation by utilizing management resources such as advanced human resources and know-how

- By promoting human resource exchanges between the Offeror Group, the MC Group, and the Target, and by providing mutual human resource support, including the secondment and dispatch of employees, measures to address the normalization of labor shortages and development of human resources will also be enabled.
- Strengthening the Target Group's portfolio and maximizing the Group's synergies can be expected through the utilization of know-how of the financial business developed by the Offeror Group, collaboration in the entertainment field, and the ongoing sharing of the MC Group's global network.

(V) Strengthen cooperation in the environmental field to realize a decarbonized society

- By implementing the Transactions, the Target's green and sustainable initiatives toward the achievement of the goal "Lawson Blue Challenge 2050!", the environmental vision formulated by the Target, will be strengthened and accelerated.
- Specifically, for example, by utilizing the functions of the Offeror Group and the MC Group, the use of renewable energy generated by solar panels, the purchase of food products with reduced consumption prices near their expiration dates using vast location data and purchasing data, and the replacement of plastic containers and PET bottle materials with biomass materials will be promoted from now on.

(VI) Growth in the businesses of group companies

- In the retail finance business area, the financial know-how of MC and the Offeror Group (including FinTech) will be combined.
- In addition, functions related to MC and the Offeror Group's content and digital technology will accelerate the Target's growth in the entertainment business area.
- Furthermore, in the Target's supermarket business and overseas business areas, smart digital capabilities, and global expansion capabilities are essential, and forming alliances between both companies can accelerate the growth of these businesses.

(VI) Growth in the businesses of group companies

- In the retail finance business area, the financial know-how of MC and the Offeror Group (including FinTech) will be combined.
- In addition, functions related to MC and the Offeror Group's content and digital technology will accelerate the Target's growth in the entertainment business area.
- Furthermore, in the Target's supermarket business and overseas business areas, smart digital capabilities, and global expansion capabilities are essential, and forming alliances between both companies can accelerate the growth of these businesses.

(VII) Reduction of listing maintenance costs and operational burden of the management division and reallocation of resources

- By taking the Target Shares private through the Transactions, Target will be able to avoid the human and economic costs associated with maintaining listing, which have been pointed out in recent years, and to allocate resources to the various key initiatives described above.

(ii) Availability of alternative transactions

- From the perspective of enhancing the Target’s corporate value, there are no specific transactions that are viable alternatives to the Transactions.

(iii) Consistency between the Target’s explanation of the synergies and those of the Offeror Related Parties.

- In order to confirm whether there were any discrepancies in the understanding between the parties to the Transactions, the Special Committee asked the Offeror Related Parties almost the same questions about the Transactions as it did to the Target.
- As a result, not only there were no answers made by the Offeror Related Parties that contradicted those of the Target, but also, there are no discrepancies between the Target’s understanding concerning the assumptions of synergies expected from the Transactions and those of the Offeror stated in the Target’s Press Release.

2 Report on the Items for Consultation Matter (iii) (whether due consideration is given in the Transactions to the interests of the Target’s shareholders through fair procedures)

Due to the following matters, due consideration is considered to have been given in the Transactions to the interests of the Target’s shareholders through fair procedures.

(i) Establishment of a special committee

- The Special Committee is considered to sufficiently ensure fairness, given the following circumstances of its establishment and operation.
 - (I) The Special Committee was established before the transaction terms were decided between the Offeror and the Target.
 - (II) The Special Committee is composed solely of outside directors, who are considered highly qualified under the “Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders’ Interests” issued by the Ministry of Economy, Trade and Industry as of June 28, 2019 (the “M&A Guidelines”), and outside auditors, who are considered to complement the outside directors.
 - (III) The Target requests confirmation from the special committee in advance of, or promptly after, discussing the Tender Offer Price with the Offeror, thereby ensuring that the Special Committee can substantially influence the negotiation process regarding the transaction terms by receiving timely reports on the status of negotiations and giving its opinions, instructions, and requests at important stages.
 - (IV) On September 13, 2023, after considering the independence, expertise, and track record of several candidates for legal advisor, financial advisor, and third-party valuation institution, the Special Committee retained Nakamura, Tsunoda & Matsumoto as its own legal advisor independent of the Target and the Offeror Related Parties, and on the same day, Daiwa Securities was appointed as an independent financial advisor and third-party appraiser independent of the Offeror Related Parties and the Target, and has reviewed and made decisions based on its expertise in the fairness of the procedures and the evaluation of corporate value.
 - (V) Due to the diversity of the agreements contemplated for the Transactions and the synergies envisaged, it is difficult to publicly disclose all the details, but the Special Committee, on behalf of the minority shareholders, obtained important information, including the draft of the agreement to be executed by the Target regarding the Transactions, and examined and made decisions based on such information.
 - (VI) The Target’s board of directors, in making a resolution on the matters for consultation with the Special Committee, resolved that the Target’s board of directors should respect the decisions of the Special Committee to the maximum extent possible in making its decision on the Transactions, and in particular, if the Special Committee determines that the terms of the Transactions are not appropriate, the Target’s board of directors shall not approve the Transactions with such terms and conditions.

(ii) Decision-making process of the Target

- Upon the Target making the decision pertaining to the Transactions, three directors of the Target, excluding Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi, who are directors or employees of MC, which is one of the Offeror Related Parties, or its

subsidiary (that is, Mr. Sadanobu Takemasu, Ms. Miki Iwamura, and Ms. Satoko Suzuki, who are members of the Special Committee) are expected to deliberate and pass resolutions.

- Among the Target's directors, Mr. Sadanobu Takemasu, President and CEO, previously worked at MC. However, the M&A Guidelines set forth that if an independent special committee is established and is functioning effectively, it is sufficient if the persons concurrently holding positions as the Offeror's director or employee are excluded. Given that the period since Mr. Takemasu was transferred to the Target from MC is sufficiently long, and that Mr. Takemasu, as the President and CEO of the Target, has knowledge and experience that are indispensable and cannot be substituted in considering and negotiating the Transactions from the viewpoint of enhancing the corporate value of the Target, and also based on the advice of Anderson Mori & Tomotsune, the Target's legal advisor, and Nakamura, Tsunoda & Matsumoto, the Special Committee's own legal advisor, it can be concluded that there are no concerns from the perspective of independence and fairness with respect to Mr. Takemasu's participation in the consideration of the Transaction and negotiations with the Offeror.
- Based on the information above, no circumstances were found that could raise suspicions regarding the fairness of the decision-making process at the Target.

(iii) Receipt of advice from external advisors

(I) Receipt of advice from a legal advisor

- The Target's board of directors received advice from the attorneys of Anderson Mori & Tomotsune, the Target's legal advisor, regarding its decision-making, and it has been determined that the Target has received independent legal advice from attorneys.

(II) Receipt of share valuation reports from a third-party valuator

- In order to ensure the fairness of the Tender Offer Price, the Target's board of directors obtained the Share Valuation Report (Nikko Securities) from SMBC Nikko Securities, an independent third-party valuator, as materials concerning the value of the Target Shares.
- In addition, multiple calculation methods were used in the Share Price Valuation Report (Nikko Securities) to avoid arbitrary calculation of the value of the Target Shares. In addition, there is no evidence of arbitrary actions by the directors and employees of the Offeror in the preparation of the Target's business plan, which is the basis for such calculations, and there are no circumstances that raise doubts about the fairness of the calculations.
Further, the independence of SMBC Nikko Securities has been ensured.
- In addition, the Special Committee appointed Daiwa Securities as its independent financial advisor and third-party valuator when it considered the Transactions, and obtained the Share Valuation Report (Daiwa Securities) from Daiwa Securities as materials concerning the value of the Target Shares.
- The Special Committee also has confirmed the independence of Daiwa Securities as an advisor (including independence from the Offeror Related Parties and the Target).
- Based on the above, it has been determined that both the Share Valuation Report (Nikko Securities) and the Share Valuation Report (Daiwa Securities) are share valuation reports by independent third-party valutors.

(III) Receipt of the Fairness Opinion

- Furthermore, in order to ensure the fairness of the Tender Offer Price, the Special Committee obtained the Fairness Opinion from Daiwa Securities, which states that the Tender Offer Price is fair from a financial point of view with respect to the Target's general shareholders, excluding the Offeror Related Parties and their affiliates.
- The Special Committee believes that the Fairness Opinion can be evaluated as a measure to ensure fairness.

- (IV) Market check
 - The Offeror plans to set the Tender Offer Period at 20 business days, which is the shortest period provided by laws and regulations. However, the Tender Offer is a tender offer with a prior announcement, and since a relatively long period of time will be secured until the commencement of the Tender Offer, there will be reasonable opportunities for competing takeover offers by other potential acquirers.
 - In addition, there has been no agreement, nor has a transaction protection restriction been imposed, between the Target and the Offeror to restrict contact with competing takeover offerors (as defined in “(ix) Establishment of measures to ensure purchase opportunities from other offerors” below).
Thus, in this case, an indirect market check is being conducted by conducting the M&A after creating an environment in which other potential acquirers can make competing offers after the announcement.
 - (V) Majority of minority
 - The majority-of-minority concept has not been adopted regarding the minimum number of tendered shares to be purchased.
 - Many measures to ensure fairness other than the establishment of the majority-of-minority condition have been adopted in the implementation of the Tender Offer. Therefore, the fact that the majority-of-minority concept has not been adopted in the Tender Offer does not in itself constitute an obstacle to the fairness of the terms and conditions of the Transactions.
 - (VI) Improved information provision to general shareholders and transparency of the process
 - The Target’s Press Release discloses certain factors regarding the Business Plan, which is the premise for the DCF analysis in the Share Valuation Report (Nikko Securities) and the Share Valuation Report (Daiwa Securities).
 - Finally, other information, such as the process leading to the implementation of the M&A and the background of negotiations, has been described in the Target’s Press Release in a substantial manner.
 - (VII) Elimination of Coercion
 - The Squeeze-out Procedure in the Transactions are to be executed by means of a process using a share consolidation method. The shareholders have the right to file a court petition to determine the price of the shares pursuant to Articles 182-4 and 182-5 of the Companies Act, and this fact is explicitly disclosed in the Target’s Press Release.
 - Furthermore, the Target’s Press Release states that the Squeeze-out Procedure will be conducted promptly after the completion of the Tender Offer, and that the amount of money delivered to minority shareholders in the Squeeze-out Procedure will be calculated to be equal to the Tender Offer Price multiplied by the number of Target Shares held by each such shareholder (excluding the Offeror Related Parties and the Target).
 - In light of the above, measures have been taken to prevent coercion with respect to the Transactions.
- 3 Report on the Items for Consultation Matter (ii) (whether the fairness and appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price) are ensured)
- (i) Ensuring the status of negotiations
 - The negotiations were conducted fairly, with the Target receiving advice from SMBC Nikko Securities on the Tender Offer Price, which resulted in a final agreement. The Special Committee also was proactively involved in the negotiations by giving its opinion on the negotiations at each of the relevant periods.
 - Under this system, the Target referred to the valuation calculated by SMBC Nikko Securities below and also took into account the deliberations of the Special Committee and other factors, and reached a final agreement after several rounds of price

negotiations. Further, the final Tender Offer Price (10,360 yen) was considerably higher than the price originally offered by the Offeror (8,650 yen), and negotiations were carried out by the Target with the aim of making the Transactions as favorable as possible to the general shareholders.

- In view of the information above, the decision regarding the Transactions was made as a result of significant discussions between the independent parties, and no circumstances have been found that raise suspicions regarding the transparency or fairness of the decision-making process between the Target and the Offeror Related Parties.
- (ii) Relationship between the share valuation report and the Tender Offer Price
- Based on the following points, the Business Plan is considered to be reasonable from the perspective of the formulation process and the formulation method, as there is no evidence of any intervening pressure from the Offeror Related Parties.
 - (I) Business Plan
 - Regarding the formulation of and updates to the Business Plan, it was based on a business plan which was confirmed by the Special Committee with the advice of Daiwa Securities and Nakamura, Tsunoda & Matsumoto, the independent advisor of the Special Committee. As a result, no arbitrariness was found in this regard.
 - It is reasonable for the Business Plan (on a stand-alone basis) to also be used as the basis for the calculation in this case.
 - In addition, in regard to the formulation of the Business Plan, “Challenge 2025” (which is the three-year plan from FY 2023 to FY 2025 that was reported in the meeting of the board of directors of the Target on April 13, 2023), and updates to the Business Plan made in August 2023 thereafter, although the involvement of seconded personnel from MC is acknowledged, these documents were prepared both in the course of normal business operations unrelated to the Transactions and prior to the consideration of the Transactions. In addition, regarding the two-year plan from FY 2026 to FY 2027, although it was prepared after the consideration of the Transactions, it was drafted under a system without the involvement of the Offeror Related Parties, and the documents were prepared with the confirmation of Sadanobu Takemasu, President and CEO, Representative Director of the Target. In conclusion, the involvement of the seconded personnel from MC in the process of formulating the Business Plan does not raise suspicions about the fairness of the contents of the Business Plan.
 - In addition, Daiwa Securities, the Special Committee’s independent financial advisor, also has asked the Target the necessary questions about the matters that were considered and taken into account in the process of formulating the Business Plan and the feasibility of the forward-looking statements. In conclusion, the Business Plan was not deliberately suppressed in order to lower the Target’s share value assessment, and there are no doubts by Daiwa Securities regarding the Business Plan.
 - (II) Relationship between the share valuation report and the Tender Offer Price
 - The price of 10,360 yen per share, the Tender Offer Price, (i) exceeds the upper limit of the calculation result of the market price analysis and (ii) is in the range of the value of the shares calculated using the DCF analysis, which is considered to indicate the fundamental value of the shares of the Target.
 - The Special Committee also considers that the Tender Offer Price has reached a level that is not detrimental to minority shareholders, even from the perspective of comparison with the valuation of the Target Shares calculated by Daiwa Securities and SMBC Nikko Securities.
 - (III) Consideration of the Premium
 - In relation to the closing price of the Target Shares on the TSE on February 5, 2024 (the “Day before Last”; hereinafter the same in this section), the Tender Offer Price is a price calculated by adding a premium of 18.79% on the closing price of the Day

before Last, 27.05% on the average closing price over the past month on the Day before Last, 37.31% on the average closing price over the past three months on the Day before Last, and 42.62% on the average closing price over the past six months on the Day before Last.

- In conclusion, from the perspective of comparing the premium level of the Tender Offer Price with other similar deals, the premium level of the Tender Offer Price is considered to be reasonable, taking into account that although the premium level of the Tender Offer Price is below the average and median prices based on the closing price of the Day before Last and the average closing price over the past month on the Day before Last, it is above the average and median prices of 11 other deals selected as those announced after July 2019, after the M&A Guidelines were published, and concluded by December 31, 2023, with a market capitalization of 100 billion yen or more and the target shares exceeding 1x PBR before the deal was announced, based on the average closing price over the past three months on the Day before Last and the average closing price over the past six months on the Day before Last, and other factors.

(iii) Appropriateness of schemes

- In implementing the Transactions, the structure of the Transactions is reasonable, in which the Offeror will acquire all of the Target's Shares (including the American Depositary Receipts, but excluding the Target Shares held by the Offeror Related Parties and the Target) and the Stock Acquisition Rights, thereby acquiring all of Target's Share Certificates to provide the Target's minority shareholders an opportunity to recover their investment.

(iv) Appropriateness of the purchase price of the Share Options

- The Tender Offer also includes the Share Options, but the purchase price for all of the Share Options is 1 yen.
- According to the Target's Press Release, at the time of the announcement of the Tender Offer, the Target intends to express its opinion to the Share Option Holders that it leaves the decision of whether or not to tender in the Tender Offer to the Share Option Holders.
- In view of the matters above, the Special Committee reserves its opinion on the appropriateness of the price of the Share Options in the Tender Offer.

4 Report on the Items for Consultation Matter (iv) (whether it is appropriate for the Target's board of directors to express an opinion in favor of the Tender Offer to recommend that the Target's shareholders tender in the Tender Offer and to recommend that the owners of American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive delivery of the Target Shares related to such American Depositary Shares represented by those American Depositary Receipts to tender their shares in the Tender Offer and that it would leave the decision as to whether to tender shares in the Tender Offer to the judgment of the Share Option Holders) and Consultation Matter (v) (in addition to Consultation Matters (i) to (iv), whether the implementation of the Transactions would be considered advantageous to the Target's minority shareholders)

- As a result of the deliberations of the Special Committee, no issues have arisen in regard to any of Consultation Matters (i) to (iii) above.
- In view of the matters above, regarding Consultation Matters (iv) and (v), the Special Committee shall express its opinion that (a) the board of directors of the Target is in favor of the Tender Offer and recommends that the shareholders of the Target tender their shares in the Tender Offer, (b) it recommends that the holders of the American Depositary Receipts tender in the Tender Offer by delivering their American Depositary Receipts to the Depositary Bank in advance and receiving delivery of the Target Shares related to such American Depositary Shares represented on the American Depositary Receipt, and (c) that it leaves the decision of whether or not to tender in the Tender Offer to the Share Option Holders.
- However, since the Tender Offer, which is the first phase of the Transactions, is

expected to take a reasonable period of time between its announcement and commencement, the Special Committee intends to reconsider these points before the commencement of the Tender Offer.

(iii) Receipt of advice from an independent legal adviser by the Target

According to the Target, as described in “(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee” above, the Target retained Anderson Mori & Tomotsune as its outside legal advisor independent of the Offeror Related Parties and the Target, and has received legal advice from Anderson Mori & Tomotsune including advice on the measures to be taken to ensure the fairness of the procedures for the Transactions, the procedures for the Transactions and the method and process of decision-making by the Target concerning the Transactions.

Anderson Mori & Tomotsune does not constitute an Offeror Related Party or a Target related party and has no material interest in the Transactions including the Tender Offer. According to the Target, although the Target has executed a legal advisory agreement with Anderson Mori & Tomotsune, the firm is an external legal firm which provides legal services to a number of clients, which is not limited to the Target, and the Target, as one of the firm’s clients, executed the legal advisory agreement in order to request legal advice based on its areas of expertise and specialties, and the fact of execution of such agreement will not violate the independence of the same legal firm from the Target; in addition, since the firm is paid a fee calculated by multiplying the hours of service rendered by an hourly rate regardless of whether the Transactions are successfully completed and its fee does not include a performance fee conditioned on successful completion of the Transactions, it was determined that Anderson Mori & Tomotsune was independent of the Offeror Related Parties and whether the Transactions are successfully completed. Furthermore, according to the Target, the Special Committee, at its first meeting, confirmed that Anderson Mori & Tomotsune was independent and professionally qualified.

(iv) Receipt of a share valuation report from an independent financial adviser and third-party valuator by the Target

(A) Name of valuator and relationship with the Target and the Offeror Related Parties

According to the Target, the Target, in expressing its opinion concerning the Tender Offer, in order to ensure the fairness of decision-making regarding the Tender Offer Price presented by the Offeror, requested its financial advisor SMBC Nikko Securities, as a third-party valuator independent of the Offeror Related Parties and the Target, to calculate the share value of the Target Shares, and obtained the Target Share Valuation Report (Nikko Securities) on February 5, 2024. SMBC Nikko Securities does not constitute an Offeror Related Party or a Target related party and has no material interest in the Transactions, including the Tender Offer. SMBC Nikko Securities is one of the same group companies of Sumitomo Mitsui Financial Group, Inc. as Sumitomo Mitsui Banking Corporation that conducts financing transactions as part of normal banking transactions with the Target Group, the Offeror Group, and MC Group. However, according to the Target, considering the past performance of SMBC Nikko Securities as a third-party valuator and based on the fact that information blocking measures have been taken between the department which calculates the value of the Target Shares in SMBC Nikko Securities, other departments in SMBC Nikko Securities, and Sumitomo Mitsui Banking Corporation as measures to prevent adverse effects, that since the Target and SMBC Nikko Securities conduct transactions based on the same transaction conditions as general customers, SMBC’s independence as a financial advisor and third-party valuator has been secured, and that SMBC Nikko Securities does not constitute a party related to the Target or the Offeror Related Parties, and that the Target’s requests for SMBC Nikko Securities to calculate the value of the Target Shares are considered to have no particular concerns, the Target appointed SMBC Nikko Securities as its financial advisor and third-party valuator. The Special Committee, at its first meeting, confirmed that SMBC Nikko Securities was independent and professionally qualified, and approved the appointment thereof as the financial advisor and third-party valuator of the Target. The Target has not obtained from SMBC Nikko Securities an opinion concerning the fairness of the Tender Offer Price (fairness opinion) since the Target

determined that the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest have been implemented and that fairness of the Transactions is sufficiently ensured.

According to the Target, with respect to the Transactions, SMBC Nikko Securities is paid a performance fee payable on condition that the Transactions are successfully completed. The Target appointed SMBC Nikko Securities as its financial advisor and third-party valuator based on the above fee arrangement, taking into account general practices in the same kind of transactions and the appropriateness of the fee arrangement in which the Target would incur a reasonable financial burden in the event that the Transactions are not successfully completed, and also based on the determination that SMBC Nikko Securities' independence would not be denied by the fact that a performance fee payable on condition that the Transactions are completed is included.

(Note) In preparing the Share Valuation Report (Nikko Securities), SMBC Nikko Securities has assumed that all of the materials and information used as the basis therefor are accurate and complete. SMBC Nikko Securities has not conducted any independent verification of the accuracy and completeness of such materials and information, and assumes no obligation or responsibility for such verification. SMBC Nikko Securities assumed that the Target has not recognized any facts or circumstances that render any of the information provided inaccurate or misleading. SMBC Nikko Securities has not independently evaluated, appraised or assessed the assets or liabilities of the Target and its affiliates, nor has it requested any third-party organization to evaluate, appraise, or assess such assets or liabilities. If any problems are found in the accuracy and completeness of these materials and information, the results of the calculation may differ significantly. Furthermore, SMBC Nikko Securities assumed that there are no claims or obligations relating to undisclosed litigation, disputes, environment and taxation, etc. regarding the Target and its affiliates, other contingent liabilities or off-the-book liabilities, or any other fact that would have a material effect on the Share Valuation Report (Nikko Securities). It was assumed that the business plan used by SMBC Nikko Securities in the Share Valuation Report (Nikko Securities) was prepared by the Target with reasonable and appropriate procedures based on the best estimate and judgment as of the reference date of making the calculation. In the Share Valuation Report (Nikko Securities), when SMBC Nikko Securities conducted its analysis based on the materials, information, and assumptions provided, it was assumed that the materials, information, and assumptions provided are accurate and reasonable. SMBC Nikko Securities has not independently verified the accuracy, appropriateness, and feasibility of these assumptions, and assumes no obligation or responsibility therefor. The results of the calculation by SMBC Nikko Securities have been submitted to the Target, at the request of the Target, for the sole purpose of assisting the Target's board of directors to consider the Tender Offer Price. Such results of the calculation are not designed for expressing SMBC Nikko Securities' opinion as to the fairness of the Tender Offer Price.

(B) Overview of calculation

According to the Target, the Target, in expressing its opinion concerning the Tender Offer, requested its financial advisor SMBC Nikko Securities, as a third-party valuator independent of the Offeror Related Parties and the Target, to calculate the share value of the Target Shares, and obtained the Share Valuation Report (Nikko Securities) on February 5, 2024.

In calculating the value of the Target Shares, SMBC Nikko Securities adopted the average market price method since the Target Shares are listed on the TSE Prime Market and thus the market price thereof is available; and the DCF analysis to reflect in the share valuation the status of future business activities of the Target.

The range of the value per share of the Target Shares calculated by SMBC Nikko Securities based on each of the above methods is as follows.

| | |
|----------------------|------------------------------|
| Market price method: | From 7,248 yen to 8,039 yen |
| DCF analysis: | From 9,609 yen to 14,907 yen |

Under the average market price method, as of the reference date of February 2, 2024, which is two business days immediately preceding the date of the announcement of the expected commencement of the Tender Offer, the share value range per share of the Target Shares was calculated to be 7,248 yen to 8,039 yen, based on the simple average of the closing prices for the previous one month of the Target Shares on the TSE Prime Market (8,039 yen), the simple average of the closing prices for the previous three months (7,526 yen), and the simple average of the closing prices for the previous six months (7,248 yen). Under the DCF analysis, the share value range per share of the Target Shares was calculated to be 9,609 yen to 14,907 yen by calculating the Target's corporate value and share value based on various elements such as the Business Plan prepared by the Target, and information generally disclosed to the public, and discounting at a certain rate to the present value the free cash flow projected to be generated by the Target in and after the fourth quarter of its fiscal year ending February 2024. The Business Plan prepared by the Target, which was used for the calculation under the DCF analysis by SMBC Nikko Securities, does not include any fiscal year in which significant year-on-year increases or decreases in profits are expected. The synergies expected to be realized through the implementation of the Transactions were not included in the financial forecast as it was difficult to estimate the same specifically as of February 5, 2024.

(v) Receipt of advice from an independent legal adviser by the Special Committee

According to the Target, as described in “(ii) Establishment of independent special committee at the Target and receipt of a written report from the special committee” above, the Target retained Nakamura, Tsunoda & Matsumoto as its outside legal advisor independent of the Offeror Related Parties and the Target, and has received legal advice from Nakamura, Tsunoda & Matsumoto, including advice on the measures to be taken to ensure the fairness of the procedures for the Transactions, the procedures for the Transactions, and the method and process of decision-making by the Target concerning the Transactions.

Nakamura, Tsunoda & Matsumoto does not constitute an Offeror Related Party or a Target related party and has no material interest in the Transactions, including the Tender Offer. Nakamura, Tsunoda & Matsumoto is paid a fee calculated by multiplying the hours of service rendered by an hourly rate regardless of whether the Transactions are successfully completed, and its fee does not include a performance fee conditioned on successful completion of the Transactions.

(vi) Receipt of a share valuation report and the Fairness Opinion from an independent third-party valuator by the Special Committee

(A) Name of valuator and relationship with the Offeror Related Parties and the Target

According to the Target, the Special Committee, in considering the Consultation Matters, in order to ensure the fairness of the terms and conditions regarding the Transactions, including the Tender Offer Price, requested its financial advisor Daiwa Securities, as a third-party valuator independent of the Offeror Related Parties and the Target, to calculate the share value of the Target Shares, and obtained a share valuation report regarding the share valuation result of the Target Shares (the “Share Valuation Report (Daiwa Securities)”) on February 5, 2024. In addition, the Special Committee requested a third-party valuator independent of the Offeror Related Parties and the Target, Daiwa Securities, to submit a fairness opinion to the effect that the terms and conditions regarding the Transactions, including the Tender Offer Price, are fair (the “Fairness Opinion”), and received the Fairness Opinion on February 5, 2024. Daiwa Securities does not constitute an Offeror Related Party or a Target related party and has no material interest in the Transactions, including the Tender Offer. The Special Committee, at its first meeting, confirmed that Daiwa Securities was independent and professionally qualified, and appointed Daiwa Securities as the Special Committee's financial advisor and third-party valuator.

With respect to the Transactions, Daiwa Securities is paid only a fixed fee amount, which will be paid regardless of whether the Transactions are successfully completed, and its fee does not include a performance fee conditioned on successful completion of the Transactions.

(B) Overview of calculation

According to the Target, the Special Committee, in considering the Consultation Matters, requested its financial advisor Daiwa Securities, as a third-party valuator independent of the Offeror Related Parties and the Target, to calculate the share value of the Target Shares, and obtained the Share Valuation Report (Daiwa Securities) on February 5, 2024.

After considering the valuation method that should be adopted among various share valuation methods when assessing the Target Shares, Daiwa Securities assessed the per share value of the Target Shares using (i) market price analysis, because the Target Shares are listed on the Prime Market of the TSE and thus the market price thereof is available and (ii) DCF analysis so as to reflect the details of the Target's performance and forecasts in the valuation, based on the premise that the Target is a going concern and from the perspective that it would be appropriate to assess the value of the Target Shares in multiple ways. On February 5, 2024, the Special Committee obtained the Share Valuation Report (Daiwa Securities).

According to Daiwa Securities, the share value range per share of the Target Shares calculated using each of the above methods is as follows:

Market price analysis: 7,264 yen to 8,721 yen
DCF analysis: 7,037 yen to 14,514 yen

In the market price analysis, February 5, 2024 was used as the valuation base date, and the per share value of the Target Shares was assessed to range from 7,264 yen to 8,721 yen, based on the fact that the closing price of the Target Shares listed on the Prime Market of the TSE on the valuation base date was 8,721 yen and the simple averages of closing prices of the Target Shares listed on the Prime Market of the TSE over the last one month was 8,154 yen, over the last three months was 7,545 yen, and over the last six months was 7,264 yen.

In the DCF analysis, with various elements such as the Business Plan prepared by the Target and publicly disclosed information, etc., as a basis, the Seijo Ishii business, the Chinese business and all business with the Seijo Ishii Business and the Chinese Business excluded from the consolidated business (the "Target's Consolidated Business (Excluding the Seijo Ishii Business and the Chinese Business)") was analyzed, and the Target's enterprise value and share value were calculated by discounting the free cash flow that is expected to be generated by the Target from the fourth quarter of the fiscal year ending February 2024 onward to the present value with a certain discount rate, and as a result, the per share value of the Target Shares was assessed to range from 7,037 yen to 14,514 yen. The Business Plan prepared by the Target that was used by Daiwa Securities for the valuation through the DCF analysis includes fiscal years in which a substantial increase/decrease in profit is expected. Specifically, in the Target's Consolidated Business (Excluding the Seijo Ishii Business and the Chinese Business), a significant increase in free cash flow (fiscal year ending February 2026: 44,551 million yen, year over year increase of 57.0%; fiscal year ending February 2027: 60,948 million yen, year over year increase of 36.8%) due to improved profitability through recovery of human flow, price increases, etc., is expected. In addition, the financial forecast does not reflect the synergy effects expected from the Transactions being consummated because it is difficult to specifically estimate those synergy effects as of February 5, 2024.

(C) Overview of the Fairness Opinion

According to the Target, on February 5, 2024, the Special Committee obtained from Daiwa Securities the Fairness Opinion to the effect that the purchase price per Target Share of 10,360 yen is fair to the Target's general shareholders, excluding the Offeror Related Parties and its affiliates, from a financial perspective.

The Fairness Opinion was prepared with the approval of the fairness opinion board at Daiwa Securities, based on the valuation of shares of the Target conducted by Daiwa Securities through the analysis of financial information including business forecasts of the Target and Q&A sessions with the Special Committee, as well as Q&A sessions with the Target and the Special Committee conducted by Daiwa Securities regarding the background and circumstances leading to the approval of the Tender Offer.

(Note) Daiwa Securities has assumed and relied on the accuracy and completeness of all information that Daiwa Securities has analyzed or reviewed, and has not independently verified, or assumed any obligation to independently verify, the accuracy or completeness of such information. In stating its opinion contained in the Fairness Opinion, Daiwa Securities has assumed that as of the date on which the opinion contained in the Fairness Opinion is stated, there has occurred no event relating to the Target that is undisclosed to Daiwa Securities that would affect the corporate value of the Target. Daiwa Securities has not undertaken an independent evaluation, appraisal or assessment of any of the assets or liabilities (including, but not limited to, financial derivative products, off-balance-sheet assets and liabilities and other contingent liabilities), on an aggregate or individual basis, of the Target or any of their respective affiliates, nor has Daiwa Securities made any request to a third party for any such valuation, appraisal or assessment. Daiwa Securities has not evaluated the solvency or creditworthiness of the Target or any of their respective affiliates under any applicable laws relating to bankruptcy, insolvency or similar matters. Daiwa Securities has not conducted any physical inspection of the properties or facilities of the Target or any of their respective affiliates, nor has Daiwa Securities assumed any obligation to do so.

In preparing the Fairness Opinion, Daiwa Securities has assumed that the business plans, financial forecasts and other information regarding the future furnished to Daiwa Securities have been prepared according to reasonable and appropriate procedures, and reflect the best currently available estimates and judgment of the management of the Target, and with the consent of the Target, Daiwa Securities has relied on such information without conducting any independent verifications of the accuracy, validity or feasibility of the business plans of both companies. Daiwa Securities has assumed that all assumptions for the preparation of the business plans and financial forecasts are accurate and feasible. Daiwa Securities has assumed that the business plans, financial forecasts and other information regarding the future furnished to Daiwa Securities have not changed since the date they were prepared or provided in any way that would materially affect the Target's assets, financial condition, business or future projections. In stating its opinion contained in the Fairness Opinion and making analyses as the basis of such opinion, Daiwa Securities set a number of assumptions regarding the industry situations, the state of general business and economy and other matters, many of which are not within the control of the Target. The estimates contained in such analyses of Daiwa Securities are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

In expressing the opinions contained in the Fairness Opinion, Daiwa Securities assumed that all consents and approvals from the government and supervisory authorities that are necessary for the successful completion of the Transactions were obtained by the Target or the Offeror without affecting in any manner the anticipated benefits of the Transactions. Daiwa Securities has not evaluated the decision of the Target with respect to its execution of the Tender Offer or the relative merits of the Tender Offer as compared to any strategic alternatives that may be available to the Target, nor has Daiwa Securities been requested the Target to do so. Daiwa Securities is not a legal, accounting or tax expert and has neither independently analyzed or reviewed nor assumed any obligation to independently analyze or review the legality or validity of any matter regarding the Tender Offer or the appropriateness of the accounting and tax treatment of any matter regarding the Tender Offer.

Daiwa Securities is expected to receive a fixed compensation for its services related to the Transactions, irrespective of whether the Transactions are successfully completed. Also, Daiwa Securities is expected to receive reimbursement from the Target of any expenses incurred in the course of the provision of its services. The Target understands that Daiwa Securities and its affiliates have provided, or may provide in the future, services for transactions to Offeror, MC and their affiliates, for which Daiwa Securities and its affiliates have received, or may receive, compensation, and has given prior consent to the provision of such services without any objection. In addition, Daiwa

Securities and its affiliates may actively trade or hold financial products, including securities and derivatives products, of the Target or any of their respective affiliates, for the accounts of Daiwa Securities or its affiliates or for the accounts of customers.

The Fairness Opinion was prepared solely in order that Daiwa Securities may provide the Special Committee with reference information to review the Tender Offer Price. Daiwa Securities does not recommend to the Special Committee any particular purchase price, nor does it recommend that any particular purchase price is the only appropriate purchase price. In addition, neither the Target nor the Special Committee may disclose the Fairness Opinion to any third party without the prior written consent of Daiwa Securities. The Fairness Opinion is not addressed to any third party other than the Target and no third party may trust or rely on the opinion for any purpose. Moreover, the Fairness Opinion does not constitute a recommendation or solicitation to any general shareholders of the Target as to how such shareholders should vote on the Tender Offer, the transfer or receipt of shares of the Target or any other related matters.

The Fairness Opinion addresses only the fairness of Tender Offer Price from a financial point of view to the holders of the general shareholders of the Target other than the Offeror, MC and their affiliates, and the Target has not asked Daiwa Securities to address, and the Fairness Opinion does not address, the fairness to, or any other consideration of, any third party excluding the general shareholders of the Target other than the Offeror, MC and their affiliates. Daiwa Securities does not provide any opinion on any premise or assumption upon which the determination of Tender Offer Price was based or the underlying business decision of the Target to proceed with the Tender Offer. Daiwa Securities is also not expressing any opinion as to the prices at which the shares of common stock of the Target will be traded at any time after the date of this opinion. In addition, Daiwa Securities expresses no opinion with respect to the fairness of the amount or nature of any compensation to be received in relation to the Tender Offer Price by any officer, director, employee or any similar such person involved in the Tender Offer. Daiwa Securities is not authorized by the Target or the Targets board of directors or Special Committee to solicit a decision of a third party concerning the Transactions, and has not solicited such in the past.

The Fairness Opinion is also based upon financial, economic, market and other conditions as they exist as of the date of the Fairness Opinion, and relies on information made available to Daiwa Securities by the date of the Fairness Opinion. Additionally, although the Fairness Opinion may be affected by future changes in conditions, Daiwa Securities does not assume any obligation to revise, change, renew, supplement or reaffirm the Fairness Opinion.

(vii) Establishment of independent review system at the Target

According to the Target, as described in “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, considering the fact that the Transactions, including the Tender Offer, fall under the type of transaction involving the issue of structural conflicts of interest and information asymmetry with minority shareholders, the Target has established a system within the Target to review, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Offeror Related Parties. Specifically, according to the Target, on September 1, 2023, after the Target received the Transactions (Initial Proposal) from the Offeror Related Parties, a project team with the purpose to conduct a review regarding the Transactions (including preparation of the business plan which serves as a basis for the valuation of the Target’s share value) and consultation and negotiations with the Offeror Related Parties was established, and its members are comprised of the Target’s officers and employees who do not concurrently hold the position of officer or employee of any company in the Offeror Related Parties group (excluding the Target Group other than MC), and such team continues to date.

In addition, according to the Target, an approval by the Special Committee was obtained that the review system by the Target (including the scope of officers and employees of the Target who will

be involved in the review, negotiation, and judgment for the Transactions and their duties) has no concerns from the viewpoint of independence and fairness.

(viii) Unanimous approval of all disinterested directors of the Target and the opinion of all auditors of the Target that they have no objection

According to the Target, as described in “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the Target’s board of directors carefully considered and discussed whether the Transactions, including the Tender Offer, would contribute to the enhancement of the corporate value of the Target and whether the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate, based on legal advice received from Anderson Mori & Tomotsune, advice received from SMBC Nikko Securities, and the details of the Share Valuation Report (Nikko Securities), with the utmost respect for the details of the Special Committee’s judgment expressed in the Written Report.

As a result, according to the Target, as described in “(II) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Target” under “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the Target determined that 10,360 yen per share, the Tender Offer Price, is a reasonable price that ensures that the benefits to be enjoyed by the Target’s minority shareholders and that other conditions of the Tender Offer are fair; therefore, the Tender Offer provides the Target’s minority shareholders with a reasonable opportunity to sell the Target Shares at a price with an appropriate premium, and resolved, at the Target’s board of directors meeting held today, (i) to express the Target’s current opinion as of the same date in favor of the Tender Offer if the Tender Offer commences; (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer; (iii) to recommend that the owners of the American Depositary Receipts deliver the American Depositary Receipts to the Depository Banks in advance and receive the delivery of the Target Shares represented by the relevant American Depositary Receipts to tender their shares in the Tender Offer; and (iv) that the Target would leave the decision as to whether or not to tender their shares in the Tender Offer to the judgement of the Share Option Holders.

According to the Target, at the Target’s board of directors meeting above, of the five directors of the Target, the above resolution was unanimously passed after discussion by three directors of the Target, excluding two directors, Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi (that is, Mr. Sadanobu Takemasu, Ms. Miki Iwamura, and Ms. Satoko Suzuki). At the Target’s board of directors meeting above, all of the five auditors expressed their opinion that they have no objection to the above resolution.

In light of the fact that on and before April 1, 2022, Mr. Masayuki Itonaga concurrently held the position of officer at Mitsubishi Corporation Financial & Management Services (Japan) Ltd., MC’s subsidiary, and Mr. Kiyotaka Kikuchi concurrently holds the position of managing executive officer at MC, in order to eliminate, as much as possible, possible impact of the issues of structural conflicts of interest and information asymmetry with minority shareholders through the Transactions, they did not participate in the meeting and refrained from expressing their opinion. On the other hand, although Mr. Sadanobu Takemasu previously worked at MC, more than nine years has passed since he was transferred from MC to the Target and is not in a position to receive instructions from the Offeror Related Parties, and the side of the Offeror Related Parties has never been involved in the Transactions and is not in a position to be involved therein. Therefore, since it has been determined that the Target’s decision-making in the Transactions has no risk of a conflict of interest, he has participated in the discussions and resolutions at the Target’s board of directors meeting above.

As described above, the Offeror intends to promptly conduct the Tender Offer once the Conditions Precedent are satisfied (or waived by the Offeror Related Parties). As of today, the Offeror aims to commence the Tender Offer in around April 2024; however, it is difficult to accurately predict the period required for the procedures to be taken by the competition authorities in and outside Japan. According to the Target, at the Target’s board of directors meeting held

today, the Target resolved to (i) request, at the commencement of the Tender Offer, that the Special Committee review whether any change should be made to the opinion expressed by the Special Committee to the Target's board of directors as of February 5, 2024, and either advise the Target's board of directors accordingly if there is no change, or if any change should be made, state the amended opinion, and to (ii) again express the Target's opinion regarding the Tender Offer upon the commencement of the Tender Offer based on such opinion of the Special Committee.

(ix) Establishment of measures to ensure purchase opportunities from other offerors

Since the Offeror aims to commence the Tender Offer in around April 2024 and there is a substantial period until the commencement of the Tender Offer, the Offeror believes that an opportunity for the Target's minority shareholders to make an appropriate decision regarding the tender of the Tender Offer and an opportunity for persons other than the Offeror to purchase the Target Shares are secured. In addition, the Offeror Related Parties, in the Master Agreement, agree not to directly or indirectly make any proposal, solicitation, provision of information, or consultation on competing transactions with any third party until completion of the Transactions, and not to conduct any act that conflicts with or infringes on the Transactions such as an agreement related to competing transactions (including the exercise or non-exercise of voting rights at the Target's shareholders' meeting that conflict with or infringe on the Transactions), but the Offeror Related Parties have not made any agreement that contains a transaction protection clause that prohibits the Target from contacting persons other than the Offeror Related Parties (the "Competitive Purchasers"), or any other agreement that restricts contacts between the Competitive Purchasers and the Target. Since there is a substantial period until the commencement of the Tender Offer as stated above and an opportunity for competitive purchases has been secured, due consideration is given to ensure the fairness of the Tender Offer.

(x) Establishment of measures to ensure opportunity for the Target's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer

As described in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning 'two-step acquisition')" in "1. Purposes of Tender Offer" above, (A) promptly after completion of the settlement of the Tender Offer, the Offeror plans to request that the Target convene the Extraordinary Shareholders' Meeting, at which the matters for resolution shall include a partial amendment of the articles of incorporation to abolish the provision concerning the share unit number on the condition that the Share Consolidation takes effect, and a method that does not secure the right to demand purchase of shares or the right to demand price determination of the owners of the American Depositary Receipts will not be adopted; and (B) the Offeror clarified that the amount of money to be delivered to the Target's shareholders as consideration in the Share Consolidation will be calculated to be the same as the Tender Offer Price multiplied by the number of the Target Shares owned by each of the relevant shareholders of the Target; thus, the Offeror gave consideration so that the Target's shareholders and owners of the American Depositary Receipts will have the opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, and so as not to cause any coercion.

Furthermore, since the Offeror Related Parties hold 52,260,100 shares of the Target Shares in total (ownership ratio: 52.16%) as of today, the Offeror believes that because setting a minimum number of the "Majority of Minority" in the Tender Offer would destabilize the successful completion of the Tender Offer, which in turn might not serve the interests of minority shareholders who wish to tender in the Tender Offer, it has not set a minimum number of the "Majority of Minority" in the Tender Offer. However, since the Offeror Related Parties and the Target has taken the measures in (i) through (ix) above and (x), they believe that due consideration was given to the interests of the Target's minority shareholders.

(III) Relationship with valuator

The Offeror's financial advisor and third-party valuator, UBS Securities, does not constitute an Offeror Related Party or the Target's related party and has no material interest in the Transactions including the Tender Offer.

(5) Number of share certificates to be purchased

| Number of shares to be purchased | Minimum number of shares to be purchased | Maximum number of shares to be purchased |
|----------------------------------|--|--|
| 47,924,270 shares | 14,458,800 shares | - shares |

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (14,458,800 shares), the Offeror will purchase none of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be purchased in the Tender Offer (14,458,800 shares), the Offeror will purchase all of the Tendered Shares.

(Note 2) As the Tender Offer does not set the maximum number of shares to be purchased, 47,924,270 shares, which is the largest number of the Target Shares that the Offeror may acquire through the Tender Offer, is stated as the number of shares to be purchased. The largest number is the number obtained by adding the total number of issued shares as of January 12, 2024 (100,300,000 shares) as stated in the Target's third Quarterly Report to the number of the Target Shares underlying the Share Options (106,000 shares), less the number of treasury shares owned by the Target as of November 30, 2023 (221,630 shares) as stated in the Target's Financial Results and the number of the Target Shares owned by the Offeror Related Parties (52,260,100) as of today (47,924,270 shares).

(Note 3) Shares constituting less than one unit (*tangen-miman kabu*) are also subject to the Tender Offer. If a shareholder exercises the right to demand purchase of shares constituting less than one unit pursuant to the Companies Act, the Target may purchase these shares during the Tender Offer Period in accordance with statutory procedures.

(Note 4) The treasury shares held by the Target are not scheduled to be acquired through the Tender Offer.

(Note 5) "Number of Shares to be Purchased" and "Minimum Number of Shares to be Purchased" are provisional figures based on the information available as of today. The actual figures in the Tender Offer may differ from the figures above due to changes such as changes in the number of treasury shares held by the Target after said date. The final "number of shares to be purchased" and "minimum number of shares to be purchased" will be determined prior to the commencement of the Tender Offer, based on the latest information available as of the commencement of the Tender Offer.

(6) Changes in ownership ratio of share certificates due to tender offer

| | | |
|--|--------------|---|
| Number of voting rights pertaining to the share certificates held by the Offeror before the tender offer | 21,100 | (Ownership ratio of share certificates before the tender offer 2.11%) |
| Number of voting rights pertaining to the share certificates held by special related parties before the tender offer | undetermined | (Ownership ratio of share certificates before the tender offer undetermined) |
| Number of voting rights pertaining to the share certificates held by the Offeror after the tender offer | 500,342 | (Ownership ratio of share certificates after the tender offer 49.94%) |
| Number of voting rights pertaining to the share certificates held by special related parties after the tender offer | 501,501 | (Ownership ratio of share certificates after the tender offer 50.06%) |
| Total number of voting rights of all shareholders | 999,718 | |

- (Note 1) “Number of voting rights pertaining to the share certificates held by special related parties before the tender offer” and its “Ownership ratio of share certificates before the tender offer” has been undetermined as of today, but it will be disclosed after investigation before the commencement of the Tender Offer. Since the share certificates held by each special related party excluding the Target Shares held by MC (50,150,100 shares) are subject to the Tender Offer, “Number of voting rights pertaining to the share certificates held by special related parties after the tender offer” is 501,501.
- (Note 2) “Number of voting rights pertaining to the share certificates held by the Offeror after the tender offer” is the number obtained by adding the total number of issued shares as of January 12, 2024 (100,300,000 shares) as stated in the Target’s third Quarterly Report to the number of the Target Shares underlying the Share Options (106,000 shares), less the number of treasury shares owned by the Target as of November 30, 2023 (221,630 shares) as stated in the Target’s Financial Results and the number of the Target Shares owned by MC (50,150,100) as of today (50,034,270 shares).
- (Note 3) “Total number of voting rights of all shareholders” is the number of voting rights of all shareholders (the number of shares per unit is listed as 100 shares) as of August 31, 2023 as stated in the Target’s third Quarterly Report. However, because shares less than one unit and the Share Options are also subject to tender offers, “Ownership ratio before the tender offer” and “Ownership ratio after the tender offer” are calculated based on the denominator of the Total Number of Shares After Adjustment for Diluted Shares (1,001,843).
- (Note 4) “Ownership ratio of share certificates before the tender offer” and “Ownership ratio of share certificates after the tender offer” are rounded to the nearest second decimal place.

(7) Purchase price (scheduled) 496,495,437,200 yen

(Note) The purchase price indicated is the amount obtained by multiplying the number of shares to be purchased stated in “(5) Number of share certificates to be purchased” above by the Tender Offer Price (10,360 yen) per share of the Target Shares. If the actual number of shares to be purchased in the Tender Offer differs due to changes in the number of the Target Shares excluding the treasury shares held by the Target, the purchase price may be subject to change.

(8) Other conditions and method of tender offer

(I) Whether there are conditions listed in each item of Article 27-13, paragraph (4) of the Act, and the details thereof

If the total number of the Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (14,458,800 shares), the Offeror will purchase none of the Tendered Shares. If the total number of the Tendered Shares is not less than the minimum number of shares to be purchased in the Tender Offer (14,458,800 shares), the Offeror will purchase all of the Tendered Shares.

(II) Other conditions and method of tender offer

The “method of settlement”, the “date of public notice of commencement of the tender offer,” and “other conditions and method of tender offer” will be announced as soon as they are determined. Nomura Securities Co., Ltd. will be appointed as the tender offer agent.

(III) Others

This press release is intended to announce the Tender Offer and provide information relating to the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell securities or to make an offer to purchase securities pertaining to the Tender Offer. If shareholders and the Share Option Holders wish to make an offer to sell their securities, they should first read the Tender Offer Explanatory Statement concerning the Tender Offer and make an offer to sell their securities at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this press release (or part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and

neither this press release (or any part of this press release) nor the distribution thereof may be relied upon at the time of entering into any such agreement.

The Tender Offer is for shares of the Target, a company incorporated in Japan. The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards prescribed by Japanese law, and these procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, Section 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”) and the rules and regulations thereunder do not apply to the Tender Offer, and the Tender Offer is not necessarily conducted consistent with these procedures and standards. The financial information contained in this press release and the documents referenced in this press release is based on Japanese accounting standards or international accounting standards, which may differ materially from generally accepted accounting principles in the United States and other countries. Since the Offeror Related Parties and the Target are corporations incorporated outside the United States and all or some of their directors and officers are not residents of the United States, it may be difficult to exercise, make or enforce any right or claim arising under the U.S. federal securities laws. It may not be possible to commence legal proceedings against a non-U.S. corporation and its directors and officers in a non-U.S. court for violations of U.S. securities laws. In addition, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations and their subsidiaries and affiliates and there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

Unless otherwise stated, all procedures relating to the Tender Offer shall be conducted in Japanese. Although all or part of the documents relating to the Tender Offer may be prepared in English, if there is any discrepancy between the Japanese documents and the corresponding English documents, the Japanese documents shall prevail.

Statements in this press release and the documents referenced in this press release contain “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act. Known and unknown risks, uncertainties, and other factors could cause actual results to differ materially from the results implied or expressly stated as “forward-looking statements”. None of the Offeror Related Parties, the Target nor their respective affiliates gives any assurance or guarantee that the results implied or expressly stated by these forward-looking statements will be achieved. The “forward-looking statements” contained in this press release and the documents referenced in this press release have been prepared based upon the information available to the Offeror Related Parties as of the date of this press release, and unless otherwise requires by applicable laws and regulations, none of the Offeror Related Parties nor any of their respective affiliates assumes any obligation to change or revise the “forward-looking statements” to reflect future events and circumstances.

The Offeror Related Parties, the Target, each of the financial advisors to the Offeror Related Parties and the Target, and the tender offer agent (including the related parties thereof) may purchase or take actions to purchase the Target Shares outside the Tender Offer prior to the commencement of the Tender Offer or during the Tender Offer Period to the extent permitted under the Financial Instruments and Exchange Related Laws and Regulations of Japan and other applicable laws and regulations and subject to the requirements of Rule 14e-5(b) under the Securities Exchange Act. Such purchase may be conducted at a market price through a market transaction or a price determined in off-market negotiations. If the relevant information concerning such purchases is disclosed in Japan, it shall also be disclosed in the United States by an equivalent method of disclosure.]

If a shareholder exercises the right to demand purchase of shares less than one unit pursuant to the Companies Act, the Target may purchase its treasury shares during the Tender Offer Period in accordance with statutory procedures.

3. Policies after the tender offer and future prospects

For the policies after the Tender Offer and future prospects, please refer to “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer,” “(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”),” and “(5) Possibility of delisting and reason therefor” under “1. Purposes of Tender Offer” above.

4. Others

(1) Whether there are agreements between the Offeror Parties and the Target or its officers, and the details thereof

(I) Expression of favor for the Tender Offer

According to the Target’s Press Release, the Target resolved at the board of directors’ meeting held today, as the current opinion of the Target as of today, (i) to express the Target’s opinion in favor of the Tender Offer if the Tender Offer commences; (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer; (iii) to recommend that the owners of the American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive the delivery of the Target Shares related to the American Depositary Shares represented by the relevant American Depositary Receipts to tender their shares in the Tender Offer; and (iv) that the Target would leave the decision as to whether or not to tender their shares in the Tender Offer to the judgement of the Share Option Holders.

For details of the process of the decision-making by the Target’s board of directors, please refer to “(viii) Unanimous approval of all disinterested directors of the Target and the opinion of all disinterested auditors of the Target that they have no objection” under “(Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)” in “(II) Background leading to calculation” under “(4) Basis for calculation of the price of tender offer” above.

(II) Capital and Business Alliance Agreement

The Offeror has entered into the Capital and Business Alliance Agreement between MC and the Target as of today. For details of the Capital and Business Alliance Agreement, please refer to “(III) Capital and Business Alliance Agreement” under “(6) Material agreements relating to the Tender Offer” in “1. Purposes of Tender Offer.”

(2) Other information considered to be necessary for investors to determine whether to tender their shares in the Tender Offer

(I) Announcement of “Notice of Revision of Year-End Dividend Forecast (No Distribution)”

According to the Target, the Target resolved at the board of directors’ meeting held today that it would revise the year-end dividend forecast for the fiscal year ending February 2024 and would not pay dividends for the fiscal year ending February 2024. For details, please refer to “Notice of Revision of Year-End Dividend Forecast (No Dividend)” announced today by the Target.

End

[Regulation on solicitation]

This press release is intended to announce the Tender Offer and provide information relating to the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell securities or to make an offer to purchase securities pertaining to the Tender Offer. If shareholders and the Share Option Holders wish to make an offer to sell their securities, they should first read the Tender Offer Explanatory Statement concerning the Tender Offer and make an offer to sell their securities at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities, and neither this press release (or part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and neither this press release (or any part of this press release) nor its distribution may be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]

This press release and the documents referenced in this press release may contain expressions concerning future prospects, including “expect,” “forecast,” “anticipate,” “intend,” “plan,” “be convinced,” “project” and “estimate.” These expressions are based on the current business prospects of the Offeror Related Parties or the Target, as applicable, and they are subject to change depending on future circumstances and developments. None of the Offeror Related Parties, the Target nor any of their respective affiliates assumes any obligation to update these expressions concerning future prospects to reflect actual performance and other circumstances and developments, and changes to the conditions, or other related factors.

[U.S. regulations]

The Tender Offer is for shares of the Target, a company incorporated in Japan. The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards prescribed by Japanese law, and these procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, Section 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”) and the rules and regulations thereunder do not apply to the Tender Offer, and the Tender Offer is not necessarily conducted consistent with these procedures and standards. The financial information contained in this press release and the documents referenced in this press release is based on Japanese accounting standards and international accounting standards, which may differ materially from generally accepted accounting principles in the United States and other countries. Since the Offeror Related Parties and the Target are corporations incorporated outside the United States and all or some of their directors and officers are not residents of the United States, it may be difficult to exercise, make or enforce any right or claim arising under the U.S. federal securities laws. It may not be possible to commence legal proceedings against a non-U.S. corporation and its directors and officers in a non-U.S. court for violations of U.S. securities laws. In addition, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations and their subsidiaries and affiliates and there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

Unless otherwise stated, all procedures relating to the Tender Offer shall be conducted in Japanese. Although all or part of the documents relating to the Tender Offer may be prepared in English, if there is any discrepancy between the Japanese documents and the corresponding English documents, the Japanese documents shall prevail.

Statements in this press release and the documents referenced in this press release contain “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act. Known and unknown risks, uncertainties, and other factors could cause actual results to differ materially from the results implied or expressly stated as “forward-looking statements.” None of the Offeror Related Parties, the Target nor their respective affiliates gives any assurance or guarantee that the results implied or expressly stated by these forward-looking statements will be achieved. The “forward-looking statements” contained in this press release and the documents referenced in this press release have been prepared based upon the information in the possession of the Offeror Related Parties as of the date of this press release, and unless otherwise required by applicable laws and regulations, none of the Offeror Related Parties, the Target nor any of their respective affiliates assumes any obligation to change or revise the “forward-looking statements” to reflect future events and circumstances.

The Offeror Related Parties, the Target, each of the financial advisors to the Offeror Related Parties and the Target, and the tender offer agent (including the related parties thereof) may purchase or take actions to purchase the Target Shares outside the Tender Offer prior to the commencement of the Tender Offer or during the Tender Offer Period to the extent permitted under the Financial Instruments and Exchange Related Laws and Regulations of Japan and other applicable laws and regulations and subject to the requirements of Rule 14e-5(b) under the Securities Exchange Act. Such purchase may be conducted at a market price through a market transaction or a price determined in off-market negotiations. If the relevant information concerning such purchases is disclosed in Japan, it shall also be disclosed in the United States by an equivalent method of disclosure.

[Other countries]

The announcement, issuance, or distribution of this press release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issue or distribution of this press release shall not be interpreted as an offer to purchase or solicitation of an offer to sell share certificates concerning the Tender Offer, but simply as a distribution of information.