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To our shareholders:

Kazumasa Hamada, President

**AEON DELIGHT CO., LTD.**

2-3-2 Minamimemba, Chuo-ku, Osaka City, Osaka

## **Notice of the Extraordinary General Meeting of Shareholders**

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of AEON DELIGHT CO., LTD. (the “Company”) (the “Meeting”), which will be held as indicated below.

When convening the Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (hereinafter, “matters subject to measures for electronic provision”) in electronic format in accordance with laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company, and posts this information as “Notice of the Extraordinary General Meeting of Shareholders” on each of the websites below. Please access either of the websites below to review the information.

The Company’s website: <https://www.aeondelight.co.jp/english/ir/stock/meeting.html>

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/9787/25259688/> (in Japanese)

In addition to posting matters subject to measures for electronic provision on the websites listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the URL shown below, enter the issue name (company name) “AEON DELIGHT” or securities code “9787,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information,” and “Notice of the general meeting of shareholders / Informational materials for the general meeting of shareholders.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

We also accept questions from shareholders over the Internet. Please refer to the notice on acceptance of questions in advance for details.

If you are attending on the day of the meeting, please present the voting form to the receptionist.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Monday, June 23, 2025 (JST).

- 1. Date and Time:** Tuesday, June 24, 2025, at 2:00 p.m. (JST)
- 2. Venue:** BELLESALLE KANDA 2nd floor Hall, Sumitomo Fudosan Kanda Bldg.  
7 Kandamitoshiro-cho, Chiyoda-ku, Tokyo  
(The Meeting will be held at a location significantly farther from the usual venue of the Annual General Meeting of Shareholders. However, due to the extraordinary nature of this meeting and the shareholders' current locations, we have decided to hold it in the Tokyo area for their convenience.)  
There will be no gifts provided for the shareholders who attend this meeting.
- 3. Purpose of the Meeting**  
**Matters to be resolved:**  
**Proposal No. 1** Consolidation of Shares  
**Proposal No. 2** Partial Amendments to the Articles of Incorporation
- 4. Exercise of Voting Rights**  
If you exercise your voting rights in writing (by postal mail) and do not indicate your approval or disapproval of the proposals on the voting form, we will treat it as if you indicated your approval.  
Please refer to Guide to Exercise of Voting Rights below.

If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website, the website for posted informational materials for the general meeting of shareholders, and the TSE website mentioned previously.

### **Guide to Exercise of Voting Rights**

#### **If you exercise your voting rights via the Internet, etc.**

Please refer to the "Guide to Exercise of Voting Rights via the Internet, Etc." and exercise your voting rights by accessing the Smart Exercise website or the voting website (<https://soukai.mizuho-tb.co.jp/>) (in Japanese), and using the "Voting Code" and "Password" indicated on the voting form. Please follow the instructions on the screen and enter your approval or disapproval of the proposals by 6:00 p.m. on Monday, June 23, 2025 (JST).

- \* If you exercise your voting rights twice (in writing and via the Internet, etc.), we will treat your exercise of voting rights via the Internet, etc. as a valid exercise of your voting rights. If you exercise your voting rights more than once via the Internet, etc., the last exercise will be treated as a valid exercise of your voting rights.

#### **If you exercise your voting rights in writing**

Please indicate your approval or disapproval of the proposals on the voting form and return it to arrive no later than 6:00 p.m. on Monday, June 23, 2025 (JST).

#### **If you attend on the day of the meeting**

Please present the voting form to the receptionist (no seal is required).

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1 Consolidation of Shares

##### 1. Reasons for Share Consolidation

As announced in the “Statement of Opinion in Support of the Tender Offer for the Company’s Shares by the Parent Company AEON Co., Ltd. and Recommendation to Tender” (the “Opinion Press Release”) disclosed by the Company on February 28, 2025, Aeon Co., Ltd. (the “Tender Offeror”) conducted a tender offer for the Company’s common shares (the “Company Shares”) and stock acquisition rights (the “Stock Acquisition Rights”) (Note 1) with a tender offer period from March 3, 2025 to April 24, 2025 (the “Tender Offer Period”) (the “Tender Offer”), as part of a series of transactions aimed at making the Company a wholly-owned subsidiary, where the shareholders of the Company will solely be the Tender Offeror (the “Transaction”).

Additionally, as announced in the “Notice Regarding the Results of the Tender Offer for the Company’s Shares by the Parent Company, AEON Co., Ltd.” disclosed by the Company on April 25, 2025, as a result of the Tender Offer, the Tender Offeror acquired 41,357,502 shares (ownership ratio (Note 2): 86.40%) of the Company Shares as of May 2, 2025, which is the commencement date for settlement of the Tender Offer.

Note 1: “Stock Acquisition Rights” collectively refer to the stock acquisition rights listed in [1] to [5] below:

- [1] The 13th series of stock acquisition rights, issued based on the resolution of the Company’s General Meeting of Shareholders held on May 24, 2007, and the resolution of the Company’s Board of Directors meeting held on April 10, 2020 (the “13th Stock Acquisition Rights”) (exercise period: from June 10, 2020 to June 10, 2035)
- [2] The 14th series of stock acquisition rights, issued based on the resolution of the Company’s General Meeting of Shareholders held on May 24, 2007, and the resolution of the Company’s Board of Directors meeting held on April 9, 2021 (the “14th Stock Acquisition Rights”) (exercise period: from June 10, 2021 to June 10, 2036)
- [3] The 15th series of stock acquisition rights, issued based on the resolution of the Company’s General Meeting of Shareholders held on May 24, 2007, and the resolution of the Company’s Board of Directors meeting held on April 7, 2022 (the “15th Stock Acquisition Rights”) (exercise period: from June 10, 2022 to June 10, 2037)
- [4] The 16th series of stock acquisition rights, issued based on the resolution of the Company’s General Meeting of Shareholders held on May 24, 2007, and the resolution of the Company’s Board of Directors meeting held on April 11, 2023 (the “16th Stock Acquisition Rights”) (exercise period: from June 10, 2023 to June 10, 2038)
- [5] The 17th series of stock acquisition rights, issued based on the resolution of the Company’s General Meeting of Shareholders held on May 24, 2007, and the resolution of the Company’s Board of Directors meeting held on April 24, 2024 (the “17th Stock Acquisition Rights”) (exercise period: from June 10, 2024 to June 10, 2039)

Note 2: “Ownership ratio” refers to the ratio (rounded to the third decimal place) to the number of shares (47,865,586 shares), which is the total number of issued shares as of February 28, 2025 (48,469,633 shares), stated in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)” disclosed by the Company on April 10, 2025, plus the number of the Company Shares underlying the remaining and exercisable Stock Acquisition Rights as of the same date (23,000 shares) (60 rights from the 13th Stock Acquisition Rights, 60 rights from the 14th Stock Acquisition Rights, 33 rights from the 15th Stock Acquisition Rights, 43 rights from the 16th Stock Acquisition Rights and 34 rights from the 17th Stock Acquisition Rights) (total of 48,492,633 shares), less the number of treasury shares held by the Company as of the same date (627,047 shares of treasury shares as of February 28, 2025, stated in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)” disclosed by the Company on April 10, 2025). Hereinafter the same shall apply in representing the ownership ratio unless otherwise specified.

As announced in the Opinion Press Release, the Company received notice from the Tender Offeror expressing its interest in commencing considerations and discussions regarding the execution of the Transaction on January 6, 2025, and received an initial proposal (the “Letter of Intent”) from the Tender Offeror, expressing its interest in commencing specific discussions toward the realization of the Transaction on January 9, 2025. In response to this, in preparation for consideration of the Transaction and discussions and negotiations with the Tender Offeror regarding the Transaction, considering that the Tender Offeror is a controlling shareholder (parent company) of the Company with an ownership ratio of 57.69% of the Company Share, that the Transaction, including the Tender Offer, falls under

material transactions, etc. with a controlling shareholder, and that the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, the Company appointed Mori Hamada & Matsumoto (“Mori Hamada & Matsumoto”) as its legal advisor independent of the Tender Offeror and the Company group (the “Group”), and Mizuho Securities Co., Ltd. (“Mizuho Securities”) as its financial advisor and third-party valuation institution independent of the Tender Offeror and the Group in early January 2025 to address these issues and ensure the fairness of the Transaction. To ensure the fairness of the Transaction, the Company, with advice from Mori Hamada & Matsumoto, immediately began establishing a framework to consider, negotiate, and make determinations regarding the Transaction from a position independent of the Tender Offeror, with the objective of enhancing the Company’s corporate value and ensuring the interests of its general shareholders. Specifically, as described below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” upon a resolution of the Board of Directors meeting held on January 13, 2025, immediately after receipt of the Letter of Intent from the Tender Offeror on January 9, 2025, the Company established a special committee (the “Special Committee”) comprising four members: Keiji Yoshikawa (independent outside Director of the Company), Yoshiaki Hompo (independent outside Director of the Company), Asako Takada (independent outside Director of the Company) and Toshio Shimada (independent outside Director of the Company) (for the consideration process and the details of the decisions of the Special Committee, refer to “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act” below) in accordance with the provisions of the Special Committee Rules of the Company. The Company consulted with the Special Committee on the following matters: (i) (a) consider and determine the merits of the Transaction based on whether it contributes to enhancing the Company’s corporate value, and (b) from the perspective of ensuring the interests of the Company’s minority shareholders, consider and determine the appropriateness of the terms and conditions and the fairness of the procedures, consider then whether or not to approve the Transaction at the Board of Directors meeting (including whether the Company’s Board of Directors should approve the Tender Offer, and whether the Company should recommend its shareholders and holders of the Stock Acquisition Rights (the “Rights Holders”) to participate in the Tender Offer.) and make a recommendation to the Company’s Board of Directors, and (ii) consider whether the decision by the Company’s Board of Directors to conduct the Transaction (including expressing an opinion by the Company’s Board of Directors in support of the Tender Offer and recommending the Company’s shareholders and the Rights Holders to participate in the Tender Offer.) are detrimental to the interests of the Company’s minority shareholders, and express opinions to the Company’s Board of Directors (collectively the “Consultation Matters”) (for the authority, the consideration process and the details of the decisions of the Special Committee, refer to “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act” below.)

Furthermore, as described below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Company obtained the Special Committee’s approval for the appointment of Mizuho Securities as financial advisor and third-party valuation institution of the Company and of Mori Hamada & Matsumoto as legal advisor of the Company, following confirmation that there are no issues regarding their independence from the Tender Offeror and the Group, expertise, track record and so on. In addition, as described below in “[4] Procurement by the Special Committee of share valuation report from independent third-party valuation institution,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Special Committee, pursuant to the authority granted to the Special Committee, decided to appoint PLUTUS CONSULTING Co., Ltd. (“Plutus Consulting”) as its financial advisor and third-party valuation institution with the aim of further

strengthening the advisory system, following confirmation that there are no issues regarding its independence from the Tender Offeror and the Group, expertise, track record and so on.

Moreover, as described below in “[6] Construction of a framework for independent consideration by the Company,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Company built an internal framework to consider the Transaction (including the scope of the Company’s officers and employees that will be involved in the consideration of the Transaction and their roles) independently of the Tender Offeror and obtained the Special Committee’s acknowledgement that there are no issues with such framework for consideration in terms of its independence and fairness. Specifically, since the time the Company received from the Tender Offeror the Letter of Intent on January 9, 2025, the Company has considered and established a secretariat for the Special Committee that considers the Transaction (including the preparation of a business plan that serves as the basis for the valuation of the Company Shares). The members of the secretariat (including Keiji Sagata, Executive Officer of the Company) shall be the Company’s officers or employees who do not concurrently serve as officers or employees of the Tender Offeror and who have never held such positions in the past, and the Company continues to apply the same treatment. In considering, negotiating, and making determinations regarding the Transaction within the Company, with legal advice from Mori Hamada & Matsumoto, the Company has resolved, at the Board of Directors meeting held on January 13, 2025, that Hiroyuki Watanabe, Director who concurrently serves as officer of the Tender Offeror, Kazumasa Hamada, Director who worked at the Tender Offeror in the past, and Takafumi Fujimoto, Audit & Supervisory Board Member who concurrently serves as advisor of the Tender Offeror, shall not participate in any discussions or negotiations regarding the Transaction, as they are deemed to have interests in the Transaction.

The Company received from Mizuho Securities a report on the valuation results of the Company Shares, advice regarding the negotiation policy with Tender Offer and other advice from a financial perspective, and received from Mori Hamada & Matsumoto advice on measures to ensure the fairness of procedures in the Transaction and other legal advice. Based on such report and advice, the Company has conducted careful discussions and consideration of the merits of the Transaction and the appropriateness of its terms and conditions, giving maximum consideration to the Special Committee’s opinions.

Following receipt of the Letter of Intent regarding the Transaction from the Tender Offeror on January 9, 2025, and establishment of the Special Committee upon a resolution of the Board of Directors meeting held on January 13, 2025, the Special Committee continuously held discussions and negotiations with the Tender Offeror regarding the terms and conditions of the Transaction, including the purchase price per share of common shares of the Company in the Tender Offer (the “Tender Offer Price”).

Specifically, in light of the receipt of the Letter of Intent regarding the Transaction received from the Tender Offeror on January 9, 2025, the Special Committee conducted consideration and discussions, submitted written questions to the Tender Offeror regarding the significance and objectives of the Transaction on January 25, 2025, and received written responses to these questions from the Tender Offeror on January 30, 2025. In response to this, on February 8, 2025, the Special Committee submitted additional written questions to the Tender Offeror, primarily concerning the background and objectives of the Transaction, growth strategies and other matters after the Transaction, and requested responses and explanation at the Special Committee meeting in order to further consider the Transaction. The Special Committee received written responses to these questions on February 14, 2025. Later, at the Special Committee meeting held on February 17, 2025, the Special Committee received from the Tender Offeror responses to these questions and explanation regarding the significance and objectives of the Transaction, and engaged in a Q&A session and discussion regarding the significance and objectives of the Transaction. Furthermore, based on these responses and the content of the discussion, the Special Committee submitted written questions regarding the examination of alternative methods aside from the Transaction on February 20, 2025, in order to further consider the Transaction, and received written responses to these questions from the Tender Offeror on February 22, 2025.

In parallel with the above considerations, the Special Committee continuously held discussions and negotiations with the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, the Tender Offeror comprehensively considered information obtained through due diligence conducted by the Tender Offeror on the Company, initial valuation analysis of the Company Shares performed by Nomura Securities Co., Ltd. (“Nomura Securities”), a financial advisor of the Tender Offeror, based on that information, as well as initial valuation analysis of the Company Shares performed by the Tender Offeror based on that information.

Following this, the Company and the Special Committee received from the Tender Offeror on February 6, 2025, a proposal regarding the Transaction to set the Tender Offer Price in the Tender Offer at 4,600 yen (representing a premium of 15.00% over the closing price of 4,000 yen for the Company Shares on the Prime Market of Tokyo Stock Exchange, Inc. (“TSE”) as of the previous trading day (rounding to the nearest third decimal place; the premium percentage will be treated in the same manner hereinafter), a premium of 10.71% over the simple average closing price of 4,155 yen over the past month, a premium of 7.03% over the simple average closing price of 4,298 yen over the past three months, and a premium of 9.47% over the simple average closing price of 4,202 yen over the past six months); and the purchase price per right of the Stock Acquisition Rights (the “Stock Acquisition Rights Purchase Price”) at one yen from the perspective of economic rationality, taking into consideration the conditions for exercising the Stock Acquisition Rights (the “First Proposal”). In response, on the 7th of the same month, the Special Committee requested the Tender Offeror to reconsider proposal details, as the Tender Offer Price in the First Proposal (4,600 yen) was significantly below the level at which the Special Committee could recommend participation in the Tender Offer from the perspective of protecting the interests of the Company’s minority shareholders.

In response to this request, on the 10th of the same month, the Company and the Special Committee received from the Tender Offeror a revised proposal to set the Tender Offer Price at 4,800 yen (representing a premium of 20.60% over the closing price of 3,980 yen for the Company Shares on the TSE Prime Market as of the previous trading day, a premium of 16.22% over the simple average closing price of 4,130 yen over the past month, a premium of 11.97% over the simple average closing price of 4,287 yen over the past three months, and a premium of 14.15% over the simple average closing price of 4,205 yen over the past six months) (the “Second Proposal”). In response, on the 11th of the same month, the Special Committee requested the Tender Offeror to reconsider proposal details, as the Tender Offer Price in the Second Proposal (4,800 yen) continued to be significantly below the level at which the Special Committee could recommend participation in the Tender Offer from the perspective of protecting the interests of the Company’s minority shareholders.

In response to this request, on the 15th of the same month, the Company and the Special Committee received from the Tender Offeror a revised proposal to set the Tender Offer Price at 4,900 yen (representing a premium of 21.44% over the closing price of 4,035 yen for the Company Shares on the TSE Prime Market as of the previous trading day, a premium of 19.98% over the simple average closing price of 4,084 yen over the past month, a premium of 15.00% over the simple average closing price of 4,261 yen over the past three months, and a premium of 16.36% over the simple average closing price of 4,211 yen over the past six months) (the “Third Proposal”). In response, on the 18th of the same month, the Special Committee requested the Tender Offeror to reconsider proposal details, as the Tender Offer Price in the Third Proposal (4,900 yen) was significantly below the level at which the Special Committee could express an opinion supporting and recommending participation in the Tender Offer, and it was difficult to continue considering the Transaction in a positive manner at this time.

In response to this request, on the 21st of the same month, the Company and the Special Committee received from the Tender Offeror a revised proposal to set the Tender Offer Price at 5,000 yen (representing a premium of 11.11% over the closing price of 4,500 yen for the Company Shares on the TSE Prime Market as of the previous trading day, a premium of 21.07% over the simple average closing price of 4,130 yen over the past month, a premium of 17.26% over the simple average closing price of 4,264 yen over the past three months, and a premium of 18.23% over the simple average closing price of 4,229 yen over the past six months) (the “Fourth Proposal”). In response, on the 25th of the same month, the Special Committee requested the Tender Offeror to consider setting the Tender Offer Price at 5,900 yen, as the Tender Offer Price in the Fourth Proposal (5,000 yen) continued to be below the level at which the Special Committee could express an opinion recommending participation to the Tender Offer.

In response to this request, on the 26th of the same month, the Company and the Special Committee received from the Tender Offeror a revised proposal to set the Tender Offer Price at 5,350 yen (representing a premium of 18.63% over the closing price of 4,510 yen for the Company Shares on the TSE Prime Market as of the previous trading day, a premium of 28.36% over the simple average closing price of 4,168 yen over the past month, a premium of 25.38% over the simple average closing price of 4,267 yen over the past three months, and a premium of 26.24% over the simple average closing price of 4,238 yen over the past six months) (the “Fifth Proposal”). In response, on the same day, the Special Committee requested the Tender Offeror to consider setting the Tender Offer Price at 5,500 yen, as it has determined that it should again request an upward adjustment of the Tender Offer Price in the Fifth Proposal.

In response to this request, on the 27th of the same month, the Company and the Special Committee received from the Tender Offeror a revised proposal to set the Tender Offer Price at 5,400 yen (representing a premium of 17.65%

over the closing price of 4,590 yen for the Company Shares on the TSE Prime Market as of the previous trading day, a premium of 28.94% over the simple average closing price of 4,188 yen over the past month, a premium of 26.43% over the simple average closing price of 4,271 yen over the past three months, and a premium of 27.30% over the simple average closing price of 4,242 yen over the past six months). As a result, the Special Committee responded to the Tender Offeror on the same day, agreeing to set the Tender Offer Price at 5,400 yen, leading to an agreement.

In addition, for the Stock Acquisition Rights, the Special Committee responded to the Tender Offeror on February 18, 2025, agreeing to set the Stock Acquisition Rights Purchase Price at one yen, taking into consideration the conditions for exercising the Stock Acquisition Rights, leading to an agreement.

In the consideration and negotiation process described above, the Special Committee exchanged opinions with the Company and the Company's advisors from time to time, and made confirmations and issued approvals as appropriate. Specifically, the Company first confirmed in advance with the Special Committee and obtained the Special Committee's approval regarding the reasonableness of the details, material assumptions, drafting process, etc. set out in the Company's business plan that was presented to the Tender Offeror and that served as the basis for the valuation of the Company Shares performed by Mizuho Securities. Also, when negotiating with the Tender Offeror, Mizuho Securities, financial advisor of the Company, responded in accordance with the negotiation policy determined through prior discussions by the Special Committee, and whenever a proposal regarding the Tender Offer Price was received from the Tender Offeror, a report was immediately made to the Special Committee and a response was made in accordance with opinions, instructions, requests, etc. received from the Special Committee concerning the negotiation policy with Tender Offer and other matters.

Furthermore, on February 28, 2025, the Company received from the Special Committee a report (the "Report") (refer to "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act" below for a summary of the Report).

In accordance with the process described above, the Company received legal advice from Mori Hamada & Matsumoto regarding the decision-making process and methods, and other matters to be noted when making decisions regarding the Transaction, including the Tender Offer, and also received advice from a financial perspective from Mizuho Securities. In addition such advice, taking into consideration the content of the share valuation report regarding a valuation of the Company Shares received from Mizuho Securities (the "Share Valuation Report (Mizuho Securities)") on February 27, 2025, and the share valuation report regarding a valuation of the Company Shares obtained by the Special Committee from Plutus Consulting (the "Share Valuation Report (Plutus Consulting)") on February 27, 2025, at the Board of Directors meeting held on February 28, 2025, the Special Committee carefully discussed and considered the Transaction from various perspectives, such as whether it would contribute to enhancing the Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, were appropriate, giving maximum consideration to the content of the Report of the Special Committee.

As a result, the Company concluded that the Transaction would contribute to enhancing the Company's corporate value from the following perspectives.

#### a. Consolidation of demand for facility management business of the Tender Offeror Group

Although the domestic facility management industry shows a gradual expansion trend, it is affected by rising personnel costs and raw material costs. Notably, the labor shortage has become a critical management issue for the Company. The working-age population in Japan is expected to continue to decline, and the industry is forced to transition from a traditional labor-intensive business model. On the other hand, the Company is aware that the needs for aging asset management, environmental considerations, and outsourcing of non-core operations are on the rise, and there is demand for repairs, maintenance, and interior construction within the Tender Offeror Group (the group consisting of the Tender Offeror itself, along with 312 consolidated subsidiaries and 24 equity-method affiliates as of November 30, 2024; hereinafter the same shall apply) that has not been fully captured by the Company.

In this business environment, the Company expects that by becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction and promoting closer collaboration between the Company and the entities within the Tender Offeror Group, it can expand its capture of demand within the Tender Offeror Group, thereby increasing

revenue opportunities while enhancing the Tender Offeror Group's infrastructure functions. Furthermore, the Company believes that by leveraging the Tender Offeror Group's foundation to evolve its business and gain a new competitive edge that enables differentiation from other companies, it can demonstrate price competitiveness even outside the Tender Offeror Group and increase orders.

b. Expansion into energy-saving and circular economy businesses

The Tender Offeror Group is considering expanding into the environmental businesses, which are a new area with anticipated growth in demand. In this business area, which includes energy-saving and circular economy businesses, the Company believes that its aim of comprehensively managing and operating all facility-related tasks and human resources on behalf of customers will increase its corporate value. Becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction will allow the Company to consolidate demand within the Tender Offeror Group at the Company. This will also enable a quick response, reduction of adjustment costs, and so on.

c. Strengthening facility management business utilizing DX

As technology advances, automation in facility management is also advancing. The Company recognizes that digital transformation (DX) is a critical initiative for achieving a qualitative transition from a labor-intensive business model through labor-saving automation, robotics and other means. Although investing in DX is expected to result in a short-term decline in profit margins, becoming a wholly-owned subsidiary through the Transaction will enable investment in medium- to long-term growth without being constrained by the need for short-term profit growth out of consideration for minority shareholders. Through collaboration with the Tender Offeror Group companies engaged in digital businesses, experimental DX investments in various store formats operated by the Tender Offeror Group, and the dispatch of DX-capable personnel from the Tender Offeror Group, among other initiatives, the Company will be able to enhance its services and strengthen its competitiveness, while expanding horizontally within the Tender Offeror Group and developing business outside of it.

d. Consolidation of back-office operations within the Tender Offeror Group

The Tender Offeror Group consists of many operating companies, each with its own back office. Through the Transaction, the Company believes that, by collaborating with AEON Integrated Business Service Co., Ltd., which handles back-office operations for the Tender Offeror Group companies, it will be able to enhance those operations and expand them into other areas. Additionally, the Company has determined that integrating these back-office operations will enable it to expand its service menu toward integrated facility management (IFM), which is one of the Company's goals, and contribute to enhancing the Company's corporate value.

Based on the above, on February 28, 2025, the Company's Board of Directors determined that delisting the Company Shares through the Transaction, including the Tender Offer, would contribute to enhancing the Group's corporate value.

The typical disadvantages of delisting shares include the impact on business partners and other stakeholders, as well as lower employee motivation due to loss of visibility and brand strength derived from being a publicly listed company. However, since the Tender Offeror is a publicly listed company with high social credibility and recognition, the Company has determined that the potential adverse effects on its social credibility or employee motivation resulting from delisting the Company Shares through the Transaction will be minimal. Furthermore, given the Tender Offeror's policy of discussing the Company's management structure and related matters with the Company, etc., the Company anticipates that its business partners, employees, and other stakeholders of the Group will accept the delisting of the Company Shares through the Transaction. The Company also recognizes that no other significant particular dis-synergies will arise after the execution of the Transaction.

In addition, the typical disadvantages of delisting also include the inability to raise funds from the capital market and the potential impact on securing human resources. However, the Company believes that it is possible to raise funds from the stock market as the Tender Offeror Group through the Tender Offeror, and that recruitment activities after delisting will be conducted as part of the Tender Offeror Group, which is a publicly listed company. Therefore, the



Company has determined that the potential adverse effects will not arise. Furthermore, as described above, the Company has held repeated discussions with the Tender Offeror, and considered matters that require further examination, including the significance and objectives of the Transaction, through Q&A sessions and other means with the Tender Offeror. Therefore, the Company has not considered concerns or dis-synergies specific to the Transaction on an individual basis.

In addition, based on the following points and other factors, the Company has determined that the Tender Offer Price and the other terms and conditions regarding the Tender Offer are appropriate and that the Tender Offer provides the Company's shareholders with an opportunity to sell the Company Shares at a price with a reasonable premium and under reasonable terms and conditions.

- (A) Regarding the Tender Offer Price, the valuation results of the Company Shares performed by Mizuho Securities described below in "[2] Procurement by the Company of share valuation report from independent third-party valuation institution," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act" are above the upper limit of the valuation results based on the market-based valuation method and comparable company analysis method, and within the range of the valuation results based on the discounted cash flow method (the "DCF method").
- (B) Regarding the Tender Offer Price, the valuation results of the Company Shares performed by Plutus Consulting described below in "[4] Procurement by the Special Committee of share valuation report from independent third-party valuation institution," "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," "3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act" are above the upper limit of the valuation results based on the market price method and comparable company analysis method, and within the range of the valuation results based on the DCF method.
- (C) The Tender Offer Price of 5,400 yen represents a premium of 16.76% over the closing price of 4,625 yen for the Company Shares on the TSE Prime Market on February 27, 2025, the trading day preceding the announcement date of the execution of the Tender Offer, a premium of 28.30% over the simple average closing price of 4,209 yen over the past month (from January 28, 2025 to February 27, 2025), a premium of 26.29% over the simple average closing price of 4,276 yen over the past three months (from November 28, 2024 to February 27, 2025), and a premium of 27.18% over the simple average closing price of 4,246 yen over the past six months (from August 28, 2024 to February 27, 2025). Generally, when issues have high price-to-book value ratios (PBR), this indicates that their corporate value is highly valued on the stock market; therefore, in tender offers and M&A transactions, there is a tendency for premiums over market prices to be lower; as of February 27, 2025, the Company's PBR was approximately 2. According to Mizuho Securities, of tender offers announced for publicly listed companies (excluding REITs) between June 28, 2019, when released the "Fair M&A Guidelines" were released, and January 31, 2025 (limited to (1) tender offers or MBO deals between parent and subsidiary companies, and (2) deals undertaken for the purpose of delisting the target company, and excluding (3) hostile tender offers, two-step acquisitions, deals involving information leaks and speculative reporting, deals where the premium on the day before the announcement was discounted, and deals that were not completed), the most common premium rates in the 14 deals where the target company's PBR was 2 or more (the "Similar Deals") are as follows: a premium of 20-30% over the closing price on the reference date (principally the trading day preceding the announcement date) with five deals; a premium of 20-30% over the past one-month simple average closing price with four deals; a premium of 20-30% over the past three-month simple average closing price with six deals; and a premium of 20-30% over the past six-month simple average closing price with five deals. The Tender Offer Price is considered to include a reasonable premium compared to the Similar Deals, as a premium is provided over the past one-month, past three-month, and past six-month simple average closing prices, with the most common level being 20-30%. Although the premium over the closing price of the Company Shares on the trading day preceding the announcement date fell below the most common level of 20-30%, the closing prices on the second trading day preceding the announcement date and on the trading day preceding the announcement date reached record highs since listing. Therefore, considering the significant increase in the price of the Company Shares, the Company has determined that it is not always appropriate to refer to the premium level over the closing price on the trading day preceding the announcement date. Rather, it is appropriate to consider the price from a longer-term perspective.

- (D) Regarding the Tender Offer Price, measures have been taken to ensure the fairness of the Tender Offer, and it is acknowledged that consideration has been given to the interests of minority shareholders.
- (E) As described below in “[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee,” “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” “3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act,” the Report received from the Special Committee independent of the Company determined that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate.

Based on the foregoing, at the Board of Directors meeting held on February 28, 2025, the Company resolved to express its opinion in support of the Tender Offer and recommend the Company’s shareholders to participate in the Tender Offer. Additionally, regarding the Stock Acquisition Rights, the Company resolved to leave decisions on whether or not to participate in the Tender Offer to the discretion of the Rights Holders since the Stock Acquisition Rights Purchase Price has been set at one yen.

For details of the method of resolution at the Board of Directors meeting above, refer to “[7] Approval of all Directors without an interest in the Company and opinion stating that there are no objections from all Audit & Supervisory Board Members without an interest in the Company” under “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” below.

Subsequently, as described above, the Tender Offer was completed. However, since the Tender Offeror did not acquire all of the Company Shares (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the Company Shares owned by the Tender Offeror and treasury shares owned by the Company) and all of the Stock Acquisition Rights through the Tender Offer, the Company decided to conduct a share consolidation, whereby 7,112,132 shares of the Company Shares will be consolidated into one share (the “Share Consolidation”) as described in “(1) Ratio of consolidation” under “2. Details of the Share Consolidation” below, in order to make the Tender Offeror the sole shareholder of the Company, as described in the Opinion Press Release. The Company also decided to submit a proposal to the Extraordinary General Meeting of Shareholders (the “Meeting”). The Company hereby requests the approval of its shareholders for the Share Consolidation.

As a result of the Share Consolidation, the number of shares of the Company Shares held by shareholders other than the Tender Offeror is expected to be less than one share.

## 2. Details of the Share Consolidation

### (1) Ratio of consolidation

7,112,132 shares of the Company Shares are to be consolidated into one share.

### (2) Effective date of consolidation of shares

Tuesday, July 22, 2025

### (3) Class of shares to be consolidated

Common shares

### (4) Total number of shares authorized to be issued on the effective date

24 shares

## 3. Matters Concerning the Reasonableness of the Provisions Regarding the Matters Listed in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act

The ratio of consolidation of the Share Consolidation is to consolidate 7,112,132 shares of the Company Shares into one share.

The Company deems that the ratio of consolidation of the Share Consolidation is reasonable considering that the Share Consolidation is to be conducted to make the Tender Offeror the sole shareholder of the Company as described in “1. Reasons for Share Consolidation” above, and that the Tender Offer conducted as a part of the Transaction through the processes described above was completed, and taking into account each matter listed below.

- (1) Matters that were considered to not harm interest of shareholders other than parent company, etc. if there is such parent company, etc.

In light of the fact that the Tender Offeror is a controlling shareholder (parent company) of the Company, that the Transaction, including the Tender Offer, falls under material transactions, etc. with controlling shareholders, and the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, the Tender Offeror has taken the measures described below in “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” to address these issues and ensure the fairness of the Transaction.

The descriptions of the following measures that have been taken by the Tender Offeror are based on the Tender Offeror’s explanations.

In addition, as of February 28, 2025, the Tender Offeror owns 27,613,050 shares of the Company Shares (ownership ratio: 57.69%), so the Tender Offeror believes that, if a minimum number of shares to be purchased in the Tender Offer constituting the so-called “Majority of Minority” is set, it would make a successful completion of the Tender Offer uncertain, and, as a result, would not contribute to the interests of the Company’s minority shareholders who wish to participate in the Tender Offer. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer constituting the Majority of Minority. However, the Tender Offeror and the Company believe that since measures described below in “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest” have been taken, the interests of general shareholders of the Company have been fully considered.

- (2) Matters concerning the method of handling fractional shares in cases where it is expected that fractions of less than one share will be handled

[1] Whether the treatment under Article 235, paragraph 1 of the Companies Act or the treatment under Article 234, paragraph 2 of the said Act as applied mutatis mutandis pursuant to Article 235, paragraph 2 of the said Act is planned, and the reasons therefor

As described above in “1. Reasons for Share Consolidation,” by the Share Consolidation, the number of the Company Shares owned by the shareholders other than the Tender Offeror is scheduled to become fractional shares less than one share.

Regarding the fractional shares less than one share resulting from the Share Consolidation, the shares of a number equivalent to the total number of such fractional shares (if there are fractional shares less than one share in the total number thereof, such fractional shares shall be disregarded) shall be sold in accordance with the procedures stipulated by Article 235 of the Companies Act (Act No. 86 of 2005, including subsequent revisions; hereinafter the same shall apply) and other related laws and regulations, and the proceeds from the sale shall be delivered to the shareholders depending on the fractions of shares held. With regard to the sale in question, the Company plans to sell to the Tender Offeror the shares with the permission of the court, in accordance with the provisions of Article 234, paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, paragraph 2 of the said Act, considering that the Share Consolidation is part of the Transaction, which is intended to make the Tender Offeror the sole shareholder of the Company, that the Company Shares are scheduled to be delisted on July 17, 2025, and will become shares without a market price, and that it is considered that a purchaser is unlikely to appear through an auction.

If the above permission of the court is obtained as scheduled, the sales amount in such case is scheduled to be set at a price that will result in the delivery of money equivalent to the amount obtained from multiplying

5,400 yen, which is the same amount as the Tender Offer Price, by the number of the Company Shares owned by the shareholders described in the Company's final shareholder registry as of July 21, 2025, which is the day before the effective date of the Share Consolidation (the "Minimum Number of Shares").

[2] Name of person expected to purchase shares subject to sale

[Aeon Co., Ltd.]

[3] Method by which the person expected to purchase shares subject to sale secures funds to pay the sale price, and the reasonableness of the method

The Tender Offeror is scheduled to provide for the funds required for the acquisition of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation through borrowings from Mizuho Bank, Ltd. ("Mizuho Bank"). The Company has confirmed the method of securing funds by the Tender Offeror by confirming the loan certificate dated February 28, 2025, issued by Mizuho Bank, which was submitted by the Tender Offeror as an attachment to the tender offer statement for the Tender Offer. Also, according to the Tender Offeror, after the commencement of the Tender Offer, there have been no events that would have a significant impact on the Tender Offeror's financial condition, or any other events that would obstruct the payment of the sales price for the Company Shares equivalent to the total number of fractional shares of less than one share resulting from the Share Consolidation, and the Tender Offeror is not aware of any possibility of such events occurring in the future.

Accordingly, the Company has determined that the method of securing funds to pay for the sale of the Company Shares equivalent to the total number of fractional shares of less than one share resulting from the Share Consolidation by the Tender Offeror is reasonable.

[4] Expected timing of sale and expected timing of payment of sales proceeds to shareholders

After the effective date of the Share Consolidation, the Company plans to file a petition for permission with the court to sell the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation and to have the Tender Offeror purchase such Company Shares, in accordance with the provisions of Article 234, paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, paragraph 2 of the said Act, by late August 2025. While the timing of obtaining such permission may change depending upon such matters as the circumstances of the court, the Company plans to obtain the permission of the court and sell the Company Shares to the Tender Offeror by late September 2025, and thereafter, upon making preparations required to deliver the proceeds obtained by such sale to the shareholders, to sequentially deliver the proceeds to the shareholders from mid-October to early November 2025.

Taking into consideration the time period required for the series of procedures from the effective date of the Share Consolidation till the sale, as described above, the Company has determined that the sale of the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation is prospected to be made, and delivery of the proceeds obtained by such sale is prospected to be made to the shareholders, at the respective timings.

(3) Matters concerning the amount of money expected to be delivered to shareholders as a result of fractional processing and the appropriateness of such amount

As described above in "[1] Whether the treatment under Article 235, paragraph 1 of the Companies Act or the treatment under Article 234, paragraph 2 of the said Act as applied mutatis mutandis pursuant to Article 235, paragraph 2 of the said Act is planned, and the reasons therefor" of "(2) Matters concerning the method of handling fractional shares in cases where it is expected that fractions of less than one share will be handled," the amount of money expected to be delivered to shareholders upon the Share Consolidation is scheduled to be an amount multiplying 5,400 yen, which is the same amount as the Tender Offer Price, by the Minimum Number of Shares owned by the shareholders.

In addition, based on the following points and other factors, the Company has determined that the Tender Offer Price and the other terms and conditions of the Tender Offer are appropriate and that the Tender Offer provides the Company's shareholders with an opportunity to sell the Company Shares at a price with a reasonable premium and under reasonable terms and conditions.

- (A) Regarding the Tender Offer Price, the valuation results of the Company Shares performed by Mizuho Securities described below in "[2] Procurement by the Company of share valuation report from independent third-party valuation institution" under "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest" are above the upper limit of the valuation results based on the market-based valuation method and comparable company analysis method, and within the range of the valuation results based on the DCF method.
- (B) Regarding the Tender Offer Price, the valuation results of the Company Shares performed by Plutus Consulting described below in "[4] Procurement by the Special Committee of share valuation report from independent third-party valuation institution" under "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest" are above the upper limit of the valuation results based on the market price method and comparable company analysis method, and within the range of the valuation results based on the DCF method.
- (C) The Tender Offer Price of 5,400 yen represents a premium of 16.76% over the closing price of 4,625 yen for the Company Shares on the TSE Prime Market on February 27, 2025, the trading day preceding the announcement date of the execution of the Tender Offer, a premium of 28.30% over the simple average closing price of 4,209 yen over the past month (from January 28, 2025 to February 27, 2025), a premium of 26.29% over the simple average closing price of 4,276 yen over the past three months (from November 28, 2024 to February 27, 2025), and a premium of 27.18% over the simple average closing price of 4,246 yen over the past six months (from August 28, 2024 to February 27, 2025). Generally, when issues have high PBR, this indicates that their corporate value is highly valued on the stock market; therefore, in tender offers and M&A transactions, there is a tendency for premiums over market prices to be lower; as of February 27, 2025, the Company's PBR was approximately 2. According to Mizuho Securities, of tender offers announced for publicly listed companies (excluding REITs) between June 28, 2019, when released the "Fair M&A Guidelines" were released, and January 31, 2025 (limited to (1) tender offers or MBO deals between parent and subsidiary companies, and (2) deals undertaken for the purpose of delisting the target company, and excluding (3) hostile tender offers, two-step acquisitions, deals involving information leaks and speculative reporting, deals where the premium on the day before the announcement was discounted, and deals that were not completed), the most common premium rates in the Similar Deals are as follows: a premium of 20-30% over the closing price on the reference date (principally the trading day preceding the announcement date) with five deals; a premium of 20-30% over the past one-month simple average closing price with four deals; a premium of 20-30% over the past three-month simple average closing price with six deals; and a premium of 20-30% over the past six-month simple average closing price with five deals. The Tender Offer Price is considered to include a reasonable premium compared to the Similar Deals, as a premium is provided over the past one-month, past three-month, and past six-month simple average closing prices, with the most common level being 20-30%. Although the premium over the closing price of the Company Shares on the trading day preceding the announcement date fell below the most common level of 20-30%, the closing prices on the second trading day preceding the announcement date and on the trading day preceding the announcement date reached record highs since listing. Therefore, considering the significant increase in the price of the Company Shares, the Company has determined that it is not always appropriate to refer to the premium level over the closing price on the trading day preceding the announcement date. Rather, it is appropriate to consider the price from a longer-term perspective.
- (D) Regarding the Tender Offer Price, measures have been taken to ensure the fairness of the Tender Offer, and it is acknowledged that consideration has been given to the interests of minority shareholders.
- (E) As described below in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee" under "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest," the Report received from the Special Committee independent of

the Company determined that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate.

In addition, the Company has confirmed that there have been no significant changes to the terms and conditions that serve as the basis for the determination of the Tender Offer Price from the time when the Company expressed an opinion supporting the Tender Offer and recommending shareholders to participate in the Tender Offer to the time of the resolution of the Company's Board of Directors meeting held on May 22, 2025, which resolved to convene the Meeting.

Based on the above, the Company has determined that the amount of money expected to be delivered to the shareholders as a result of fractional processing is reasonable.

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

[1] Procurement by the Tender Offeror of share valuation report from independent third-party valuation institution

(i) Common shares

Upon determining the Tender Offer Price, the Tender Offeror requested Nomura Securities, its financial advisor independent from the Tender Offeror and the Company, to conduct a valuation of the Company Shares to ensure the fairness of the Tender Offer Price.

Nomura Securities considered the Company's financial situation, trends in the market price of the Company Shares, and concluded that a multifaceted evaluation was appropriate. It examined various valuation methods and determined the following methods to be used for valuing the Company Shares: the market price average method (given the existence of market prices), the comparable company analysis method (as there are publicly listed companies comparable to the Company, allowing for inferring the value of the Company Shares through peer comparisons), and the DCF method to reflect future business activities in the valuation. Based on these methods, Nomura Securities arrived at a valuation of the Company Shares, and on February 28, 2025, the Tender Offeror obtained a valuation report from Nomura Securities (the "Tender Offeror's Valuation Report").

It should be noted that Nomura Securities does not fall within the category of related parties of the Tender Offeror and the Company and has no significant interest in the Tender Offer. Additionally, the Tender Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders, upon comprehensive consideration of the various factors described in this section "(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest"; therefore, the Tender Offeror has not obtained a fairness opinion from Nomura Securities regarding the fairness of the Tender Offer Price.

The range of the value per share of the Company determined by Nomura Securities using the above methods is as follows:

Market price average method:	4,209 yen to 4,625 yen
Comparable company analysis method:	3,243 yen to 4,559 yen
DCF method:	4,478 yen to 6,303 yen

For the market price average method, using February 27, 2025, as the reference date, the closing price of the Company Shares on the TSE Prime Market on that date was 4,625 yen, with the simple average closing price over the last five trading days being 4,543 yen, over the last month being 4,209 yen, over the last three months being 4,276 yen, and over the last six months being 4,246 yen, leading to a calculated range of 4,209 yen to 4,625 yen per share.

For the comparable company analysis method, the value of the Company Shares was determined by comparing it to publicly listed companies with similar business activities based on market prices and financial indicators reflecting their profitability and others factors, resulting in a calculated range of 3,243 yen to 4,559 yen per share.

For the DCF method, the Tender Offeror considered factors such as the business plan provided by the Company for the six fiscal periods from the fiscal year ended February 28, 2025 to the fiscal year ending February 28, 2030 (the business plan received from the Company does not include free cash flows), which had been confirmed by the Tender Offeror, including the projected revenues and investment plans, interviews with the Company's management, recent performance trends and publicly disclosed information. Based on future revenue forecasts for the Company from the fourth quarter of the fiscal year ended February 28, 2025 onward after considering the above factors, the expected future free cash flows were discounted to present value using a certain discount rate to analyze the corporate value and share value of the Company, resulting in a calculated range of 4,478 yen to 6,303 yen per share. It should be noted that the fiscal years expected to involve significant increases or decreases in earnings were not included in the business plan used as the basis for the valuation under the DCF method. Furthermore, this business plan does not presume the execution of the Transaction, and the synergies expected to result from the execution of the Transaction are not included in the business plan because it is difficult to estimate them specifically at this time.

Upon comprehensive consideration of factors such as the valuation results of the Company Shares in the Tender Offeror's Valuation Report obtained from Nomura Securities, the results of the due diligence conducted on the Company from mid-January to mid-February 2025, the evaluation of whether the Company's Board of Directors supports the Tender Offer, and the outlook for participation in the Tender Offer, based on the outcomes of discussions and negotiations with the Company, the Tender Offeror ultimately decided the Tender Offer Price at 5,400 yen on February 28, 2025.

The Tender Offer Price of 5,400 yen represents a premium of 16.76% over the closing price of 4,625 yen for the Company Shares on the TSE Prime Market on February 27, 2025, the trading day preceding the announcement date of the execution of the Tender Offer, as well as premiums of 28.30%, 26.29%, and 27.18% over the simple average closing prices of 4,209 yen, 4,276 yen, and 4,246 yen for the past one month, three months, and six months, respectively, ending on that date.

## (ii) Stock Acquisition Rights

The Stock Acquisition Rights can only be exercised if, at the time of exercise, the rights holder is serving as a Director, or Audit & Supervisory Board Member of the Company, or if they have resigned as a Director or Audit & Supervisory Board Member of the Company within the past five years. Therefore, even if the Tender Offeror acquires the Stock Acquisition Rights through the Tender Offer, it is understood that it cannot exercise these rights. Consequently, the Tender Offeror has decided on February 28, 2025, to set the Stock Acquisition Rights Purchase Price at one yen each.

Since the Tender Offeror has determined the Stock Acquisition Rights Purchase Price as described above, it has not obtained valuation reports or opinions (fairness opinions) from any third-party valuation institutions.

## [2] Procurement by the Company of share valuation report from independent third-party valuation institution

### (i) Name of the valuation institution and its relationship with the Company and the Tender Offeror

Upon preparing to express an opinion regarding the Tender Offer, the Company requested Mizuho Securities, a financial advisor and third-party valuation institution independent from the Tender Offeror and the Group, to conduct a valuation of the Company Shares and obtained the Share Valuation Report (Mizuho Securities) dated February 27, 2025.

It should be noted that Mizuho Securities does not fall within the category of related parties of the Tender Offeror and the Group and is independent in relation to the Transaction, including the Tender Offer. In addition, Mizuho Bank and Mizuho Trust & Banking Co., Ltd. ("Mizuho Trust & Banking"), which are group companies of Mizuho Securities, hold shares in the Tender Offeror and provide financing transactions, etc. to the Tender Offeror as part of regular banking operations. Mizuho Bank plans to provide financing to the Tender Offeror for the funds required for the settlement of the Tender Offer, but, according to Mizuho Securities, Mizuho Securities has established and is implementing an appropriate conflict of interest management system in accordance with the applicable laws and regulations, including the Financial Instruments and Exchange Act (Article 36, paragraph 2) and the Cabinet Office Order on Financial Instruments Business (Article 70-4), to

ensure that the information barriers between Mizuho Securities, Mizuho Bank and Mizuho Trust & Banking are maintained, and is conducting the valuation of the Company Shares independently of the positions of Mizuho Bank and Mizuho Trust & Banking as lenders and shareholders. Based on track records of Mizuho Securities as a valuation institution, and considering that appropriate measures have been taken to prevent conflicts of interest between Mizuho Securities, Mizuho Bank and Mizuho Trust & Banking, the Company has determined that sufficient independence is ensured for Mizuho Securities to perform its duties as financial advisor and third-party valuation institution in the Transaction. Therefore, the Company concluded that there are no particular issues with requesting Mizuho Securities to conduct the valuation of the Company Share.

In addition, as described in this section “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” since the Tender Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Company has not obtained a fairness opinion from Mizuho Securities regarding the fairness of the Tender Offer Price.

Furthermore, the compensation to be paid to Mizuho Securities includes a contingent fee subject to the successful completion of the Transaction, etc., but the Company selected Mizuho Securities as its financial advisor and third-party valuation institution based on the above compensation structure, taking into consideration general business practices, etc. in similar transactions.

## (ii) Summary of valuation

Mizuho Securities adopted the thinking that it is appropriate to examine various valuation methods to determine the methods to be used for valuing the Company Shares, and value the Company Shares from multiple perspectives; based on this philosophy, Mizuho Securities arrived at a valuation of the Company Shares using the following valuation methods: the market-based valuation method (as the Company Shares are listed on the TSE Prime Market and market prices exist), the comparable company analysis method (as it is possible to infer the value of the Company Shares through peer comparisons with comparable companies), and the DCF method to reflect the Company’s business details and forecasts, and other factors in the valuation.

The range of the value per share of the Company determined using the above methods is as follows:

Market-based valuation method:	4,209 yen to 4,625 yen
Comparable company analysis method:	4,058 yen to 4,496 yen
DCF method:	3,416 yen to 5,862 yen

For the market-based valuation method, using February 27, 2025, the trading day preceding the announcement date of the Tender Offer, as the reference date, the closing price of the Company Shares on the TSE Prime Market on that date was 4,625 yen, with the simple average closing price over the last month (from January 28, 2025 to February 27, 2025) being 4,209 yen, over the last three months (from November 28, 2024 to February 27, 2025) being 4,276 yen, and over the last six months (from August 28, 2024, to February 27, 2025) being 4,246 yen, leading to a calculated range of 4,209 yen to 4,625 yen per share.

For the comparable company analysis method, Mizuho Securities selected NIPPON KANZAI HOLDINGS Co., Ltd. and Nippon Air Conditioning Services Co., Ltd., as publicly listed companies, whose business activities are considered relatively similar to that of the Company. Then, Mizuho Securities assessed the value of the Company Shares by employing the multiple of EBITDA against the company value of those companies, resulting in a calculated range of 4,058 yen to 4,496 yen per share.

For the DCF method, Mizuho Securities considered factors such as the business plan prepared by the Company for the six fiscal periods from the fiscal year ended February 28, 2025 to the fiscal year ending February 28, 2030 (the “Business Plan”), including the financial forecasts and investment plans, and publicly disclosed information. Based on future revenue forecasts for the Company from the fourth quarter of the fiscal year ended February 28, 2025 onward after considering the above factors, the expected future free cash flows were discounted to present value using a certain discount rate to analyze the corporate value and share value of the Company, resulting in a calculated range of 3,416 yen to 5,862 yen per share. Mizuho Securities applied a discount rate of 5.7% to 6.7% and used the perpetual growth rate model and the exit multiple model for



calculation of the terminal value. The perpetual growth rate was set at -0.25% to 0.25% in the perpetual growth rate model, and the multiple of EBITDA against the enterprise value was 5.6x to 6.6x in the exit multiple model.

The specific figures in the financial forecasts of the Company (consolidated basis) used by Mizuho Securities as the basis for the valuation under the DCF method are as set forth below. It should be noted that, in these financial forecasts, the fiscal years expected to involve significant increases or decreases in earnings were not included, but the fiscal years expected to involve significant increases or decreases in free cash flows were included. Specifically, for each fiscal year from the fiscal year ending February 28, 2026 to the fiscal year ending February 28, 2030, a significant increase or decrease in free cash flows compared to the previous fiscal year is projected, mainly due to an increase or decrease in capital expenditures for the promotion of DX and other initiatives.

Further, the synergies expected to result from the execution of the Transaction are not included in the financial forecasts below, nor are they included in the valuation made by Mizuho Securities based on these forecasts because it is difficult to estimate the specific effects on revenue at this time. The Company and the Special Committee held in Q&A sessions regarding the financial forecasts, and the Special Committee verified the reasonableness of its content, assumptions, and so on.

	(Millions of yen)					
	FYE Feb. 28, 2025 (three months)	FYE Feb. 28, 2026	FYE Feb. 28, 2027	FYE Feb. 29, 2028	FYE Feb. 28, 2029	FYE Feb. 28, 2030
Net sales	86,602	369,623	404,387	441,298	483,989	528,755
Operating income	4,546	16,550	17,027	19,232	21,809	25,197
EBITDA	5,561	20,950	21,827	24,057	27,343	31,817
Free cash flows	7,571	3,451	102	(2,217)	3,036	7,965

In determining the value of the Company Shares, Mizuho Securities, as a rule, used the information provided by the Company and publicly available information, etc. as is, assuming all such materials and information, etc. to be accurate and complete, and it does not independently verify their accuracy or completeness. Mizuho Securities assumes that the information relating to the Company's financial forecasts have been prepared reasonably based on the best and most sincere predictions and judgments available to the Company's management team at this time. No independent evaluation or assessment of the assets or liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliates has been conducted, nor has it requested an appraisal or assessment from a third-party institution. The valuation by Mizuho Securities reflects the afore-mentioned information up to February 27, 2025.

### (iii) Summary of valuation of the Stock Acquisition Rights

The Special Committee has not obtained valuation reports or fairness opinions from third-party valuation institutions regarding the Stock Acquisition Rights Purchase Price. Further, the Stock Acquisition Rights were granted to Directors or Audit & Supervisory Board Members of the Company as stock options linked to the share price. The Stock Acquisition Rights can only be exercised if, at the time of exercise, the rights holder is serving as a Director, or Audit & Supervisory Board Member of the Company, or if they have resigned as a Director or Audit & Supervisory Board Member of the Company within the past five years. Considering that the Tender Offeror cannot exercise the Stock Acquisition Rights even if acquired, the Stock Acquisition Rights Purchase Price has been set at one yen each.

[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee

(i) Circumstances leading to the establishment of the Special Committee, etc.

The Company, as described above in “1. Reasons for Share Consolidation,” established the Special Committee in accordance with the provisions of the Special Committee Rules of the Company, upon a resolution at the Board of Directors meeting held on January 13, 2025, and consulted with the Special Committee on the Consultation Matters. Additionally, in establishing the Special Committee, the Board of Directors resolved that: (i) the Board of Directors gives maximum consideration to the details of the decisions of the Special Committee, including the approval or disapproval of the Tender Offer, when making determinations regarding the Transaction; (ii) if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, the Board of Directors should resolve to not to approve the Transaction under such terms and conditions. The Board of Directors resolved to grant the following authority to the Special Committee: (i) negotiating with the Tender Offeror regarding the terms and condition, and other matters (including indirect negotiations through officers and employees of the Company, advisors, etc.); (ii) when considering and making determinations on the Consultation Matters, selecting or appointing, as necessary, its own financial advisor or third-party valuation institution and legal advisor (the costs in such cases shall be borne by the Company), or appointing or approving (including retroactive approval) the Company’s financial advisor, legal advisor or other advisor; (iii) as necessary, receiving information reasonably necessary for the consideration and decision-making of the Consultation Matters from officers and employees of the Company or other persons deemed necessary by the Special Committee.

At the Company’s Board of Directors meeting above, considering that the Company is a subsidiary of the Tender Offeror, and the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, from the perspective of eliminating the risk of any impact on deliberations and resolutions at the Company’s Board of Directors meetings from these issues, of the eight Directors of the Company, six Directors other than Hiroyuki Watanabe, who concurrently serves as officer of the Tender Offeror, and Kazumasa Hamada, who worked at the Tender Offeror in the past, deliberated and passed the above resolution unanimously. In addition, all two Audit & Supervisory Board Members other than Takafumi Fujimoto, who concurrently serves as advisor of the Tender Offeror, attended the above Board of Directors meeting, and all Audit & Supervisory Board Members in attendance expressed their opinion that they had no objection to the above resolution.

Further, considering that the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, from the perspective of eliminating the risk of any impact from these issues, two Directors of the Company, Kazumasa Hamada and Hiroyuki Watanabe, and one Audit & Supervisory Board Member of the Company, Takafumi Fujimoto, have not participated in deliberations or resolutions regarding the Transaction at the Board of Directors meetings, including the above Board of Directors meeting, and have not participated on behalf of the Company in discussions or negotiations regarding the Transaction.

Since all members of the Special Committee are outside Directors of the Company, and their duties as members of the Special Committee are considered to be included in their duties as outside Directors, the compensation for each member of the Special Committee is included in the compensation for outside Directors and does not include any contingent fee subject to the disclosure or successful completion of the Transaction, etc.

(ii) Consideration process

This Special Committee held a total of 12 meetings between January 20, 2025, and February 28, 2025, and during that period, it also conducted reports and information sharing via email, deliberations, decision-making, etc. as necessary, thereby fulfilling its duties related to the Consultation Matters. Specifically, the Special Committee received explanations from the Tender Offeror regarding the circumstances leading to the proposal of the Transaction, objectives of the Transaction, terms and conditions of the Transaction, etc., and held Q&A sessions. The Special Committee also received explanations from the Company regarding the circumstances leading to the receipt of the proposal of the Transaction, objectives of the Transaction, business environment, business plan, etc., and held Q&A sessions.

In addition, the Special Committee verified and approved the reasonableness of the details, material assumptions, the drafting process, etc. of the business plan to be presented to the Tender Offeror and the business plan that served as the basis for the valuation of the Company Shares performed by Mizuho Securities.

Moreover, the Special Committee received legal advice from Mori Hamada & Matsumoto, the Company's legal advisor, regarding the details of measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest, as well as other matters related to the Transaction, in light of its independence and expertise. Furthermore, in light of the independence and expertise of Mizuho Securities, the Company's financial advisor, the Special Committee, at the request of the Company, received explanations from Mizuho Securities, the Company's financial advisor, and deliberated and considered the negotiation policy for obtaining a higher price from the Tender Offeror. Whenever the Company received a proposal regarding the Tender Offer Price from the Tender Offeror, the Special Committee received a timely report, and at the request of the Company, received explanations from Mizuho Securities, the Company's financial advisor. The Special Committee repeatedly advised the Company to request the Tender Offeror to increase the Tender Offer Price, and deliberated and considered the policy on negotiations with Tender Offer, thereby substantially involved in the discussions and negotiations with the Tender Offeror regarding the Tender Offer Price.

As a result, on February 27, 2025, the Company received a proposal from the Tender Offeror to set the Tender Offer Price at 5,400 yen per share and the Stock Acquisition Rights Purchase Price at one yen, thereby raising the Tender Offer Price from the initial offer price of 4,600 yen to 5,400 yen.

Furthermore, the Special Committee received explanations from Mori Hamada & Matsumoto on the details of the draft of related press release regarding the Tender Offer scheduled to be announced by the Company, and confirmed that sufficient information disclosure was planned.

### (iii) Details of the Decision

In accordance with the process described above, the Special Committee carefully, on multiple occasions, discussed and considered the Consultation Matters, while taking into consideration the advice from Mori Hamada & Matsumoto from a legal perspective and advice from Plutus Consulting from a financial perspective, as well as the Share Valuation Report (Mizuho Securities) received on February 27, 2025 and the Share Valuation Report (Plutus Consulting) received on February 27, 2025, and on the same day, submitted to the Company's Board of Directors, based on unanimous consent, the Report, the content of which is summarized below.

#### (a) Content of the Report

- i. It is reasonable to resolve at the Company's Board of Directors meeting to approve the Transaction (including expressing an opinion in support of the Tender Offer by the Company's Board of Directors, recommending the Company's shareholders to participate in the Tender Offer, and leaving the decision on whether or not to participate in the Tender Offer to the discretion of the holders of the Company's stock acquisition rights).
- ii. The decisions by the Company's Board of Directors to conduct the Transaction (including expressing an opinion in support of the Tender Offer by the Company's Board of Directors, recommending the Company's shareholders to participate in the Tender Offer, and leaving the decision on whether or not to participate in the Tender Offer to the discretion of the holders of the Company's stock acquisition rights) are not detrimental to the interests of the Company's minority shareholders.

#### (b) Reasons for the Report

- i. Whether or not the Transaction contributes to enhancing the corporate value of the Company

For the following reasons, the Transaction contributes to enhancing the corporate value of the Company and the objectives of the Transaction are reasonable.

- A. The Special Committee held written Q&A sessions and Q&A sessions through interviews with the Tender Offeror, and confirmed the following matters regarding the Tender Offeror's management policy after the Tender Offer.
- For the business environment surrounding the Group, although the domestic facility management industry shows a gradual expansion trend, it is affected by rising personnel costs and raw material costs and lower working-age population. The labor shortage is a critical management issue, and the industry is required to transition from a traditional labor-intensive business model. On the other hand, the needs for aging asset management, environmental considerations, outsourcing of non-core operations are on the rise among client companies.
  - In this business environment, the Tender Offeror believes that the Company can evolve from its traditional business model to discover new business opportunities. It is extremely important for the management of the Tender Offeror Group that the Company, which plays a key role in supporting much of the group's infrastructure, creates new business areas and opportunities, enhancing the value of service provision and achieving sustained growth. On the other hand, to ensure the realization of this potential, a simple reliance on existing organic growth strategies will not suffice in an environment where business transformation is required. It is necessary to maximize the economies of scale of the Tender Offeror Group.
  - Specifically, as part of its efforts to enhance the corporate value of the Company and the Tender Offeror Group, the Tender Offeror plans to implement the following initiatives: (A) Consolidation of demand related to repairs, maintenance, and interior construction in the Tender Offeror Group; (B) Expansion of business areas by capturing needs from the Tender Offeror Group; (C) Evolution of facility management through labor-saving initiatives utilizing DX; (D) Consolidation of back-office operations within the Tender Offeror Group.
  - Regarding the above (A), the Tender Offeror believes that there is a widespread demand within the Tender Offeror Group for facility management, security services, cleaning services, real estate leasing, food services for employee cafeterias, budget management, and business continuity planning (BCP), among others, which are being developed in the facility management business area. The Tender Offeror will be able to expand its revenue by consolidating these demands at the Company and achieving economies of scale.
  - Regarding the above (B), the Tender Offeror anticipates growing demand for environmental businesses such as energy-saving and circular economy energy-saving businesses, and expects that expanding operations to target the Tender Offeror Group's largest domestic store network will contribute to the Company's long-term growth.
  - Regarding the above (C), although investing in DX is expected to result in a short-term decline in profit margins, becoming a wholly-owned subsidiary through the Transaction will enable investment in medium- to long-term growth without being constrained by the need for short-term profit growth out of consideration for minority shareholders. Against this backdrop, the Tender Offeror will engage in the bulk recruitment of digital talent within the Tender Offeror Group and the secondment of digital talent from the Tender Offeror Group. Additionally, the Company will adopt the project-based evolution approach to the Company's facility management business to consolidate digital human resources within the group at the Company and swiftly promote these efforts to achieve early results.
  - Regarding the above (D), the Tender Offeror believes that the Company can receive orders for back-office operations through collaboration with AEON Integrated Business Service Co., Ltd., a wholly-owned subsidiary of the Tender Offeror that handles back-office operations within the Tender Offeror Group.
  - However, in the current situation where the Company and the Tender Offeror operate independently as publicly listed companies, when the Tender Offeror and the Company share the management resources (various human resources, financial infrastructure, information, know-how, etc.) of the Tender Offeror Group, it is imperative to engage in careful consideration regarding their usefulness

and fairness, taking into account the interests of all stakeholders, including the Company's minority shareholders. This poses challenges such as constraints on rapid and flexible decision-making.

- Therefore, the Tender Offeror concluded that for the sustainable growth of the Company, it is best to establish a framework for the swift and flexible mutual utilization of management resources between the Company and the Tender Offeror as a whole by delisting the Company Shares, while preventing profit outflow to minority shareholders. This approach would facilitate efficient use of management resources and is deemed desirable in terms of enhancing the corporate value of both the Tender Offeror and the Company.
  - The Tender Offeror believes that, after the completion of the Tender Offer, the employees of the Group will have expanded opportunities for advancement and a more fulfilling work environment if the Company is able to evolve into IFM through the implementation of the above measures. In addition, the Tender Offeror has established a basic policy of maintaining employment and not changing employment conditions to the detriment of employees even after the Tender Offer.
- B. The Special Committee confirmed the following understanding or opinions of the Company based Q&A sessions through interview with Kazumasa Hamada, President of the Company, regarding the above understanding or opinions of the Tender Offeror
- Each of the measures proposed by the Tender Offeror has been under consideration by the Company for some time. However, as a publicly listed company, the Company needed to be mindful of its short-term performance and therefore found it difficult to implement the above measures, which would have had a negative impact on short-term performance. If the Company is delisted as a result of the Transaction, it will be able to implement the above measures with certainty.
  - The Company recognizes that securing human resources outside its existing fields and human resources involved in management is a challenge. However, if the Company becomes a wholly-owned subsidiary as a result of the Transaction, it will be possible to utilize human resources from the Aeon Group more extensively, thereby securing a diverse range of human resources, including those in new fields, and receiving dispatches of management-level personnel.
  - If the Company is delisted as a result of the Transaction, it is expected that scale advantages will be achieved by consolidating the demand within the Aeon Group, enabling the Company to offer competitive prices.
  - The Company has expertise in back-office operations within the Aeon Group, the capacity to handle the majority of non-core operations, primarily back-office operations, within the Aeon Group after the Transaction, and the potential to commercialize such operations.
  - Although the Transaction may potentially affect business partners and decrease employee motivation due to loss of visibility and brand strength derived from being a publicly listed company, the Tender Offeror is a publicly listed company with high social credibility and recognition, and the Company also has credibility and visibility. Therefore, the Company has determined that no adverse effects will arise. The Company also recognizes that no other significant particular dis-synergies will arise in connection with the execution of the Transaction.
  - Based on the above, in terms of enhancing the corporate value of the Company, by becoming a wholly-owned subsidiary of the Tender Offeror instead of maintaining its current capital structure, the Company will be able to utilize the management resources of the Tender Offeror Group more effectively and offer competitive prices. While addressing demand from the Tender Offeror Group, the Company will be able to increase orders from outside the Group and maintain the 50:50 sales ratio within and outside the Group, which has been the Company's goal for some time. Therefore, the Company believes that it can achieve its growth in a faster and more reliable way.
- C. After careful deliberation and consideration of the content of (a) and (b) above, and taking into account the fact that the Company has not achieved its medium-term management plan in the past, the Special Committee determined that the above management strategy and specific measures are a means of growing the Company's corporate value faster and more reliably. On the other hand, there were

concerns that the Group's employees might react negatively to the Company's delisting. However, after discussions with the Tender Offeror and Kazumasa Hamada, President of the Company, it was determined that these concerns could be alleviated by the Tender Offeror and the Company providing detailed explanations to the Group's employees after the Transaction was announced. There were also concerns that, after the Tender Offer, consolidating the Tender Offeror Group's demand and back-office operations at the Company would effectively make the Company a functional company of the Tender Offeror Group, hindering its own growth. However, the Company determined that it would be possible to maintain and expand orders from customers other than those of the Tender Offeror Group by utilizing the management resources of the Tender Offeror Group. Based on the above, the Company concluded that conducting the Transaction and implementing management measures with the support of the Tender Offeror Group would contribute to enhancing the Company's corporate value.

ii. Fairness of procedures

Based on the reasons below, the Transaction procedures are fair from the perspective of ensuring the interests of general shareholders.

A. Establishment of the Special Committee

- Considering that the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, to address these issues, ensure the fairness of the Transaction, including the Tender Offer Price, eliminate arbitrariness in the decision-making process leading to the determination to conduct the Tender Offer, and avoid conflicts of interest, the Company established the Special Committee, consisting of four independent outside Directors of the Company in accordance with the provisions of the Special Committee Rules of the Company and consulted with the committee.
- The Special Committee is composed of four members: Keiji Yoshikawa, who possesses extensive experience and expertise as the former Director, Representative Executive Officer, and President and CEO of Nippon Sheet Glass Co., Ltd., as well as considerable knowledge in business management; Yoshiaki Hompo, who possesses advanced expertise and extensive experience and knowledge as the former Commissioner of the Japan Tourism Agency, the Ministry of Land, Infrastructure, Transport and Tourism; Asako Takada, who possesses advanced expertise and academic knowledge as a professor of Hosei Business School of Innovation Management; and Toshio Shimada, who possesses extensive experience and expertise as the former Representative Director and Chairman of CAC Holdings Corporation, and sufficient knowledge in business management. It is recognized that these members possess the necessary experience and expertise to consider the Consultation Matters.
- The Special Committee held a total of 12 meetings between January 20, 2025, and February 28, 2025, deliberating for a total of approximately 16 hours and 40 minutes.
- Regarding the negotiations between the Special Committee and the Tender Offeror, the Tender Offeror made a total of six price proposals, and the Special Committee conducted negotiations. Accordingly, it is found that it was first ensured that there were circumstances where reasonable efforts could be made to conduct the Transaction under the terms and conditions that are advantageous for general shareholders to the extent possible, that is, circumstances that can be considered the same as an arm's-length transaction, and after that earnest negotiations were conducted.

B. Procurement by the Special Committee of share valuation report from independent third-party valuation institution

- In considering the Consultation Matters, the Special Committee appointed Plutus Consulting as its financial advisor and third-party valuation institution independent of the Tender Offeror and the Group, received advice from Plutus Consulting from a financial perspective including advice regarding the valuation of the Company Shares and negotiations with the Tender Offeror, and obtained the Share Valuation Report (Plutus Consulting) dated February 27, 2025.

C. Procurement by the Company of share valuation report from independent third-party valuation institution

- The Company appointed Mizuho Securities as its financial advisor and third-party valuation institution independent of the Tender Offeror and the Group to ensure the fairness of the Tender Offer Price and the fairness of the Transaction, and obtained the Special Committee's approval for the appointment, following confirmation that there are no issues regarding Mizuho Securities' independence, expertise, track record, and so on.
- The Company received advice and assistance from Mizuho Securities from a financial perspective including advice regarding the valuation of the Company Shares and negotiation policy with Tender Offer, and obtained the Share Valuation Report (Mizuho Securities) dated February 27, 2025.

D. Procurement by the Company of advice from an independent legal advisor

- The Company appointed Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror and the Group to ensure the fairness of the Tender Offer Price and the fairness of the Transaction, and obtained the Special Committee's approval for the appointment, following confirmation that there are no issues regarding Mori Hamada & Matsumoto's independence, expertise, track record, and so on.
- The Company received from Mori Hamada & Matsumoto legal advice on such matters as measures to ensure the fairness of process of the Transaction, various processes of the Transaction, as well as methods, process and other matters to be noted for the Company's decision-making regarding the Transaction.

E. Construction of a framework for independent consideration by the Company

- Since the time the Company received from the Tender Offeror the Letter of Intent regarding the Transaction on January 9, 2025, the Company has considered and established a secretariat for the Special Committee that considers the Transaction (including the preparation of a business plan that serves as the basis for the valuation of the Company Shares). The members of the secretariat shall be the Company's officers or employees who do not concurrently serve as officers or employees of the Tender Offeror and who have never held such positions in the past
- In considering, negotiating, and making determinations regarding the Transaction within the Company, with legal advice from Mori Hamada & Matsumoto, the Company has resolved, at the Board of Directors meeting held on January 13, 2025, that Hiroyuki Watanabe, who concurrently serves as officer of the Tender Offeror, Kazumasa Hamada, who worked at the Tender Offeror in the past, and Takafumi Fujimoto, who concurrently serves as advisor of the Tender Offeror, shall not participate in any discussions or negotiations regarding the Transaction.
- The Special Committee also given its approval that there are no issues from the perspective of independence and fairness, regarding the framework for consideration of the Company (including the scope of officers and employees of the Company involved in consideration of, negotiations for, and determinations regarding the Transaction, and their duties).

F. Non-participation of Directors and Audit & Supervisory Board Members with interests at the Company

- Considering that the Company is a consolidated subsidiary of the Tender Offeror, and the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, from the perspective of eliminating the risk of any impact on deliberations and resolutions at the Board of Directors meetings from these issues, of the eight Directors, two Directors—Hiroyuki Watanabe, who concurrently serves as officer of the Tender Offeror, and Kazumasa Hamada, who worked at the Tender Offeror in the past—have not participated in deliberations or resolutions regarding the Transaction at the Board of Directors meetings until February 27, 2025, do not intend to participate (including de facto participation) in any deliberations and resolutions regarding the expression of opinion on the Transaction at the Board of Directors meeting scheduled to be held on

February 28, 2025, and have not participated on behalf of The Company in consideration, discussion or negotiation regarding the Transaction.

- Audit & Supervisory Board Member Takafumi Fujimoto concurrently serves as advisor of the Tender Offeror. Therefore, he also has not participated (including de facto participation) in any deliberations regarding the Transaction at the Board of Directors meetings until February 27, 2025, and does not intend to participate in deliberations at the Board of Directors meeting scheduled to be held on February 28, 2025.

G. Non-existence of deal protection provisions

- The Company and the Tender Offeror have entered into no agreements to restrict bidders other than the Tender Offeror (the “Competing Bidders”) from contacting the Company, such as deal protection provisions prohibiting the Company from contacting the Competing Bidders.

H. Measures to ensure that the holders of the Company’s stock acquisition rights have the opportunity to make appropriate decisions on whether or not to participate in the Tender Offer

- As a scheme for a series of procedures (the “Squeeze-Out Procedures”) to make the Tender Offeror the sole shareholder of the Company after the Tender Offer is completed, the Company has taken the following measures: (i) the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, depending on the number of shares to be acquired by the Tender Offeror through completion of the Tender Offer, make a request for share transfers for all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and treasury shares owned by the Company), or request the Company to hold the Meeting for which agenda items include the following proposals: (a) to conduct the Share Consolidation, and (b) to make a partial amendment to the Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. The Tender Offeror will not adopt a method that does not secure the right to request the purchase of shares or the right to petition for the determination of price of the shares for the Company’s shareholders; and (ii) It has been made clear that, in the event of the request for share transfers or the Share Consolidation, the amount of money to be delivered to the Company’s shareholders as consideration will be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder (excluding the Tender Offeror and the Company). As such, the Company’s shareholders are given an opportunity to make appropriate decisions as to whether or not to participate in the Tender Offer, and consideration has been given to ensure that no coercion is involved.
  - In order to ensure opportunities for the shareholders and holders of stock acquisition rights of the Company to make appropriate decisions whether to participate in the Tender Offer and ensure the fairness of the Tender Offer Price, the period for the purchase, etc. in the Tender Offer has been set at 38 business days, which is longer than the minimum period of 20 business days stipulated by the relevant laws and regulations.
- I. It is not unreasonable not to set a minimum number of shares to be purchased that exceeds the number constituting the Majority of Minority.
- The Tender Offeror directly owns 27,613,050 shares (ownership ratio: 57.69%) of the Company Shares, so if a minimum number of shares to be purchased in the Tender Offer is set, it would make a successful completion of the Tender Offer uncertain, and, as a result, would not contribute to the interests of the Company’s general shareholders who wish to participate in the Tender Offer. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer constituting the so-called “Majority of Minority.” However, (i) the Company believes that since it has adopted the above measures and taken the necessary actions to ensure the fairness of the Tender Offer and to avoid conflicts of interest, the interests of minority shareholders have been fully considered, and (ii) as described below, considering that the Tender Offer Price is considered to be at a reasonable level, and other factors, it is not unreasonable not to set the minimum number of shares to be purchased in the Tender Offer constituting the Majority of Minority.



### iii. Appropriateness of the terms and conditions of the Transaction

#### A. Tender Offer Price

The Special Committee believes that the Tender Offer Price of 5,400 yen is a reasonable price for the following reasons.

- The Special Committee independent of the Company and the Tender Offeror negotiated the Tender Offer Price. Accordingly, it is found that it was first ensured that there were circumstances where reasonable efforts could be made to conduct the Transaction under the terms and conditions that are advantageous for general shareholders to the extent possible, that is, circumstances that can be considered the same as an arm's-length transaction, and after that the price was agreed through earnest negotiations, upon a total of six price proposals by the Tender Offeror, ranging from the price for the initial proposal (4,600 yen) to the price for the final proposal (5,400 yen).
- The Tender Offer Price is a price with a premium of 16.76% to the highest closing price of the Company Shares since its listing in 1995 (closing price on February 27, 2025), based on the long-term stock price trends of the Company, and is a price that does not result in economic disadvantage to shareholders who acquired the Company Shares in the market.
- The Business Plan (from the fiscal year ended February 28, 2025 to the fiscal year ending February 28, 2030), used by Plutus Consulting and Mizuho Securities as the basis for the share valuation, is based on the assumption that the Company's principal businesses, 3BM (facility management, cleaning services, and security services), will achieve reasonable levels of improvement and growth, including increased operating income due to improved productivity. Therefore, no unreasonable points were identified, such as assumptions that would result in the Tender Offer Price being unreasonably low.
- According to the results of the share valuation performed by Mizuho Securities, the value per share of the Company has been determined as follows: under the market-based valuation method, between 4,209 yen and 4,625 yen; under the comparable company analysis method, between 4,058 yen and 4,496 yen; and under the DCF method, between 3,416 yen and 5,862 yen. The Tender Offer Price is above the upper limit of the valuation results based on the market price method and comparable company analysis method, and within the range of the valuation results based on the DCF method.
- According to the results of the share valuation performed by Plutus Consulting, the value per share of the Company Shares has been determined as follows: under the market price method, between 4,209 yen and 4,625 yen; under the comparable company analysis method, between 3,334 yen and 4,780 yen; and under the DCF method, between 4,297 yen and 6,563 yen. The Tender Offer Price is above the upper limit of the valuation results based on the market price method and comparable company analysis method, and within the range of the valuation results based on the DCF method.
- The Tender Offer Price represents a premium of 16.76% over the closing price of 4,625 yen for the Company Shares on the TSE Prime Market on February 27, 2025, the trading day preceding the announcement date of the Tender Offer, a premium of 28.30% over the simple average closing price of 4,209 yen over the past month (from January 28, 2025 to February 27, 2025), a premium of 26.29% over the simple average closing price of 4,276 yen over the past three months (from November 28, 2024 to February 27, 2025), and a premium of 27.18% over the simple average closing price of 4,246 yen over the past six months (from August 28, 2024 to February 27, 2025). Generally, when issues have high PBR, this indicates that their corporate value is highly valued on the stock market; therefore, in tender offers and M&A transactions, there is a tendency for premiums over market prices to be lower; as of February 27, 2025, the Company's PBR was approximately 2. According to Mizuho Securities, of tender offers announced for publicly listed companies (excluding REITs) between June 28, 2019, when released the "Fair M&A Guidelines" were released, and January 31, 2025 (limited to (1) tender offers or MBO deals between parent and subsidiary companies, and (2) deals undertaken for the purpose of delisting the target company, and excluding (3) hostile tender offers, two-step acquisitions, deals involving information leaks and speculative reporting, deals where the premium on the day before the announcement was discounted, and deals that were not completed), the most

common premium rates in the Similar Deals are as follows: a premium of 20-30% over the closing price on the reference date (principally the trading day preceding the announcement date) with five deals; a premium of 20-30% over the past one-month simple average closing price with four deals; a premium of 20-30% over the past three-month simple average closing price with six deals; and a premium of 20-30% over the past six-month simple average closing price with five deals. The Tender Offer Price is considered to include a reasonable premium compared to the Similar Deals, as a premium is provided over the past one-month, past three-month, and past six-month simple average closing prices, with the most common level being 20-30%. Although the premium over the closing price of the Company Shares on the trading day preceding the announcement date fell below the most common level of 20-30%, the closing prices on the second trading day preceding the announcement date and on the trading day preceding the announcement date reached record highs since listing. Therefore, considering the significant increase in the price of the Company Shares, the Company has determined that it is not always appropriate to refer to the premium level over the closing price on the trading day preceding the announcement date. Rather, it is appropriate to consider the price from a longer-term perspective.

Further, the Stock Acquisition Rights were granted to Directors or Audit & Supervisory Board Members of the Company as stock options. The Stock Acquisition Rights can only be exercised if, at the time of exercise, the rights holder is serving as a Director, or Audit & Supervisory Board Member of the Company. Considering that the Tender Offeror cannot exercise the Stock Acquisition Rights even if it acquires these rights through the Tender Offer, the Stock Acquisition Rights Purchase Price has been set at one yen each. Based on the above, the Special Committee has determined that it is appropriate to reserve its opinion on the appropriateness of such price and resolve to leave decisions on whether or not to participate in the Tender Offer to the discretion of the holders of the Company's stock acquisition rights.

#### B. Amount to be delivered to minority shareholders in the Squeeze-Out Procedures

In the Squeeze-Out Procedures scheduled to be implemented in the event that all of the Company Shares are not acquired in the Tender Offer, the amount of money to be delivered to minority shareholders is scheduled to be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder. Based on the foregoing, the Special Committee considers that such amount of money is reasonable based on the same rationale as for the Tender Offer Price.

In the Squeeze-Out Procedures, the amount of money to be delivered to the holders of stock acquisition rights is scheduled to be calculated to be equal to the Stock Acquisition Rights Purchase Price multiplied by the number of the Company's stock acquisition rights held by each such rights holder. As described in A. above, the Special Committee reserves its opinion on the appropriateness of such amount.

#### iv. Conclusion

As described above, the Transaction contributes to enhancing the Company's corporate value and the objectives of the Transaction are reasonable; the Transaction procedures are fair from the perspective of ensuring the interests of general shareholders; the terms and conditions regarding the Transaction, including the Tender Offer Price, are appropriate; thus, (i) it is reasonable for the Company's Board of Directors to resolve to express an opinion in support of the Tender Offer, recommend the Company's shareholders to participate in the Tender Offer, and leave the decision on whether or not to participate in the Tender Offer to the discretion of the holders of the Company's stock acquisition rights, (ii) the decisions on the Transaction by the Company's Board of Directors (i.e., the decision to express an opinion in support of the Tender Offer and decision to recommend the Company's shareholders to participate in the Tender Offer, and decision to implement the Squeeze-Out Procedures through the request for share transfers or the Share Consolidation after the Tender Offer as part of the Transaction) are not detrimental to the Company's minority shareholders.

[4] Procurement by the Special Committee of share valuation report from independent third-party valuation institution

(i) Name of the valuation institution and its relationship with the Company and the Tender Offeror

In considering the Consultation Matters, the Special Committee requested Plutus Consulting, a financial advisor and third-party valuation institution independent from the Tender Offeror and the Group, to conduct a valuation of the Company Shares and obtained the Share Valuation Report (Plutus Consulting) dated February 27, 2025. Furthermore, as described in this section “(4) Measures to ensure fairness of the Transaction and measures to avoid conflicts of interest,” since the Tender Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Special Committee has not obtained a fairness opinion from Plutus Consulting regarding the fairness of the Tender Offer Price.

It should be noted that Plutus Consulting does not fall within the category of related parties of the Company and the Tender Offeror and has no significant interest in the Transaction, including the Tender Offer. Further, the compensation to be paid to Plutus Consulting in relation to the Transaction is a flat fee that will be paid regardless of whether the Transaction is consummated, and does not include any contingent fee subject to the successful completion of the Transaction, including the Tender Offer, etc.

(ii) Summary of valuation

Plutus Consulting adopted the thinking that it is appropriate to examine various valuation methods to determine the methods to be used for valuing the Company Shares, and value the Company Shares from multiple perspectives with the assumption that the Company is a going concern; based on this philosophy, Plutus Consulting arrived at a valuation of the Company Shares using the following valuation methods: the market price method (as the Company Shares are listed on the TSE Prime Market and market prices exist), the comparable company analysis method (as there are publicly listed companies comparable to the Company, allowing for inferring the value of the Company Shares through peer comparisons), and the DCF method to reflect the Company’s business details and forecasts, and other factors in the valuation. The Special Committee obtained the Share Valuation Report (Plutus Consulting) dated February 27, 2025, from Plutus Consulting.

The range of the value per share of the Company determined using the above methods is as follows:

Market price method:	4,209 yen to 4,625 yen
Comparable company analysis method:	3,334 yen to 4,780 yen
DCF method:	4,297 yen to 6,563 yen

For the market price method, using February 27, 2025, the trading day preceding the announcement date of the Tender Offer, as the reference date, the closing price of the Company Shares on the TSE Prime Market on that date was 4,625 yen, with the simple average closing price over the last month being 4,209 yen, over the last three months being 4,276 yen, and over the last six months being 4,246 yen, leading to a calculated range of 4,209 yen to 4,625 yen per share.

For the comparable company analysis method, Plutus Consulting selected NIPPON KANZAI HOLDINGS Co., Ltd., Nippon Air Conditioning Services Co., Ltd., Japan Elevator Service Holdings Co., Ltd., BIKEN TECHNO CORPORATION, HARIMA B.STEM CORPORATION, Shin Maint Holdings Co.,Ltd. and SANKI SERVICE CORPORATION, as publicly listed companies, whose business activities are considered relatively similar to that of the Company. Then, Plutus Consulting assessed the value of the Company Shares by employing the multiple of EBIT and EBITDA against the company value of those companies, resulting in a calculated range of 3,334 yen to 4,780 yen per share.

For the DCF method, Plutus Consulting considered factors such as the business plan prepared by the Company for the six fiscal periods from the fiscal year ended February 28, 2025 to the fiscal year ending February 28, 2030, including the projected revenues and investment plans, recent performance trends and publicly disclosed information. Based on future revenue forecasts for the Company from the third quarter of the fiscal year ended February 28, 2025 onward after considering the above factors, the expected future free cash flows were discounted to present value using a certain discount rate to analyze the corporate value and share value of the Company, resulting in a calculated range of 4,297 yen to 6,563 yen per share. Plutus Consulting applied a

discount rate of 5.9% to 8.3% and used the perpetual growth rate model and the multiple models for calculation of the terminal value. The perpetual growth rate was set at 0%, and the multiples of EBIT and EBITDA were 7.4x to 10.4x and 6.0x to 9.4x, respectively.

The consolidated financial forecasts based on the business plan prepared by the Company, which Plutus Consulting used as the basis for the valuation under the DCF method are as set forth below. It should be noted that, the business plan prepared by the Company, the fiscal years expected to involve significant increases or decreases in earnings were not included, but the fiscal years expected to involve significant increases or decreases in free cash flows were included. Specifically, for each fiscal year from the fiscal year ending February 28, 2027 to the fiscal year ending February 28, 2030, a significant increase or decrease in free cash flows compared to the previous fiscal year is projected, mainly due to an increase or decrease in capital expenditures for the promotion of DX and other initiatives. The synergies expected to result from the execution of the Transaction are not included in the valuation above because it is difficult to estimate them specifically at this time.

	(Millions of yen)					
	FYE Feb. 28, 2025 (three months)	FYE Feb. 28, 2026	FYE Feb. 28, 2027	FYE Feb. 29, 2028	FYE Feb. 28, 2029	FYE Feb. 28, 2030
Net sales	86,602	369,623	404,387	441,298	483,989	528,755
Operating income	4,547	16,550	17,027	19,232	21,809	25,197
EBITDA	5,382	20,950	21,827	24,057	27,343	31,817
Free cash flows	5,145	8,136	5,354	3,335	9,551	14,789

In determining the value of the Company Shares, Plutus Consulting, as a rule, used the information provided by the Company and publicly available information, etc. as is, assuming all such materials and information, etc. to be accurate and complete, and it does not independently verify their accuracy or completeness. No independent evaluation or assessment of the assets or liabilities (including financial derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of the Company has been conducted, nor has it requested an appraisal or assessment from a third-party institution. Plutus Consulting assumes that the information relating to the Company's financial forecasts have been prepared reasonably based on the best and most sincere predictions and judgments available to the Company's management team at this time. However, regarding the Company's business plan, which served as the basis for the valuation, Plutus Consulting has confirmed its content through Q&A sessions with the Company. Further, as described above in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," the Special Committee has verified the reasonableness of its content, material assumptions, drafting process, and so on, and has confirmed that there were no unreasonable matters.

### (iii) Summary of valuation of the Stock Acquisition Rights

The Special Committee has not obtained valuation reports or fairness opinions from third-party valuation institutions regarding the Stock Acquisition Rights Purchase Price. Further, the Stock Acquisition Rights were granted to Directors or Audit & Supervisory Board Members of the Company as stock options linked to the share price. The Stock Acquisition Rights can only be exercised if, at the time of exercise, the rights holder is serving as a Director, or Audit & Supervisory Board Member of the Company, or if they have resigned as a Director or Audit & Supervisory Board Member of the Company within the past five years. Considering that the Tender Offeror cannot exercise the Stock Acquisition Rights even if acquired, the Stock Acquisition Rights Purchase Price has been set at one yen each.

### [5] Procurement by the Company of advice from an independent legal advisor

As described above in "1. Reasons for Share Consolidation," the Company appointed Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror and the Group, and received legal advice on such matters as measures to ensure the fairness of process of the Transaction, various processes of the

Transaction, as well as methods, process and other matters to be noted for the Company's decision-making regarding the Transaction.

As described in "[3] Establishment of a special committee independent of the Company and procurement of a report from the Special Committee," the Company obtained the Special Committee's approval for the Company's appointment of Mori Hamada & Matsumoto, following confirmation that there are no issues regarding Mori Hamada & Matsumoto's independence, expertise, track record, and so on.

It should be noted that Mori Hamada & Matsumoto does not fall within the category of related parties of the Tender Offeror or the Group and has no significant interest in the Transaction, including the Tender Offer. The compensation to be paid to Mori Hamada & Matsumoto will be calculated by multiplying the hourly rate by the number of hours worked, regardless of whether the Transaction is consummated, and does not include any contingent fee subject to the successful completion of the Transaction.

[6] Construction of a framework for independent consideration by the Company

As described above in "1. Reasons for Share Consolidation," the Company built an internal framework to consider the Transaction independently of the Tender Offeror. Specifically, since the time the Company received from the Tender Offeror the Letter of Intent on January 9, 2025, the Company has considered and established a secretariat for the Special Committee that considers the Transaction (including the preparation of a business plan that serves as the basis for the valuation of the Company Shares). The members of the secretariat (including Keiji Sagata, Executive Officer of the Company) shall be the Company's officers or employees who do not concurrently serve as officers or employees of the Tender Offeror and who have never held such positions in the past, and the Company continues to apply the same treatment.

In considering, negotiating, and making determinations regarding the Transaction within the Company, with legal advice from Mori Hamada & Matsumoto, the Company has resolved, at the Board of Directors meeting held on January 13, 2025, that Hiroyuki Watanabe, Director who concurrently serves as officer of the Tender Offeror, Kazumasa Hamada, Director who worked at the Tender Offeror in the past, and Takafumi Fujimoto, Audit & Supervisory Board Member who concurrently serves as advisor of the Tender Offeror, shall not participate in any discussions or negotiations regarding the Transaction, as they are deemed to have interests in the Transaction.

For the framework for consideration of the Company (including the scope of officers and employees of the Company involved in consideration of, negotiations for, and determinations regarding the Transaction, and their duties), including the treatment described above, the Special Committee has given its approval that there are no issues from the perspective of independence and fairness.

[7] Approval of all Directors without an interest in the Company and opinion stating that there are no objections from all Audit & Supervisory Board Members without an interest in the Company

The Company's Board of Directors, taking into account legal advice received from Mori Hamada & Matsumoto, advice from a financial perspective received from Mizuho Securities and the Share Valuation Report (Mizuho Securities), the Report received from the Special Committee, as well as the details of multiple rounds of ongoing discussions with the Tender Offeror and other related materials, carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to enhancing Company's corporate value and whether the Tender Offer Price and the terms and conditions of the Transaction, including the Tender Offer Price, were reasonable. As a result, as described above in "1. Reasons for Share Consolidation," at the Company's Board of Directors meeting held on February 28, 2025, the Company resolved to express an opinion in support of the Tender Offer, recommend shareholders to participate in the Tender Offer, and leave the decision of whether or not to participate in the Tender Offer to the discretion of the Rights Holders.

At the Company's Board of Directors meeting above, considering that the Company is a subsidiary of the Tender Offeror, and the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, from the perspective of eliminating the risk of any impact on deliberations and resolutions at the Company's Board of Directors meetings from these issues, of the eight

Directors of the Company, six Directors other than Hiroyuki Watanabe, who concurrently serves as officer of the Tender Offeror, and Kazumasa Hamada, who worked at the Tender Offeror in the past, deliberated and passed the above resolution unanimously. In addition, all two Audit & Supervisory Board Members other than Takafumi Fujimoto, who concurrently serves as advisor of the Tender Offeror, attended the above Board of Directors meeting, and all Audit & Supervisory Board Members in attendance expressed their opinion that they had no objection to the above resolution.

Further, considering that the Transaction is of a kind in which structural conflicts of interest and asymmetry of information issues are typically present, from the perspective of eliminating the risk of any impact from these issues, two Directors of the Company, Kazumasa Hamada and Hiroyuki Watanabe, and one Audit & Supervisory Board Member of the Company, Takafumi Fujimoto, have not participated in deliberations or resolutions regarding the Transaction at the Board of Directors meetings, including the above Board of Directors meeting, and have not participated on behalf of the Company in discussions or negotiations regarding the Transaction.

[8] Non-existence of deal protection provisions

The Company and the Tender Offeror have entered into no agreements to restrict the Competing Bidders from contacting the Company, such as deal protection provisions prohibiting the Company from contacting the Competing Bidders, and the Tender Offeror and the Company have been mindful of not preventing any opportunities for a competing offer, and as such, considered ensuring the fairness of the Tender Offer.

[9] Measures to ensure that the shareholders and Rights Holders of the Company have the opportunity to make appropriate decisions on whether or not to participate in the Tender Offer

As described in “(5) Policy for organizational restructuring, etc. after Tender Offer (matters relating to two-step acquisition)” under “3. Details, basis and reasons for the opinion regarding the Tender Offer” in the Opinion Press Release, (i) the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, depending on the number of Company shares to be acquired by the Tender Offeror through completion of the Tender Offer, make a request for share transfers or request the Company to hold the Meeting for which agenda items include the following proposals: (a) to conduct the Share Consolidation, and (b) to make a partial amendment to the Articles of Incorporation that would abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. The Tender Offeror will not adopt a method that does not secure the right to request the purchase of shares or the right to petition for the determination of price of the shares for the Company’s shareholders; and (ii) the Tender Offeror has made it clear that, in the event of the request for share transfers or the Share Consolidation, the amount of money to be delivered to the shareholders and Rights Holders of the Company (excluding the Tender Offeror and the Company) as consideration will be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder or equal to the Stock Acquisition Rights Purchase Price multiplied by the number of the Stock Acquisition Rights held by each such rights holder. As such, the Tender Offeror is ensuring that the shareholders and Rights Holders of the Company have the opportunity to make appropriate decisions as to whether or not to participate in the Tender Offer, and is taking care to ensure that no coercion is involved.

In addition, the Tender Offeror set the Tender Offer Period to 38 business days, while the minimum period stipulated by the relevant laws and regulations is 20 business days. By setting the Tender Offer Period longer than the shortest period under the relevant laws and regulations, the Tender Offeror ensured opportunities for the shareholders and Rights Holders of the Company to make appropriate decisions whether to participate in the Tender Offer. At the same time, the Tender Offeror intended to ensure the fairness of the Tender Offer Price by ensuring opportunities for bidders other than the Tender Offeror to conduct counter offers in respect of the Company Shares.

4. Disposition of Material Assets, Assumption of Material Liabilities and Other Events Significantly Affecting the Status of Company's Assets that Occurred to the Company After the End of the Final Fiscal Year

(1) The Tender Offer

As described above in "1. Reasons for Share Consolidation," the Tender Offeror conducted the Tender Offer from March 3, 2025 to April 24, 2025, and as a result, the Tender Offeror has come to own 41,357,502 shares of the Company Shares (ownership ratio: 86.40%) as of May 2, 2025, the commencement date of settlement of the Tender Offer.

(2) Cancellation of treasury shares

The Company resolved at the Board of Directors meeting held on May 22, 2025 to cancel 606,591 treasury shares as of July 18, 2025. The cancellation of such treasury shares is subject to the approval of the proposal regarding the Share Consolidation at the Meeting, and the total number of issued shares of the Company after the cancellation of 606,591 treasury shares will be 47,863,042 shares.

## Proposal No. 2 Partial Amendments to the Articles of Incorporation

### 1. Reasons for Proposal

- (1) If Proposal No. 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of authorized shares of the Company Shares will be reduced to 24 shares in accordance with Article 182, paragraph 2 of the Companies Act. In order to clarify this point, the Company proposes that the provision concerning the total number of shares authorized to be issued in Article 6 (Total Number of Shares Authorized to Be Issued) of the Articles of Incorporation shall be amended, subject to the Share Consolidation coming into effect.
- (2) If Proposal No. 1 is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will be six shares, and there will be no need to determine the share unit. Therefore, the Company proposes that subject to the Share Consolidation coming into effect, in order to abolish the provisions concerning the share unit of the Company Shares, which is currently 100 shares per unit, the entire text of Article 8 (Number of Shares Constituting One Unit of Shares) of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly.
- (3) If Proposal No. 1 is approved and passed as originally proposed and the Share Consolidation takes effect, only the Tender Offeror will hold one or more shares of the Company Shares. Therefore, the provisions concerning the record date for the Annual General Meeting of Shareholders will no longer be necessary. Accordingly, the Company proposes that the entire text of Article 12 (Record Date for Annual General Meeting of Shareholders) of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly, subject to the Share Consolidation coming into effect.
- (4) If Proposal No. 1 is approved and passed as originally proposed, the Company Shares will be delisted in connection with the implementation of the Share Consolidation and the Tender Offeror will become the sole shareholder of the Company. Therefore, the provisions concerning the system for providing informational materials for the general meeting of shareholders in electronic format will no longer be necessary. Accordingly, the Company proposes that the entire text of Article 14 (Measures, etc. for Providing Information in Electronic Format) of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly, subject to the Share Consolidation coming into effect.

### 2. Details of the Amendments

Details of the amendments are as follows. The amendment to the Articles of Incorporation pertaining to this proposal will take effect on July 22, 2025, the effective date of the Share Consolidation, provided that Proposal No. 1 is approved and passed as originally proposed at the Meeting and the Share Consolidation takes effect.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>eighty-six million four hundred thousand (86,400,000)</u> shares.	(Total Number of Shares Authorized to Be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>twenty four (24)</u> shares.
Article 7 (Texts omitted)	Article 7 (Unchanged)
<u>(Number of Shares Constituting One Unit of Shares)</u> <u>Article 8</u> <u>The number of shares constituting one unit of shares of the Company shall be one hundred (100).</u>	(Deleted)
Article <u>9</u> - Article <u>11</u> (Texts omitted)	Article <u>8</u> - Article <u>10</u> (Unchanged)



Current Articles of Incorporation	Proposed Amendments
<u>(Record Date for Annual General Meeting of Shareholders)</u> <u>Article 12</u>	(Deleted)
<u>The record date for voting rights at the Company's Annual General Meeting of Shareholders shall be the last day of February of each year.</u>	
Article 13 (Texts omitted)	Article 11 (Unchanged)
<u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 14</u>	(Deleted)
<u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u>	
Article 15 - Article 37 (Texts omitted)	Article 12 - Article 34 (Unchanged)