



August 17, 2023

To All Concerned

Name of Listed Company	T&K TOKA CO., LTD.
Representative	Akihiro Takamizawa, Representative Director (Code: 4636; Prime Section of the Tokyo Stock Exchange)
Person In Charge	Hideaki Sekine Managing Director, Chief of Headquarters, Management Headquarters TEL: 03-3963-0511

Announcement of Opinion in Support of and Recommendation to Tender in Scheduled Tender Offer for the Company's Share Certificates, Etc. by K.K. BCJ-74

As described below, T&K TOKA CO., LTD. ("Company") hereby announces that it has resolved at the meeting of its Board of Directors held today to express an opinion that it is currently in support of a tender offer ("Tender Offer") for the Company's common shares ("Shares") and the Share Options (as defined in "2. Tender Offer Price" below; the same applies hereinafter in the description of "Share Options") by K.K. BCJ-74 ("Tender Offeror") if the Tender Offer is commenced, and to recommend the Company's shareholders and the holders of the Share Options ("Share Option Holders") to tender in the Tender Offer.

According to the Tender Offeror, the Company holds 139,370,400 issued shares of Hangzhou Toka Ink Chemical Co., Ltd. ("Hangzhou Toka Ink Chemical") (Ownership ratio of Hangzhou Toka Ink Chemical Shares (Note 1): 33.50%), its equity method affiliate in China and listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (Star Market). If the Tender Offer were implemented and the Company's control were acquired in this situation, since it would be deemed that the Tender Offeror has substantially acquired not less than 30% of Hangzhou Toka Ink Chemical Shares, it would be necessary to implement a tender offer in China for Hangzhou Toka Ink Chemical Shares under the Chinese tender offer systems. Therefore, in order to avoid this, the Tender Offer will be promptly commenced if the Company sells shares of Hangzhou Toka Ink Chemical Shares it holds so that the Ownership Ratio of Hangzhou Toka Ink Chemical Shares will be less than 30% ("China TOB Treatment Measures"), and other certain conditions provided in the tender offer agreement executed between the Company and the Tender Offeror as of today ("Tender Offer Agreement"; For details, please see "(1) Tender Offer Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below) (Note 2) ("Tender Offer Conditions") are satisfied or waived. According to the Tender Offeror, as of today, based on the consultations with a Chinese local law firm and a securities corporation, it aims to commence the Tender Offer around early January 2024. Since it is difficult to accurately estimate the time required for the China TOB Treatment Measures, the Tender Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. If the expected start time of the Tender Offer is changed, the Tender Offeror will promptly provide a notification.

(Note 1) "Ownership Ratio of Hangzhou Toka Ink Chemical Shares" means the ratio to the total number of issued shares (416,000,000 shares) as of May 24, 2023 that Hangzhou Toka Ink Chemical published in "Public Notice of Dividend Distribution for year of 2022[2022 年 年度权益分派实施公告]" on May 18, 2023 (rounded off to two decimal places).

- (Note 2) The "Tender Offer Conditions" are as follows: in addition to the China TOB Treatment Measures, (I) the Company's Board of Directors has resolved to express its opinion in support of the Tender Offer and recommending that the Company's shareholders and the Share Option Holders tender in the Tender Offer and such resolution has been disclosed in accordance with applicable laws and regulations, and such expression of opinion has not been withdrawn or changed, nor has any resolution been passed that is inconsistent therewith; (II) the special committee established by the Company's Board of Directors with respect to the Tender Offer ("Special Committee") has submitted a positive report regarding the support of the Tender Offer by the Company's Board of Directors and such report has not been withdrawn or changed; (III) all of the representations and warranties made by the Company in the Tender Offer Agreement (Note 3) are true and correct in all material respects; (IV) all of the obligations required to be performed or complied with by the Company under the Tender Offer Agreement (Note 4) have been performed or complied with in all material respects; (V) no request for the conviction of an extraordinary shareholders meeting has been made by the Company's shareholders, the subject matter of which is the distribution of surplus of the Company; (VI) confirmation has been obtained from the Company to the effect that there is no undisclosed material facts, etc. (which refers collectively to material facts about the business, etc. as set forth in Article 166, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (excluding those that have been disclosed pursuant to Paragraph 4 of the same Article) and facts concerning launch of a tender offer, etc. or a fact concerning suspension of a tender offer, etc. as set forth in Article 167, Paragraph 2 of the same Act (excluding those that have been disclosed pursuant to the Tender Offer and Paragraph 4 of the same Article); hereinafter the same) with respect to the Company; (VII) no judicial or administrative agencies' decision, etc. has been made that restricts or prohibits the Transactions (as defined below; the same shall apply hereinafter in the description of the "Transactions") and there is no specific threat thereof; (VIII) clearance under domestic and foreign competition laws and other regulatory laws has been completed (Note 5); (IX) the change of officers seconded by the Company to Hangzhou Toka Ink Chemical has been completed, (X) the cancellation of certain transactions between related parties to which Hangzhou Toka Ink Chemical is a party has been completed, (XI) the Company has cancelled, or caused its subsidiary or affiliated companies (excluding Hangzhou Toka Ink Chemical.) to cancel transactions in which it has received orders from companies located in the Russian Federation or the Islamic Republic of Iran or transactions in which ultimate customers are companies located in the Russian Federation or the Islamic Republic of Iran, (XII) if the Tender Offer had been commenced, no circumstances have arisen that would allow the withdrawal of the Tender Offer; (XIII) since the date of the Tender Offer Agreement, there has been no material adverse effect on the business, assets, liabilities, financial condition, business condition or cash flow of the Company or its subsidiaries or the execution of the Transaction, or any event or occurrence that would have such an adverse effect, or any material change in the stock market conditions or other market, financial or economic environment in Japan or abroad, and no specific threat thereof has occurred.
- (Note 3) For the detail of representations and warranties of the Company under the Tender Offer Agreement, please see "(1) Tender Offer Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below.
- (Note 4) For the detail of the Company's obligations under the Tender Offer Agreement, please see "(1) Tender Offer Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below.
- (Note 5) Approval pertaining to the notification under the competition laws of Japan and Serbia or the expiration of waiting period is included.

Therefore, as described in "(VI) Approval of All Directors (Including Audit and Supervisory Committee Members) of the Company without Conflicts of Interest" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" in "3. Contents, Basis of and Reason for Opinions on Tender Offer" below, the Company has resolved that upon the commencement of the Tender Offer, the Company will consider with the Special Committee whether or not there are any changes in the Special Committee's opinions represented to the Board

of Directors today, if there are no changes, notify to that effect to the Board of Directors, and if there are any changes, request that the Board of Directors express its new opinions, and make representations and warranties concerning the Tender Offer again at the time of the commencement of the Tender Offer based on such opinions.

According to the Tender Offeror, it is assumed that the Tender Offer will be implemented as a part of a series of transactions aimed to privatize the Shares after a series of the procedures described in "(I) Overview of Tender Offer" in "(2) Basis and Reason for Opinions on Tender Offer" and "(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called "Two-Step Acquisition"))" in "3. Contents, Basis of and Reason for Opinions on Tender Offer" below, and that the Shares will be delisted, and that the Shares will be delisted.

The above-mentioned resolutions at the meeting of the Board of Directors were made on the assumption that the Tender Offeror intends to conduct a series of transactions to privatize the Shares through the acquisition of all of the Shares (excluding the treasury shares owned by the Company) and the Share Options ("Transactions"), and that the Shares would be delisted through the Transactions.

1. Outline of the Tender Offer

(1)	Name	K.K. BCJ-74
(2)	Location	5F, Palace Building, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and Title of Representative	Yuji Sugimoto, Representative Director
(4)	Description of Business	Acquisition and ownership of the Company's share certificates, etc., and control and manage the Company's business activities
(5)	Capital	JPY 25,000 (as of August 17, 2023)
(6)	Date of Incorporation	June 13, 2023
(7)	Major Shareholders and Shareholding Ratio (as of August 17, 2023)	G.K. BCJ-73 (shareholding ratio 100.00%) (Note)
(8)	Relationship between the Company and the Tender Offeror	
	Capital Relationship	N/A
	Personal Relationship	N/A
	Business Relationship	N/A
	Applicability to Related Parties	N/A

(Note) As stated in "(I) Overview of Tender Offer" in "(2) Basis and Reason for Opinions on Tender Offer" in "3. Contents, Basis of and Reason for Opinions on Tender Offer" below, as of this day, an investment fund that receives investment advice from Bain Capital (as defined below) indirectly holds all equity interests of G.K. BCJ-73.

2. Tender Offer Price

(1) JPY 1,400 per share of common share ("Tender Offer Price")

(2) Share options (The share options set out in (I) through (VII) below are collectively referred to as "Share Options". The purchase price, etc. per Share Option in the Tender Offer is collectively referred to as "Purchase Price of Share Option".)

(I) JPY 279,800 per third share option issued based on the resolutions at the meeting of the Board of Directors held on June 19, 2015 ("Third Share Option") (Exercise period: from July 8, 2015 to July 7, 2045)

(II) JPY 279,800 per fourth share option issued based on the resolutions at the meeting of the Board of Directors held on June 17, 2016 ("Fourth Share Option") (Exercise period: from July 6, 2016 to July 5, 2046)

(III) JPY 279,800 per fifth share option issued based on the resolutions at the meeting of the Board of Directors held on June 22, 2017 ("Fifth Share Option") (Exercise period: from July 11, 2017 to July 10, 2047)

(IV) JPY 279,800 per sixth share option issued based on the resolutions at the meeting of the Board of Directors held on June 21, 2018 ("Sixth Share Option") (Exercise period: from July 11, 2018 to July 10, 2048)

- (V) JPY 279,800 per seventh share option issued based on the resolutions at the meeting of the Board of Directors held on June 20, 2019 ("Seventh Share Option") (Exercise period: from July 10, 2019 to July 9, 2049)
- (VI) JPY 279,800 per eighth share option issued based on the resolutions at the meeting of the Board of Directors held on June 19, 2020 ("Eighth Share Option") (Exercise period: from July 9, 2020 to July 8, 2050)
- (VII) JPY 280,000 per ninth share option issued based on the resolutions at the meeting of the Board of Directors held on June 18, 2021 ("Ninth Share Option") (Exercise period: from July 8, 2021 to July 7, 2051)

3. Contents, Basis of and Reason for Opinions on Tender Offer

(1) Contents of Opinions on Tender Offer

The Company resolved at a meeting of the Board of Directors held today to express an opinion that it is currently in support of the Tender Offer and to recommend the Company's shareholders and the Share Option Holders to tender in the Tender Offer if the Tender Offer is commenced, based on the ground and reason set out in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reason for Opinions on Tender Offer" below.

As described above, the Tender Offer is scheduled to be promptly commenced if the Tender Offer Conditions are satisfied or waived by the Tender Offer. Although it is difficult to precisely estimate the period required for the China TOB Treatment Measures as of today, the Tender Offeror aims to commence the Tender Offer around early January 2024. Therefore, as described in "(VI) Approval of All Directors (Including Audit and Supervisory Committee Members) of the Company without Conflicts of Interest" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, the Company has also resolved at the above-mentioned meeting of its Board of Directors that the Company will consider with the Special Committee whether or not there are any changes in the Special Committee's opinions represented to the Board of Directors as of today, if there are no changes, notify to that effect to the Board of Directors, and if there are any changes, request that the Board of Directors express its new opinions, and make representations and warranties concerning the Tender Offer again at the time of the commencement of the Tender Offer based on such opinions.

The above-mentioned resolutions at the meeting of the Board of Directors were made in such manner as is set out in "(VI) Approval of All Directors (Including Audit and Supervisory Committee Members) of the Company without Conflicts of Interest" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below.

(2) Basis and Reason for Opinions on Tender Offer

The descriptions relating to the Tender Offeror, out of the basis and reason for the opinions on the Tender Offer, are based on the explanations received from the Tender Offeror.

(I) Overview of Tender Offer

The Tender Offeror is a wholly-owned subsidiary company of G.K. BCJ-73 ("Tender Offeror's Parent Company"), whose entire equities are indirectly owned by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (individually or collectively, "Bain Capital"), and a stock company which was established on June 13, 2023 chiefly for the purpose of owning the Shares and controlling and managing the business activities of the Company. As of today, Bain Capital, the Tender Offeror's Parent Company and the Tender Offeror do not own any Shares or any Share Options.

Bain Capital is an international investment company with assets under management worth approximately 160 billion worldwide, whose approximately 50 employees have been proceeding with the effort to improve the corporate value of investees in Japan since it opened its Tokyo base in 2006. Bain Capital principally consists of professionals with experience mainly in business companies and consulting companies. Bain Capital steadily implemented a growth strategy by supporting business operation at a field level in addition to providing capital and financial support that

general investment companies do, and has a record of leading the value improvement measures toward success as set forth below. Bain Capital has a record of investing in 30 companies in Japan including IDAJ Co., LTD., EVIDENT CORPORATION, ImpactHD Inc., Hitachi Metals, Ltd. (current, Proterial, Ltd.), Net Marketing Co. Ltd., Tri-Stage Inc., Linc'well Inc., Nihon Safety Co., Ltd., IGNIS LTD., Kirindo Holdings Co., Ltd., Hey, Kabushiki Kaisha (current, STORES, Inc.), NICHIIIGAKKAN CO., LTD., SHOWA AIRCRAFT INDUSTRY CO., LTD., Cheetah Digital Kabushiki Kaisha (current, EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (current, Kioxia Corporation) and other companies. Since its establishment in 1984, Bain Capital has a record of global investment in approximately 300 companies, and approximately 1,000 companies including additional investment.

The Tender Offeror resolved to carry out the Tender Offer as a part of the Transactions if the Tender Offer Conditions are satisfied or the Tender Offeror waived the Tender Offer Conditions.

In implementing the Tender Offer, the Tender Offeror executed an agreement as of August 17, 2023 (i) to tender all of the 1,051,820 Shares owned by Koshibi (as defined below) (Ownership ratio (Note 1): 4.62%) in the Tender Offer with Yugen Kaisha Koshibi, which is the asset management company of Mr. Yoshikatsu Masuda, the former Representative Director and a shareholder of the Company ("Mr. Masuda"), and the Company's fourth shareholder (as of March 31, 2023) ("Koshibi") (Mr. Masuda and Koshibi are collectively referred to as "Mr. Masuda, Etc.") ("Tender Agreement (Koshibi)"), (ii) to tender all of the 722,870 Shares owned by Mr. Masuda (Ownership ratio: 3.17%) (The total number will be 731,070 shares together with 8,200 Shares that Mr. Masuda will receive on or after today if the conditions of the incentive plan implemented when Mr. Masuda was a former officer of the Company are met. (Ownership ratio: 3.21%)) in the Tender Offer (The agreement with Mr. Masuda is hereinafter referred to as "Tender Agreement (Mr. Masuda)", and as "Tender Agreement (Mr. Masuda, Etc.)" collectively with "Tender Offer Agreement (Koshibi)" with Mr. Masuda, (iii) to tender all of the 300 Shares owned by Mizuho Bank (as defined below) (ownership ratio 0.00%) in the Tender Offer, and to instruct Mizuho Trust & Banking to tender all of the 987,900 Shares contributed by Mizuho Bank to a retirement benefit trust for which Mizuho Trust & Banking Co., Ltd. is a trustee (ownership ratio 4.34%) in the Tender Offer ("Tender Agreement (Mizuho Bank)") with Mizuho Bank, Ltd., the Company's fifth shareholder (as of March 31, 2023) ("Mizuho Bank"), (iv) to tender all of the 756,000 Shares owned by Meiji Yasuda (as defined below) (Ownership ratio 3.32%) in the Tender Offer, ("Tender Agreement (Meiji Yasuda)") with Meiji Yasuda Life Insurance Company, the Company's ninth shareholder (as of March 31, 2023) ("Meiji Yasuda"), (v) to tender all of the 750,370 Shares owned by Ms. Ueda (as defined below) (Ownership ratio 3.29%) in the Tender Offer, ("Tender Agreement (Meiji Yasuda)") with Ms. Mikako Ueda, the Company's tenth shareholder (as of March 31, 2023) ("Ms. Ueda"), (vi) to tender all of the 741,680 Shares owned by Yasushi (as defined below) (Ownership ratio 3.25%) in the Tender Offer ("Tender Agreement (Yasushi)") with Mr. Yasushi Masuda ("Yasushi"), and (vii) to tender all of the 647,100 Shares owned by Hiromi (as defined below) (Ownership ratio 2.84%) in the Tender Offer ("Tender Agreement (Hiromi)") with Ms. Hiromi Masuda ("Hiromi"), and (viii) to tender all of the 581,780 Shares owned by Asuka (as defined below) (Ownership ratio 2.55%) in the Tender Offer ("Tender Agreement (Asuka)") with Ms. Asuka Masuda ("Asuka") (Mr. Masuda, Etc., Mizuho Bank, Meiji Yasuda, Ms. Ueda, Yasushi, Hiromi and Asuka are collectively referred to as "Tendering Shareholders."), and has agreed to tender all of the 6,248,020 Shares owned by the Tendering Shareholders (Ownership ratio 27.42%) in the Tender Offer if the Tender Offer is commenced.

(Note 1) "Ownership ratio" means the ratio (rounded to two decimal places; the same applies hereinafter in the calculation or ownership ratio) to the number of shares obtained by (A) deducting 50,287 shares, the number of treasury shares that the Company owns on the same day (excluding 234,600 Shares owned by the board benefit trust as the stock compensation plan of the directors of the Company as of today (excluding the directors who are audit and supervisory committee members and outside directors; hereinafter the same regarding the treasury shares owned by the Company) from (B) 22,806,240 shares, the total number of issued shares as of June 30, 2023 set out in "First Quarter Report for the 82nd Business Term" ("Company

First Quarter Report") submitted by the Company on August 10, 2023 and (C) adding the number of the Shares underlying the Share Options remaining as of this day (152 units) (30,400 shares) to 22,755,953 shares, which is obtained by deducting (A) from (B) (22,786,353 shares).

In the Tender Offer, the Tender Offeror sets the minimum planned purchase quantity at 15,170,600 shares (Note 2) (ownership ratio: 66.58%), and if the total number of share certificates, etc. tendered in the Tender Offer ("Tendered Share Certificates") falls short of the minimum planned purchase quantity (15,170,600 shares), the Tender Offeror will purchase none of the Tendered Share Certificates. On the other hand, given that the purpose of the Tender Offeror is to privatizing the Shares by obtaining all of the Shares (excluding the treasury shares owned by the Company) and all of the Share Options, the Tender Offeror has not set any maximum planned purchase quantity. The Tender Offeror will purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is no less than the minimum planned purchase quantity (15,170,600 shares).

(Note 2) According to the Tender Offeror, since the minimum planned purchase quantity is a tentative number relied on the information as of the today, it is likely that the actual minimum planned purchase quantity in the Tender Offer may differ from the above numbers due to the fluctuation of the total number of issued shares and the number of treasury shares owned by the Company after the said time. Also, the Tender Offer will determine the final minimum planned purchase quantity based on the latest available information as of the commencement time of the Tender Offer before the commencement of the Tender Offer.

The Tender Offeror has set the minimum planned purchase quantity (15,170,600 shares) to the number of shares (15,170,600 shares) obtained by the following formula: the number of voting rights (227,559 units) pertaining to the number of shares (22,755,953 shares) obtained by deducting the treasury shares the Company owns as of June 30, 2023 (50,287 shares) from the total number of issued shares as of the same day set out in the Company First Quarter Report (22,806,240 shares) multiplied by 2/3 (151,706 units) multiplied by the number of share units (100 shares) of the Company. If the Tender Offeror fails to acquire all of the Shares (excluding the treasury shares owned by the Company) and all of the Share Options in the Tender Offer, after the successful completion of the Tender Offer, as set out in the "(5) Organizational Restructuring, after Tender Offer and Other Policies (Matters Concerning the "Two-Step Acquisition")" below, the Tender Offeror will request the Company to implement a series of procedures to make the Tender Offeror the only shareholder of the Company and delist the Shares ("Squeeze Out Procedures"). Since the special resolution at a shareholders meeting provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended) ("Companies Act") is required in order to implement share consolidation as a part of the Squeeze Out Procedures, the Tender Offeror has set the minimum planned purchase quantity so that the Tender Offeror will own at least two thirds of the voting rights of all shareholders after the Tender Offer in order to ensure the implementation of the Squeeze Out Procedures. The number of the Share Options remaining as of this day is 152 units and the number of the underlying shares is 30,400 shares. In principle, these Share Options may be exercised only for the period of 10 days starting from the day following the date on which a Share Option Holder loses the status as the director of the Company. Since (i) the Share Option Holders are only two incumbent directors of the Company, who have not satisfied any conditions for exercising the Share Options, and the term of all Share Option Holders as the directors of the Company is until the end of the annual shareholders meeting regarding the fiscal year ending March 2024 of the Company, and it is not expected that the Share Options are exercised during the purchase period pertaining to the Tender Offer ("Tender Offer Period") or the Shares are issued or transferred to the Share Option Holders, and (ii) as stated in "(5) Organizational Restructuring after Tender Offer and Other Policies (Matters Concerning the "Two-Step Acquisition")" below, if the Tender Offer is successfully completed, the Tender Offeror will request the Company to implement procedures reasonably necessary to implement the Transactions such as acquisition and cancellation of the Share Options or recommending that the Share Option Holders waive the Share Options, or implement such procedures by itself, and the Company intends to cooperate when it received such request. Therefore, the Tender

Offeror does not consider the number of shares underlying the Share Options upon setting the minimum planned purchase quantity.

The Tender Offeror plans to fund the Transactions including the Tender Offer, out of borrowings from two domestic financial institutions ("Bank Financing") and contributions from the Tender Offeror's Parent Company ("Contribution"). The Tender Offeror plans to receive the Bank Financing by the business day prior to the date on which the settlement of the Tender Offer starts and the Contribution by two business days prior to the date on which the settlement of the Tender Offer starts subject to the successful completion of the Tender Offer and other conditions. The amount procured by the Bank Financing and the Contribution will be the amount exceeding JPY 31,900,311,800, which is the total amount of (i) the number of shares obtained by (A) deducting the number of treasury shares that the Company owns as of June 30, 2023 (50,287 shares) from (B) the total number of issued shares as of the same day set out in the Company First Quarter Report (22,806,240 shares) (22,755,953 shares), multiplied by the Tender Offer Price (JPY 1,400) (JPY 31,858,334,200) and (ii) the total of the amounts obtained by multiplying the number of the Share Options remaining as of today (152 share options) by respective Purchase Price of Share Option (3rd to 8th series of Share Options: JPY 279,800, 9th series of Share Options: JPY 280,000) (JPY 41,977,600).

(II) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer and Management Policies after the Tender Offer

(i) Management Environment Surrounding the Company

The Company was established in December 1949 as Toka Shikiso Chemical Industry Corporation, whose purpose is to manufacture and sell inks for printing. Then, the Company changed its company name to T&K TOKA CO., LTD. (株式会社ティーアンドケイ東華)(Trade name: T&K TOKA CO., LTD. (株式会社 T&K TOKA)) in January 1991, and changed its registered trade name from T&K TOKA CO., LTD. (株式会社ティーアンドケイ東華) to T&K TOKA CO., LTD (株式会社 T&K TOKA) in September 2015. The Shares were registered as over-the-counter shares to the Japan Securities Dealers Association in August 1997. When JASDAQ Securities Exchange, Inc. ("JASDAQ") was established in December 2004, the Company canceled the registration as over-the-counter shares to the Japan Securities Dealers Association, and listed on JASDAQ. The Shares were listed on the Second Section of the Tokyo Stock Exchange, Inc. ("TSE") in March 2012, and listed on the First Section of the TSE in March 2013. Then, following the review of the market segments of the TSE in April 2022, the Shares are listed on the Prime Market of the TSE as of today.

As of today, the group of the Company consists of the Company as well as 8 subsidiary companies and 11 affiliated companies, which add up to 19 companies (collectively, "Company Group"). The Company Group manufactures and sells inks for printing (e.g. offset inks and gravure inks), printing machines and printing-related machines (e.g. blankets), functional resin and precision dispersion products. The type and features of the main products handled by the Company Group are as set forth below.

Type of main products	Product features	Principal use
UV ink (UV curable ink)	A UV ink is a type of ink that hardens (dries) instantaneously by irradiating UV (ultra violet) rays after printing. It is printed not only on paper, but also on films and metals, taking advantage of its rapid drying and hard coating features. The printing methods include planographic inks as well as resin letterpress plates and screens.	paper products, labels, cards, pamphlets and various cans, etc.
Planographic ink (Offset ink)	A planographic ink is the most mainstream printing system, which takes advantage of the repelling nature of water (dampening water) and oil (ink) on the flat printing plate. Viscous printing inks are transferred from the printing plate to the blanket and then re-transferred to	posters, pamphlets, catalogues, magazines and leaflets, etc.

	paper. There are two types of printing machines: single-sheet printing machines and rotary printing machines, which use single-sheet ink and offset rotary printing ink, respectively. Recently, waterless planographic printing is adopted, which use a printing plate using silicone rubber that does not use water.	
Res in letterpress plate ink (Flexographic ink)	A resin letterpress plate ink is a printing method that uses a letterpress type printing plate made of flexible elastic materials such as rubber and resin, and a liquid printing ink. The ink is transferred to the convex part of the printing plate, and printed directly on paper or film. In addition to the conventional solvent type, the ink has been transformed into an environment-friendly solvent-free ink, such as a water-based ink and UV ink.	labels, paper products, paper bags and cardboard box, etc.
Gravure ink	A gravure ink is an intaglio printing method in which ink in the recessed part of the printing plate is transferred to paper or film, and is suitable for a large amount of printing.	bags for frozen foods or confectionery, publications and paper products, etc.
Printing ink for metal	A printing ink for metal is an ink for printing pictures on the surface of a metal such as a tin plate or an aluminum plate, and is printed in various printing methods. After printing, the ink is dried and baked, but the UV printing method is also used.	Food cans, beverage cans and art cans, etc.
Special functional ink	A special functional ink is used for various special purposes, mainly for electronic materials, taking advantage of the chemical properties of inks and printing methods.	FPD (flat panel display) and electronic board, etc.
Functional resin	A functional resin is manufactured by use of petroleum-based raw materials and naturally-derived raw materials using organic synthetic reactions, and is used as a raw material for printing inks, paints, adhesives and films.	Anti-corrosive paint for bridges, industrial adhesives for automobiles, metal coatings, gravure and flexographic inks, special functional films and FRP (fiber reinforced plastics)

Given thirty years have passed since the Company changed its name in January 1991, the Company Group has established (a) its management principle (Contribute to Society by Providing "Truly Good Products for Customers" with "Unique Technology"), (b) its 2030 Vision (Become a Global Company in which Individuals and Organizations Grow Together and are Trusted by Society), and (c) its Fundamental Management Policies ("Think and Act from Customer's Point of View to Create Value", "Assist Employees Striving for Their Own Growth and Fairly Evaluate Their Performance" and "Solve Social Issues through Business Activities") ((a) through (c) are collectively referred to as "Long-term 2030 Vision".) on January 1, 2021. The Long-term 2030 Vision is formulated based on the Company's corporate slogan, "Technology and Kindness", which has been used since the establishment of the Company, in an aim to clarify the Company's missions, desired form of the Company, and officers and employees' responsibilities and share the direction in the changing management environment. Based on the Long-term 2030 Vision, the Company intends to establish sustainable form of the Company by improving both economic value and environmental/social value. As a sustainability vision (long-term management strategy), the Company (a) aims to achieve the numeral targets for fiscal year 2030 (operating profit margin: 8.0%, ROE: 8.0%, dividend payout ratio: 50% or more) through clarifying business domains, appropriately allocating management resources, and co-working with our stakeholders, and (b) promoting product development and conversion to problem-solving business models that contribute to the realization of a

sustainable society while appropriately capturing structural changes in society and face-to-face industries as well as promoting product portfolio reforms, in order to build a way to achieve sustainable growth for society and the Company Group. Specifically, with respect to inks for printing, which are the Company Group's core products, there is a room for improvement in environmental and safety aspects in the flexible packaging printing field. The Company has achieved a shift from solvent inks, which are currently the mainstream, to EB inks, which are expected to improve the quality of printing and expand the scope of applications, and have less environmental impact and higher safety because they do not use solvents that emit odors in the printing process, thereby achieving a balance between the Company Group's business growth and solving environmental and social issues. With respect to UV inks used for printing labels and paper products, we are working to reduce environmental burdens and to maintain and strengthen market competitiveness through initiatives such as improving low-energy curability and improving the recycling performance of printed materials.

On the other hand, while the global economy is picking up, particularly in developed countries, due to the gradual easing of restrictions on economic activities that were imposed as measures against COVID-19 and the effects of economic measures taken in various countries, the business environment surrounding the Company Group is in highly uncertain, mainly due to the impact of the mutant strains of COVID-19 as well as the consequences of the situation in Ukraine and its impact on resource and energy prices. Therefore, the Company Group recognizes that it should pay attention to the constraints on procurement of raw materials, the disruption in logistics, and the continued rise in raw material prices. With respect to the situation of the printing industry, which is a source of demand for inks for printing, since the demand for printed materials has continued to decline due to the advance of digitization accelerated by the COVID-19 pandemic, publication printing has been on a decreasing trend, commercial printing has been unchanged. While package printing as a whole has maintained growth, handling of sustainability is the main theme in each field.

In order to fulfill the Company Group's social responsibilities to various stakeholders, it is necessary for the Company Group to survive and grow sustainably. In the business environment set out above, the Company Group's business performance has been sluggish. The consolidated net sales was JPY 48,217 million in the fiscal year ended March 2020, before the spread of COVID-19. This figure was decreased to JPY 43,667 million in the fiscal year ended March 2023, the immediately preceding fiscal year. The Company believes that fundamental management reforms are necessary for the Company Group's survival and sustainable growth. The Company is considering measures for the long-term survival and sustainable growth of the Company Group, listing specific measures in the Long-term 2030 Vision: (I) "specialization in products that contribute to sustainability," (II) "product portfolio reform," and (III) "conversion to a problem-solving business models." The Company believes that it is necessary to verify the appropriateness of such measures, secure human resources for implementing such measures and change the mindset of the Company's officers and employees in order to implement such measures.

(ii) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer

Bain Capital has been conducting research and study on investees in Japan. After being introduced to the Company by a financial institution, Bain Capital held an initial interview with the Company on December 21, 2022 to share information on the details of general management support that Bain Capital provides to their investees as well as hypotheses on initial growth directions such as improving earnings across the entire company and further strengthening of overseas businesses and new areas. Subsequently, Nippon Active Value Fund PLC ("NAVF") and Michael 1925 LLC ("Michael 1925"), the joint holders of Dalton Investments LLC ("Dalton LLC") (Dalton LLC, NAVF and Michael 1925 are collectively referred to as "Major shareholders Group"), and Hikari Acquisition K.K. ("Hikari Acquisition") commenced a tender offer for the Shares on January 10, 2023. On January 23, 2023, Bain Capital held another exchange of views with the Company regarding the Company's capital policy and Bain Capital's past investment cases in private transactions. Then, on March 15, 2023, Bain Capital was asked through Nomura Securities Co., Ltd. ("Nomura Securities"), a financial advisor of the Company, to participate in the selection process ("Process";

For details, please see "(i) Background of Establishment of Consideration System" in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" below.) of the partner ("Partner") of the Transactions. Assuming that the Shares will be delisted as requested in participating in the Process, Bain Capital began considering the acquisition of the Shares in mid-March 2023. Thereafter, in the Process, from mid-March 2023 to mid-May 2023, Bain Capital conducted due diligence on the Company Group's business, finance, tax and legal affairs, and had an interview with the Company's management to understand the details of the Company Group, and further analyzed and considered the acquisition structure and the management policy after the Shares are delisted.

As a result of this consideration, Bain Capital has acclaimed the Company's track record, particularly in the UV ink market. Specifically, Bain Capital recognizes that the following four points are the Company's advantages and believes that they are consistent with Bain Capital's investment policy because the Company has competitiveness and a room for potential growth.

- I. Technological and developmental capabilities to continue providing products of high value
- II. Service capabilities to provide a detailed response to customer needs
- III. Strong trust with customers and brand power in Japan and overseas
- IV. Highly experienced human resources to support them

Bain Capital recognizes that the Company has developed and expanded its business not only into inks for printing but also into functional resins and precision dispersion products. Also, Bain Capital recognizes that the Company has advantages in terms of product quality and customer service especially backed by its high technological capabilities in the domestic UV ink market, and is as highly attractive an investee as Bain Capital's former investees. Bain Capital intends to fully support the Company by designing and implementing a growth strategy and business structure transformation using a consulting approach and by providing personnel support. Based on the past investment experiences, Bain Capital believes that it would be possible to provide the following supports to the Company.

a) Hands-on management support based on extensive investment experience

While many of human resources of general private equity funds are from the financial industry, Bain Capital is mainly comprised of professionals with management consulting or business experience in business companies. Therefore, Bain Capital has adopted a model in which it actively participates in management support of its investee companies, and where necessary, has "available" members with extensive experience on site to thoroughly support high-priority management issues. The systematic experience of hands-on support in the field of businesses leads to the discovery of new sources of value through business enhancement even in the pre-investment due diligence phase.

In addition, Bain Capital's dedicated management support unit (portfolio group) will be able to provide the Company's further growth with the management expertise that Bain Capital has accumulated through its global investment support experience in the manufacturing industry and related regions. Bain Capital has a Japanese portfolio group as well as a global one, which supports a variety of management projects, from sales growth of existing businesses and the launch of new businesses to cost efficiency in its investees. Bain Capital also believes that it is possible to increase the Company's corporate value if the portfolio group provides full support to realize the mutual vision with the Company's management team.

b) Strengthening Human Resources and Organizational Infrastructure to Support Existing Management for Mid- to Long-Term Growth

Bain Capital has stated that it expects to make the investment based on the assumption that the Company's existing management will continue to exist. On the other hand, Bain Capital also believes that it will be important to reinforce human resources as necessary to ensure the rapid implementation of strategies as a foundation for

maximizing the Company's corporate value in the future. In this context, Bain Capital has stated that it is able to introduce a wealth of talent from its global network in areas where the need for supplementation has been agreed upon with the existing management.

Bain Capital has a management talent pool of over 100 people in Japan alone, and has hired a large number of management personnel at companies it has previously invested in. In addition to management personnel, Bain Capital also focuses on strengthening human resources at the front-line level. For example, Bain Capital has helped the Skylark Group build an organizational infrastructure to support its growth by strengthening human resources and organizations in the areas of personnel affairs, finance, sales and store development in response to a request from the existing management that these areas were lacking in human resources and established new departments.

c) M&A and PMI Support

In the Company's mid-term management plan for the second term, "With You toward 2024", established as of May 24, 2022 (from the term ended in March 2023 to the term ended in March 2025) (the "Mid-term Management Plan"), it has identified "M&A strategy" and "strengthening of supervision over investments and M&As" as issues to be addressed. Bain Capital has made 30 investments in Japan to date, and plans to take full advantage of its wide range of practical know-how concerning the industry and acquisitions and its expertise on post-investment businesses and organizational integrations that it has developed through its past investments and its access to new investment opportunities made possible by its network.

Specifically, Bain Capital expects to provide one-stop support for a series of processes, including selection of and approach to investment targets, execution of due diligence, materialization of future growth plans, PMI for integration with the Company's operations and establishment of an efficient management system.

In addition, by leveraging its global expertise and structure, Bain Capital will be able to provide the abovementioned full support for overseas M&As which are more challenging. Bain Capital is a fund with a global consulting approach and hands-on support for corporate value enhancement as part of its DNA, and is confident that it can provide extensive support for overseas M&As.

Based on the results of the above analysis and review, on May 16, 2023, Bain Capital submitted a draft final proposal to the Company regarding the privatization of the Shares through a tender offer for the Shares and Share Options, and thereafter, on May 23, 2023, it submitted a final proposal that stated that the Tender Offer Price will be JPY 1,400 and the Purchase Price of Share Options will be the difference between the Tender Offer Price of JPY 1,400 and the exercise price per Share for each Share Option (the difference between the Tender Offer Price of JPY 1,400 and the exercise price of JPY 1 for the 3rd to 8th series of Share Options is JPY 1,399 and the difference between the Tender Offer Price of JPY 1,400 and the exercise price of JPY 0 for the 9th series of Share Options is JPY 1,400) multiplied by the number of Shares to be issued for each Share Option. The proposed Tender Offer Price of JPY 1,400 includes a premium of 17.45% (rounded to two decimal places; the same applies hereinafter in the calculation of the premium percentage) on the closing price of JPY 1,192 of the Shares on the TSE Prime Market on May 22, 2023 (i.e. the business day immediately preceding the date of submission of the final proposal which was May 23, 2023), a premium of 19.66% on the simple average closing price of JPY 1,170 (rounded to the nearest whole number; the same shall apply hereinafter in the calculation of the simple average closing price) of the Shares on the TSE Prime Market for the past month ended May 22, 2023, a premium of 24.56% on the simple average closing price of JPY 1,124 of the Shares on the TSE Prime Market for the past three months ended May 22, 2023, and a premium of 21.63% on the simple average closing price of JPY 1,151 of the Shares on the TSE Prime Market for the past six months ended May 22, 2023. Subsequently, on May 26, 2023, Bain Capital was notified through Nomura Securities that Bain Capital had been selected as the final candidate.

Thereafter, Bain Capital was proceeding with discussions with the Company regarding the contents of the Tender Offer Agreement and the procedures necessary to carry out the China TOB Treatment Measures in an aim to announce the Transactions in late June 2023. However, in mid-June 2023, since it became clear that it would take considerable time to prepare for the procedures, which are necessary to carry out the China TOB Treatment Measures, Bain Capital determined to postpone the timing of announcing the Transactions by consulting with the Company. After that, in early July 2023, taking into account the status of the discussion with the Company regarding the Tender Offer Agreement and the preparation for the China TOB Treatment Measures, Bain Capital notified the Company that it was planning to announce the Transactions around early August 2023, and continued discussions with the Company regarding the contents of the Tender Offer Agreement as well as practical preparation and procedures for implementing the China TOB Treatment Measures. Since around early August 2023, it became clear that it would take more time for discussions with the Company on the Tender Offer Agreement and the preparation for the China TOB Treatment Measures, Bain Capital continued discussions with the Company on the contents of the Tender Offer Agreement as well as the practical preparation and procedures necessary to carry out the China TOB Treatment Measures in an aim to announce the Transactions in late August 2023.

After Bain Capital was notified that it had been selected by the Company as the final candidate for the Partner, Bain Capital commenced discussions (i) on June 9, 2023, with Mr. Masuda, Etc. to conclude the Tender Agreement (Mr. Masuda, Etc.), (ii) in early June 2023, Bain Capital commenced discussions with Mizuho Bank and Meiji Yasuda to conclude the Tender Agreement (Mizuho Bank) and the Tender Agreement (Meiji Yasuda), (iii) in mid-June 2023, Bain Capital commenced discussions with Ms. Ueda to conclude the Tender Agreement (Ms. Ueda), and (iv) in late July 2023, Bain Capital commenced discussions with Asuka, Hiromi and Yasushi to conclude the Tender Agreement (Asuka), the Tender Agreement (Hiromi) and the Tender Agreement (Yasushi), and each Tendering Shareholders respecting that the terms and conditions of the Tender Offer will be determined after the Process, concluded these Tender Agreements as of August 17, 2023. The Company and each of the Tendering Shareholders discussed the details of each Tender Agreement, in which each of the Tendering Shareholders agreed to tender all of the Shares they hold in the Tender Offer to be conducted at the Tender Offer Price. For details on each tender agreement above, please see "4. Matters Related to Important Agreements Concerning the Tender Offer" below.

In addition to the above, given that it was confirmed that the preparations to commence the China TOB Treatment Measures were completed in mid-August 2023, and that on August 17, 2023, the contents of the Tender Offer Agreement with the Company including the Tender Offer Price and the Purchase Price of Share Option (Each price is the same as that stated in the final proposal submitted on May 23, 2023, and there have been no negotiations between the Tender Offeror and the Company regarding such price after the submission of the final proposal.) have been agreed on, on August 17, 2023, the Tender Offeror decided to conduct the Tender Offer as a part of the Transactions, with the Tender Offer Price set at JPY 1,400 and the Purchase Price of Share Options set at the difference between the Tender Offer Price of JPY 1,400 and the exercise price per Share for each Share Option multiplied by the number of Shares to be issued for each Share Option once the Tender Offer Conditions are satisfied or waived by the Tender Offeror.

(iii) Management Policy after Tender Offer

As described in "(ii) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer" above, after privatizing the Company through the Transactions, in light of its past investments and experience, Bain Capital will provide the Company with hands-on management support based on its extensive investment experience, strengthen human resources and organizational infrastructure to support the Company's existing management for long-term growth and support measures for maximizing the Company's corporate value through M&A and PMI support.

Bain Capital's management policy for the Company after the completion of the Transactions is, in principle, to maintain the current management structure and have the current management continue to play a leading role in the

management of the Company group, although it is considering dispatching a few directors to the Company. With regard to the invitation and necessity of outside personnel, Bain Capital expects to utilize its global network to introduce appropriate personnel if it is determined, after consultation with the Company's current management, that such personnel will contribute to the future growth of the Company. As for other matters concerning the management structure and management policy, Bain Capital has left these matters open to be discussed and considered between the Tender Offeror and the Company after the completion of the Tender Offer.

(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor

(i) Background of Establishment of Consideration System

The Company had been considering measures to maximize its corporate value from a mid- to long-term perspective, based on the management environment described in "(i) Management Environment Surrounding the Company" in "(II) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer and Management Policies after the Tender Offer" above. From late July 2022 to mid-February 2023, several private equity funds expressed to the Company their interest in the going-private transaction of the Shares, including the possibility of a management buyout (MBO), and met with the Company and made proposals for the going-private transaction of the Shares. Based on this, the Company provided opportunities for each company that had expressed an interest to discuss management policies with the Company's management. Furthermore, Rising Sun Management Ltd. ("RSM"), by a letter dated September 12, 2022 and with the consent of Dalton LLC, proposed a going-private transaction (i.e. management buyout (MBO)) initiated by the Company's management. The Company responded to this by asking detailed questions, but the proposal was withdrawn before the Company could receive sufficient answers. Subsequently, on January 10, 2023, NAVF and Michael 1925, joint holders of Dalton LLC with respect to the Shares in the report on large shareholdings of shares, and Hikari Acquisition commenced a tender offer for a part of the Shares (tender offer period: January 10, 2023 to February 22, 2023) but the tender offer was unsuccessful.

Under these circumstances, from late July 2022 to mid-February 2023, the Company had received proposals for a going-private transaction of the Shares, including the possibility of a management buyout (MBO), from three private equity funds who had expressed an interest in the going-private transaction of the Shares, including Bain Capital ("Prospective Partners"). Based on this, the Company decided to commence the Process, having determined that it had reached the stage where it must seriously consider whether or not a going-private transaction of the Shares is an option that it should take from the viewpoint of enhancing its mid- to long-term corporate value. In late February of the same year, the Company appointed Nomura Securities as the Company's financial advisor and Mori Hamada & Matsumoto as the Company's legal advisor both of whom are independent from the Prospective Partners, the Tender Offeror, the Major Shareholders Group, Mr. Masuda, Etc. and the Company. In considering the Process, although the Tender Offer does not constitute a tender offer by a controlling shareholder, when conducting the Tender Offer concerning the Transaction, the Prospective Partners including Bain Capital may enter into an agreement with the Major Shareholders Group and Mr. Masuda, Etc. stating their decision to tender or not tender their Shares in the Tender Offer. Because the interests of the Major Shareholders Group and Mr. Masuda, Etc. and that of the Company's general shareholders (the same meaning as "minority shareholders" in Article 441-2 of the TSE's Securities Listing Regulations and Article 436-3 of the Enforcement Rules for Securities Listing Regulations; The same applies hereinafter.) may not necessarily align, the Company, based on its responsibility to eliminate any arbitrariness in the Company's decision-making on the Transactions and the Process, enhance corporate value and benefit the general shareholders and with the purpose of considering and judging the appropriateness of the Transactions and the Process as well as the terms and conditions thereof and the fairness of procedures including the Process, commenced the establishment of a system that enables the consideration and negotiation of the Transactions from a standpoint independent of the Prospective Partners including Bain Capital, the Major Shareholders Group, Mr. Masuda, Etc. and the Company as well as the Transactions' success or failure.

Specifically, as described in "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, since early March 2023, the Company has been preparing for the establishment of the Special Committee, which will be composed of the Company's independent outside directors. Subsequently, on the 14th of the same month, by a resolution of its Board of Directors, the Company established a Special Committee composed of Mr. Kenji Otaka (independent outside director (at that time; as of today, outside director) and Audit and Supervisory Committee Member of the Company), Mr. Satoshi Noguchi (independent outside director and Audit and Supervisory Committee Member of the Company) and Mr. Koichi Hanabusa (independent outside director and Audit and Supervisory Committee Member of the Company) (Hideaki Kimura (independent outside director and Audit and Supervisory Committee Member of the Company) was elected as a member of the Special Committee in addition to the above three members at the meeting of the Company's Board of Directors held on June 23, 2023. Therefore, the Special Committee consists of the above four members after the said meeting of the Company's Board of Directors. Including the background of the election, for the background of establishment of the Special Committee, the background of consideration and the details of the decision, please see "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer"), and consulted the Special Committee on (i) the reasonableness of the purpose of the Transactions (including whether the Transactions will contribute to the enhancement of the Company's corporate value), (ii) the fairness and appropriateness of the procedures for the Transactions (including the Process), (iii) the fairness and appropriateness of the terms and conditions of the Transactions, (iv) (if a tender offer will be made as a part of the Transactions) whether the Company's Board of Directors should express its support of the tender offer and recommend that the Company's shareholders tender their shares in the tender offer, and (v) in light of the above, whether decision-making by the Company's Board of Directors concerning the implementation of the Transactions would be disadvantageous to the Company's general shareholders (collectively, "Consultation Matters"). In establishing the Special Committee, the Company's Board of Directors also resolved that (i) the decision by the Company's Board of Directors regarding the implementation of the Transactions will be made with the utmost respect for the details of the decision by the Special Committee, including the approval or disapproval of the tender offer, and (ii) the Board of Directors will not approve the implementation of the Transactions if the Special Committee determines that the implementation or terms and conditions of the Transactions are not appropriate, and also resolved to grant to the Special Committee authority to (i) be substantially involved in the negotiation process between the Company and the Prospective Partners (including giving instructions or making requests regarding the negotiation policy with the Prospective Partners, and engaging in negotiations with the Prospective Partners on its own as appropriate), (ii) appoint its own financial, legal or other advisors (costs will be covered by the Company in such case) or to nominate or approve (including ex post facto approval) financial, legal or other advisors of the Company as necessary in considering and making decisions concerning the Consultation Matters, and (iii) receive, as necessary, information necessary for considering and making decisions on the Consultation Matters from the Company's officers and employees or other persons deemed necessary by the Special Committee. As described in "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, based on the abovementioned authority, in mid-March 2023, the Special Committee decided to appoint Iwata Godo as its independent legal advisor that is independent from the Prospective Partners, the Tender Offeror, the Major Shareholders Group, Mr. Masuda, Etc. and the Company. Additionally, on March 14 of the same year, as described in "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, the Special Committee approved

the appointment of Nomura Securities, the Company's financial advisor and third-party calculation agent, and Mori Hamada & Matsumoto, the Company's legal advisor, after confirming that there were no problems with its independence and expertise.

(ii) Background of Consideration and Negotiation

As described in "(i) Background of Establishment of Consideration System" above, in light of the fact that the Company had received proposals from the Prospective Partners for a going-private transaction of the Shares, including the possibility of a management buyout (MBO) from late July 2022 to mid-February 2023, the fact that it had received a proposal from RSM with consent from Dalton LLC for a management buyout (MBO) and the fact that the subsequent tender offer for a part of the Shares made by NAVF and Michael 1925, who are joint holders of Dalton LLC with respect to the Shares in the report on large shareholdings of shares, and Hikari Acquisition was unsuccessful, the Company determined that it had reached the stage where it must seriously consider whether or not the Transactions are an option that it should take from the viewpoint of enhancing its medium- to long-term corporate value, and in mid-March 2023, decided to commence the Process as a bidding procedure for the Prospective Partners.

Since mid-March 2023, the Company commenced the Process by approaching the Prospective Partners in writing regarding their participation in the Process. After commencement of the Process, the Prospective Partners worked with the Company for approximately eight weeks from mid-March 2023 to mid-May 2023 to conduct due diligence with respect to their business, finance, tax, legal affairs and other relevant matters to the Company Group, and to meet with the Company's management to understand the details of the Company Group.

In mid- to late May 2023, the Company received final proposals from two of the Prospective Partners, including Bain Capital. Of these two Prospective Partners, the Company received a draft of final proposal from Bain Capital on May 16, 2023 regarding the privatization of the Shares through a tender offer for the Shares and Share Options and then a final proposal on the 23rd of the same month stating that the Tender Offer Price will be JPY 1,400 (a premium of 17.45% on the closing price of JPY 1,192 of the Shares on the TSE Prime Market on the 22nd of the same month (i.e. the immediately preceding business day)) and the Purchase Price of Share Options will be the difference between the Tender Offer Price of JPY 1,400 and the exercise price per Share for each Share Option (the difference between the Tender Offer Price of JPY 1,400 and the exercise price of JPY 1 for the 3rd to 8th series of Share Options is JPY 1,399 and the difference between the Tender Offer Price of JPY 1,400 and the exercise price of JPY 0 for the 9th series of Share Options is JPY 1,400) multiplied by the number of Shares to be issued for each Share Option. The Company carefully compared and examined the contents of the final proposals it received the Tender Offer Price related to the Transactions, the conditions precedent for financing, the terms and conditions of borrowing upon conducting the Transaction, the management strategy after the Transactions and its support structure and other factors. As a result, the Company concluded that the final proposal submitted by Bain Capital was the best option, and that proceeding with the Transactions with Bain Capital would contribute to the future enhancement of its corporate value. More specifically, not only was the Tender Offer Price related to the Transactions offered by Bain Capital the highest in comparison with the Tender Offer Price related to the Transactions offered by the Prospective Partners, Bain Capital's final proposal was also superior in terms of the conditions precedent for financing, the terms and conditions for borrowing upon conducting the Transactions, the management strategy after the Transactions and its support structure and other factors. Based on this, the Company determined that the final proposal presented by Bain Capital was in the best interests of the Company's shareholders and the Share Option Holders, and on May 26, 2023, commenced discussions and considerations with Bain Capital to implement the Transactions.

Specifically, the Company was proceeding with discussions with the Bain Capital regarding the contents of the Tender Offer Agreement and the procedures necessary to carry out the China TOB Treatment Measures in an aim to announce the Transactions in late June 2023. However, in mid-June 2023, since it became clear that it would take considerable time to prepare for the procedures, which are necessary to carry out the China TOB Treatment Measures,

the Company determined to postpone the timing of announcing the Transactions by consulting with the Bain Capital. After that, in early July 2023, the Company was informed by Bain Capital that, taking into account the status of the discussion with the Company regarding the Tender Offer Agreement and the preparation for the China TOB Treatment Measures, it was planning to announce the Transactions around early August 2023, and continued discussions with Bain Capital. However, in early August 2023, considering the status of the discussion with Bain Capital regarding the Tender Offer Agreement and given that it became clear that more time would be required for the preparations for the China TOB Treatment Measures, with the aim of announcing the Transactions around late August 2023, the Company continued discussions with Bain Capital regarding the contents of the Tender Offer Agreement and practical preparations and procedures regarding the implementation of the China TOB Treatment Measures.

After having further discussions with Bain Capital, the Company confirmed that the preparations for the commencement of the China TOB Treatment Measures were completed in mid-August 2023, and on August 17, 2023, the contents of the Tender Offer Agreement with the Company including the Tender Offer Price and the Purchase Price of Share Option (Each price is the same as that stated in the final proposal submitted by Bain Capital to the Company on May 23, 2023, and there have been no negotiations between the Tender Offeror and the Company regarding such price after the submission of the final proposal.) have been agreed on.

On August 17, 2023, the Company received a report ("Report") from the Special Committee saying that (a) the transactions including the Tender Offer contribute to the improvement of the Company's corporate value, and it is deemed that the purpose has rationality, (b) each measure to ensure the fairness have been taken in the Transactions, and the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured, (c) it can be evaluated that the fairness and appropriateness of the terms and conditions of the Transactions have been ensured, (d) given that, as described in (a) through (c) above, (i) the Transactions will contribute to the enhancement of Company's corporate value, and the purpose of the Transactions is considered to be reasonable, (ii) the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured, and (iii) the fairness and appropriateness of the terms and conditions of the Transactions are considered to have been ensured, it is considered reasonable for the Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Share Option Holders tender their shares in the Tender Offer, and (e) given that, as described in (a) through (d) above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is considered to be reasonable, (ii) the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured, (iii) the fairness and appropriateness of the terms and conditions of the Transactions are considered to have been ensured, and (iv) it is considered reasonable for the Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Share Option Holders tender their shares in the Tender Offer, the Board of Directors' decision to implement the Transactions is not considered to be disadvantageous to the Company's general shareholders. (Please see "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" for the outline of the Report.)

(iii) Details of Decision

Based on the above, at the meeting of its Board of Directors held on August 17, 2023, based on the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective received from Nomura Securities and the content of the share valuation report regarding the valuation results of the Shares received on August 17, 2023 ("Share Valuation Report"), the Company carefully discussed and considered whether the selection of the Partner and various conditions as well as the Transactions would contribute the improvement of the Company's value with the utmost respect for the details of the decision by the Special Committee.

As a result the Company concluded that the selection of the Partner and various conditions as well as the Transactions would contribute the improvement of the Company's value for the following reasons.

While the business environment involving the Company Group is expected to recover despite the downward pressure caused by the surge in prices of resources thanks to the waning influence of supply restrictions, it is highly uncertain principally due to the trend of the situation in Ukraine as well as impacts on the price of its resources and energy. Therefore, the Company Group recognizes that it should pay attention to such matters as the restriction of the procurement of materials, logistics disruption and continuous rise in material prices. Also, with respect to the situation of the printing industry by which printing ink is supplied, the demand of printed paper is continuously declining due to the development of digitalization, causing a decrease in publication printing, little change in commercial printing, and the maintained growth of package printing as a whole. In this situation, addressing sustainability has been the principal theme for each field.

In order to assume social responsibility for various stakeholders, the Company Group recognizes that it should survive and grow sustainably. In the business environment stated above, since the Company Group's performance in March 2023, the immediately preceding business year, was sluggish with its consolidated sales declining to JPY 43,667 million, it considers that drastic management reform is necessary for the Company Group's survival and sustainable growth.

The Company's view on the advantages of the Transactions are as follows.

In the Mid-term Management Plan, the Company demonstrated the policy to preferentially allocate operating cash flows generated in the existing business to capital/development investment and M&A, while Bain Capital and the Tender Offeror assessed the Company's Mid-term Management Plan and expressed their opinions that it should proactively make capital/development investment in next-generation UV ink and the precision dispersion products business in Zhejiang, China, the future growth areas, and implement M&A especially if there are favorable opportunities to pursue the expansion of overseas business, making the Company to consider that the Company, Bain Capital and the Tender Offeror share the same purpose. If the Company becomes a wholly-owned subsidiary of the Tender Offeror by the Transactions, it would be possible to promptly make decisions to make strategic investment from a mid-to-long perspective and take other measures to achieve mid-to-long-term improvement of corporate value.

According to Bain Capital, it intends to thoroughly support the Company through designing/implementing growth strategies/transformation of business structure using a consulting approach and physical support, and can support the Company utilizing Bain Capital's knowhow and network related to various industries/acquisition. Therefore, given that the Company, Bain Capital and the Tender Offeror share the same purposes regarding the Company's business, it would be highly probable that the Transactions enables the Company to receive support from Bain Capital that is necessary to improve its performance and realize mid-to-long term improvement of its corporate value. Since the Transactions contribute to the prompt improvement of the Company's performance and mid-to-term improvement of its corporate value, the purpose of the Transactions is expected to be achieved.

On the other hand, the impact on social credibility, funds and fundraising associated with delisting would be disadvantages of the Transactions. However, since the Company engages in so-called B to B business, it is unlikely that delisting will cause material adverse social effect on its credibility and result in having fewer business partners, and it believes that the network owned by Bain Capital enables it to supplement, maintain and reinforce its public credibility. Since its listing, the Company has collected funds necessary for business operation from its operating cash flow and bank loan. Therefore, the Company considers that establishing the system to receive appropriate amount of funds or capital raising from Bain Capital and Tender Offeror, who are ready to provide capital support to the Company, whenever necessary would be more beneficial for its business operation than maintaining access to the capital market.

Also, according to Bain Capital, since the terms of the loan of the Bank Financing related to the Transactions are more favorable to the Company than the general standard, the Company does not believe that interest burdens of the Bank Financing would cause any particular difficulty in repaying loans of the Bank Financing.

Also, for the following reasons, the Company determined that JPY 1,400, the amount set as the Tender Offer Price, is a reasonable price that ensures benefits to be enjoyed by general shareholders of the Company, and the Tender Offer provides the opportunity to reasonably sell the Shares at the price with appropriate premiums placed for the general shareholders of the Company.

- (A) With respect to the Tender Offer Price, the measures to ensure fairness of the conditions for the Transactions including the Tender Offer Price stated in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below were sufficiently taken in the Company, and the Process was implemented before the announcement. The Tender Offer Price related to the Transactions offered by Bain Capital in the Process in which the Special Committee substantially involved was the highest compared to those offered by the other Prospective Partners.
- (B) Given that JPY 1,400, the amount set as the Tender Offer Price, is over the upper limit of range of valuation results obtained by the average market share price method, within the range of valuation results obtained by the comparable company method, and within the range of valuation results obtained by the discount cash flow method ("DCF method") in the Share Valuation Report stated in "(IV) Obtainment of Share Valuation Report from the Company's Independent Financial Advisor and Third-Party Calculation Agent" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, it can be assessed that the Tender Offer Price is within the reasonable scope in relation to the results of share valuation in the Share Valuation Report.
- (C) JPY 1,400, the amount set as the Tender Offer Price, is below JPY 2,136.06 (rounded to two decimal places), the net asset amount per share derived from the amount of the Company's equity capital as of June 30, 2023 set out in the Company First Quarter Report. However, since the Company's assets include tangible fixed assets worth 49.4% of its capital equity (rounded to one decimal place), if the Company is liquidated, there will be a few companies engaging in the business similar to it, and many tangible fixed assets it owns are obtained through special order to perform its business, it is extremely unlikely that its tangible fixed assets can be converted into cash by book value, and if the Company Group is liquidated, additional costs will arise (e.g. premium retirement allowance or costs for outplacement assistance) from dismissing the employees of the Company Group. (Since the Company has not obtained an estimate made assuming liquidation, it has not confirmed that the Tender Offer Price exceeds liquidation value which is assumed to be calculated taking into consideration assumed liquidation costs, etc. after specific examination) Therefore, the Company does not consider that the amount of its net asset per share represents the theoretical liquidation value per share.
- (D) As stated in "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, the Tender Offer Price is deemed to be reasonable in the Report obtained from the Special Committee.

Similarly, since the Purchase Price of Share Option is the amount obtained by multiplying the difference between JPY 1,400 of the Tender Offer Price and the exercise value per Share of each Share Option by the number of Shares underlying each one of the Share Option, which is calculated based on the Tender Offer Price, the Company determined that the Tender Offer provides the Company's Share Option Holders with reasonable opportunities to sell the Share Option.

Based on the above, at the meeting of its Board of Directors held on August 17, 2023, the Company decided as the Company's opinion at this time to express its support of the Tender Offer and recommend that the Company's shareholders and Share Option Holders tender their shares in the Tender Offer if the Tender Offer is commenced.

In addition, the Tender Offer is scheduled to commence promptly once the Tender Offer Conditions are satisfied or waived by the Tender Offeror and as of today, the Tender Offeror says they are aiming to commence the Tender Offer

around early January 2024, although it is difficult to accurately predict the time required for the procedures for the China TOB Treatment Measures and other relevant matters. Accordingly, the Company also resolved at the above meeting of the Board of Directors that when the Tender Offer is commenced, it will request the Special Committee to consider whether or not there has been any change to the Special Committee's opinion expressed to the Company's Board of Directors as of today, and if there hasn't been any change, the Special Committee will make a statement to the Company's Board of Directors to that effect or, in the case that there has been a change, the Special Committee will state its changed opinion and based on such opinion, the Company will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

For details on the abovementioned resolution of the Company's Board of Directors, please see "(VI) Approval of All Directors (Including Audit and Supervisory Committee Members) of the Company without Conflicts of Interest" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below.

(3) Matters Concerning Calculation

(I) Obtainment of Share Valuation Report from the Company's Independent Financial Advisor and Third-Party Calculation Agent

(i) Name of Calculation Agent and Relationship with the Company and Tender Offeror

When expressing its opinion on the Tender Offer, in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by Bain Capital, the Company requested Nomura Securities, its financial advisor and third-party calculation agent that is independent of the Prospective Partners, the Tender Offeror, the Major Shareholders Group, Mr. Masuda, Etc. and the Company, to calculate the value of the Shares and obtained the Share Valuation Report on August 17, 2023.

Nomura Securities is not a related party of the Prospective Partners, the Tender Offeror, the Major Shareholders Group, Mr. Masuda, Etc. and the Company and does not have any material interest in the Transactions that should be noted. Additionally, taking into consideration the other measures to ensure fairness of the Tender Offer Price and measures to avoid conflicts of interest that are being taken in connection with the Transactions (for details, please see "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below), the Company believes that interests of the Company's general shareholders have been adequately considered and therefore has not obtained an opinion from Nomura Securities regarding the fairness of the Tender Offer Price (i.e. fairness opinion).

The remuneration of Nomura Securities for the Transactions includes a contingency fee to be paid on the condition such as that the Transactions are completed. Taking into consideration the general practice in similar transactions and the right and wrong of the remuneration system that would impose an adequate monetary burden on the Company even if the Transactions are not consummated, the Company has determined that the inclusion of a contingency fee to be paid on the condition that the Tender Offer is completed does not negate the independence of Nomura Securities and appointed Nomura Securities as its financial advisor and third-party calculation agent in accordance with the above-mentioned remuneration system.

(ii) Summary of Calculation

In the Tender Offer, Nomura Securities considered several calculation methods in selecting the calculation method to be adopted in calculating the Company's share valuation, and based on the premise that the Company is a going concern and the belief that it is appropriate to evaluate the value of the Shares from various perspectives, Nomura Securities calculated the value of the Shares by using (i) the average market share price method, which takes into account trends in the market share price of the shares because the Company is listed on the TSE Prime Market, (ii) the comparable company method because there are multiple listed companies engaged in businesses

relatively similar to that of the Company and it is possible to analogize the value of the Shares through comparisons with similar companies and (iii) the DCF method in order to reflect the status of future business activities in the calculation. The Company obtained the Share Valuation Report from Nomura Securities on August 17, 2023. Additionally, taking into consideration the other measures to ensure fairness of the Tender Offer Price and measures to avoid conflicts of interest that are being taken in connection with the Transactions (for details, please see "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below), the Company believes that the interests of the Company's general shareholders have been adequately considered and therefore has not obtained an opinion from Nomura Securities regarding the fairness of the Tender Offer Price (i.e. fairness opinion).

The ranges of the per share value of the Shares calculated based on each of the above calculation methods in the Share Valuation Report are as follows:

Average market share price method:	JPY 1,053 - JPY 1,172
Comparable company method:	JPY 701 - JPY 2,114
DCF method:	JPY 1,076 - JPY 1,527

Under the average market share price method, using August 16, 2023 as the calculation base date, the range of the per share value of the Shares is calculated to be JPY 1,053 to JPY 1,172 based on the closing price of the Shares on the TSE Prime Market on the calculation base date (JPY 1,053), the simple average closing price of the Shares on the TSE Prime Market for the last five business days (JPY 1,069), the simple average closing price of the Shares on the TSE Prime Market for the last one month (JPY 1,134), the simple average closing price of the Shares on the TSE Prime Market for the last three months (JPY 1,172) and the simple average closing price of the Shares on the TSE Prime Market for the last six months (JPY 1,152).

Under the comparable company method, the range of the per share value of the Shares is calculated to be JPY 701 to JPY 2,114 by selecting the listed companies engaged in businesses relatively similar to that of the Company and comparing their market share price and financial indicators of profitability and calculating the Company's share value.

Under the DCF method, the range of the per share value of the Shares is calculated to be JPY 1,076 to JPY 1,527 by discounting the free cash flows that the Company is expected to generate after April 2023 to the present value using a certain discount rate and analyzing the Company's corporate value and share value based on the business plan prepared by the Company and based on the earnings estimates and investment plans in the business plan for two business years from the business year ending in March 2024 to the business year ending in March 2025, publicly available information and other various factors.

The business plan prepared by the Company, which Nomura Securities used for the calculation using the DCF method, includes business years in which a significant increase/decrease in profit is expected. Specifically, for the business year ending in March 31, 2024, a significant increase in profit, which will result in operating profit of JPY 1,400 million (up by 229.7% on a year-on-year basis, rounded to one decimal place), is expected due to the expansion of sales of high value-added products and progress in revising sales prices to appropriate levels. In addition, as disclosed in the Mid-term Management Plan, for the business year ending in March 31, 2025, a significant increase in profit, which will result in operating profit of JPY 3,204 million (up by 128.9% on a year-on-year basis, rounded to one decimal place), is expected due to strengthening existing products, withdrawing from non-focused product groups, and implementing rationalization measures. Synergies expected to be realized from the execution of the Transactions have not been taken into account in the business plan because it is difficult to make a concrete estimation at this time.

(Note) Nomura Securities has calculated the share value of the Shares on the assumption that the publicly available

information and all information provided by the Company are accurate and complete and has not independently verified their accuracy or completeness. The assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities and other contingent liabilities) of the Company and its affiliates have not been independently evaluated, appraised or assessed, including analysis and evaluation of individual estimates and liabilities, and Nomura Securities has not requested any third-party institution to make any appraisal or assessment. It is assumed that the Company's business plan has been rationally reviewed or prepared by the Company's management based on the best and most honest estimates and judgment available at the time of calculation. The calculations made by Nomura Securities reflect information available to Nomura Securities and economic conditions up to August 16, 2023. The sole purpose of Nomura Securities' calculation is to serve as reference for the Board of Directors of the Company in its consideration of the share value of the Shares.

(II) Calculation Method by the Tender Offeror

In determining the Tender Offer Price, based on the financial information and other materials disclosed by the Company, the results of the due diligence conducted on the Company from mid-March 2023 to mid-May 2023 and other factors, and in light of the fact that the Shares are traded through financial instruments exchanges, the Tender Offeror says they used the closing price of the Shares on the TSE Prime Market on August 16, 2023 (JPY 1,053), the simple average closing prices of the Shares on the TSE Prime Market for the past one month, the past three months and the past six months until such date (JPY 1,134, JPY 1,172 and JPY 1,152) as reference.

The Tender Offeror says that they determined the Tender Offer Price to be JPY 1,400 on August 16, 2023 after comprehensively taking into account whether or not the Company will support the Tender Offer and the prospects of the Tender Offer being consummated, and has not obtained a Share Valuation Report from a third-party calculation agent.

The Tender Offer Price of JPY 1,400 includes a premium of 32.95% on the closing price (JPY 1,053) of the Shares on the TSE Prime Market on August 16, 2023 which is the business day preceding the date of announcement of the scheduled commencement of the Tender Offer (i.e. August 17, 2023), a premium of 23.46% on the simple average closing price of the Shares on the TSE Prime Market for the past month until such date (JPY 1,134), a premium of 19.45% on the simple average closing price of the Shares on the TSE Prime Market for the past three months until such date (JPY 1,172) and a premium of 21.53% on the simple average closing price of the Shares on the TSE Prime Market for the past six months until such date (JPY 1,152).

(4) Likelihood of and Reasons for Delisting

As of today, the Shares are listed on the TSE Prime Market. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Shares may be delisted through prescribed procedures in accordance with the delisting standards of the TSE. In addition, even if the Shares do not fall under the delisting standards at the time of implementation of the Tender Offer, if the Squeeze Out Procedures in "(5) Organizational Restructuring after Tender Offer and Other Policies (Matters Concerning the "Two-Step Acquisition")" take place after the implementation of the Tender Offer, the Shares will be delisted through prescribed procedures in accordance with the delisting standards of the TSE. It will not be possible to trade the Shares on the TSE Prime Market after the delisting.

(5) Organizational Restructuring after Tender Offer and Other Policies (Matters Concerning the "Two-Step Acquisition")

As stated in "(I) Overview of Tender Offer" in "(2) Basis and Reason for Opinions on Tender Offer" above, the Tender Offeror plans to implement the Squeeze Out Procedures in the following manner after the consummation of the Tender Offer if the Tender Offeror fails to acquire all of the Shares (excluding, however, the treasury shares held by the Company) and all of the Share Options in the Tender Offer.

(I) Demand for Share, etc. Cash-Out

If as a result of the consummation of the Tender Offer, the total number of voting rights in the Company owned by the Tender Offeror becomes 90% or more of the total number of voting rights of all shareholders of the Company, and the Tender Offeror becomes a special controlling shareholder as provided in Article 179, Paragraph 1 of the Companies Act, promptly after the completion of the settlement of the Tender Offer, the Tender Offeror intends to demand all of the shareholders of the Company (excluding the Tender Offeror and the Company) ("Shareholders Subject to the Cash-Out") to sell all of their Shares ("Demand for Share Cash-Out") and also to demand all of the Share Option Holders (excluding the Tender Offeror) ("Share Option Holders Subject to the Cash-Out") to sell all of their Share Options ("Demand for Share Option Cash-Out"; together with the "Demand for Share Cash-Out," the "Demand for Share, etc. Cash-Out") in accordance with Part II, Chapter II, Section 4-2 of the Companies Act. In the Demand for Share Cash-Out, the Tender Offeror intends to specify that it will deliver to the Shareholders Subject to the Cash-Out an amount equal to the Tender Offer Price as consideration for each Share and in the Demand for Share Option Cash-Out, the Tender Offeror intends to specify that it will deliver to the Share Option Holders Subject to the Cash-Out an amount equal to the Purchase Price of Share Options as consideration for each Share Option. In such case, the Tender Offeror will notify the Company to that effect and seek its approval for the Demand for Share, etc. Cash-Out. If the Company approves the Demand for Share, etc. Cash-Out by a resolution at the meeting of its Board of Directors, the Tender Offeror will acquire all Shares owned by all Shareholders Subject to the Cash-Out and all Share Options owned by all Share Option Holders Subject to the Cash-Out as of the acquisition date specified in the Demand for Share, etc. Cash-Out without obtaining the individual consent of the Shareholders Subject to the Cash-Out and Share Option Holders Subject to the Cash-Out in accordance with the procedures under relevant laws and regulations. In such case, the Tender Offeror intends to deliver to each Shareholder Subject to the Cash-Out an amount of money equal to the Tender Offer Price as consideration for each Share that each Shareholder Subject to the Cash-Out owned and intends to deliver to each Share Option Holder Subject to the Cash-Out an amount of money equal to the Purchase Price of Share Options as consideration for each Share Option that each Share Option Holder Subject to the Cash-Out owned. The Board of Directors of the Company intends to approve such Demand for Share, etc. Cash-Out when the Tender Offeror notifies its intention to make a Demand for Share, etc. Cash-Out and the matters under the items in Article 179-2, Paragraph 1 of the Companies Act. As a provision under the Companies Act that aims to protect the rights of general shareholders and share option holders in relation to the Demand for Share, etc. Cash-Out pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations, the Shareholders Subject to the Cash-Out and the Share Option Holders Subject to the Cash-Out have the right to file a petition with the court for the determination of the sale price of the Shares or Share Options they own. If the abovementioned petition is filed, the sale price of the Shares or the Share Options will be ultimately determined by the court.

(II) Consolidation of Shares

If, upon consummation of the Tender Offer, the total number of voting rights held in the Company by the Tender Offeror is less than 90% of the total number of voting rights held by all shareholders of the Company, in accordance with Article 180 of the Companies Act, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, request the Company to hold an extraordinary shareholders meeting ("Extraordinary Shareholders Meeting") that includes in its agenda a proposal to consolidate the Shares ("Consolidation of Shares") and, on the condition of the effectuation of the Consolidation of Shares, a proposal to partially amend the Articles of Incorporation to abolish the provisions regarding share units. The Tender Offeror intends to vote in favor of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for the Consolidation of Shares is approved at the Extraordinary Shareholders Meeting, on the effective date of the Consolidation of Shares, the shareholders of the Company will own the number of Shares

corresponding to the ratio of the Consolidation of Shares approved at the Extraordinary Shareholders Meeting. If a fraction of less than one share arises due to the Consolidation of Shares, the Company's shareholders who hold fractional shares will receive the amount of money that would be obtained by selling to the Company or the Tender Offeror the Shares equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, such fraction shall be rounded down; the same shall apply hereinafter) in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Shares equivalent to the total number of such fractional shares, as a result of the sale, the Tender Offeror intends to request the Company to file a petition with the court for permission of voluntary sale after calculating the amount of money to be paid to the Company's shareholders who did not tender their Shares in the Tender Offer (excluding the Tender Offeror and the Company) so that it will be equal to the Tender Offer Price multiplied by the number of Shares owned by such shareholders. The ratio of the Consolidation of Shares has not yet been determined as of today, but the Tender Offeror plans to request the Company to set the ratio so that the number of Shares owned by the shareholders who did not tender their Shares in the Tender Offer (excluding the Tender Offeror and the Company) will be a fraction of less than one share so that the Tender Offeror will be able to own all of the Shares (excluding the treasury shares owned by the Company). The Company intends to comply with these requests by the Tender Offeror upon consummation of the Tender Offer.

As a provision under the Companies Act that aims to protect the rights of general shareholders in relation to the Consolidation of Shares, if a fraction of less than one share arises due to the Consolidation of Shares, the Company's shareholders (excluding the Tender Offeror and the Company) may, in accordance with the provisions of Articles 182-4 and 182-5 of the Company Act and other relevant laws and regulations, demand that the Company purchase all of the fractional shares they own at a fair price and may file a petition with the court to determine the price of the Shares.

As described above, in the event of a Consolidation of Shares, the number of Shares owned by the Company's shareholders who did not tender their Shares in the Tender Offer (excluding the Tender Offeror and the Company) will be a fraction of less than one share so the Company's shareholders who oppose to the Consolidation of Shares (excluding the Tender Offeror and the Company) will be able to file the above petition. If the abovementioned petition is filed, the purchase price of the Shares will be ultimately determined by the court.

The method and timing of implementation of the procedures for the abovementioned Demand for Share, etc. Cash-Out and the Consolidation of Shares is subject to change depending on the status of revision, enforcement, interpretation by the authorities or other circumstance with respect to relevant laws and regulations. However, even in such case, the Company intends to adopt a method wherein the Company's shareholders who did not tender their Shares in the Tender Offer (excluding the Tender Offeror and the Company) will ultimately be paid and the amount of money to be paid to each such shareholder in such case will be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Shares owned by each such shareholder.

(III) Acquisition and Cancellation of Share Options

If, despite the consummation of the Tender Offer, the total number of the voting rights in the Company owned by the Tender Offeror is less than 90% of the total number of voting rights of all shareholders of the Company, and if the Tender Offeror fails to acquire all of the Share Options in the Tender Offer and the Share Options remain unexercised, the Tender Offeror plans to make a request for the implementation of or implement procedures reasonably necessary for conducting the Transactions such as making a request to the Company to acquire and cancel the Share Options or making a recommendation to Share Option Holders to waive their Share Options. If the Company receives such a request, it intends to cooperate.

The specific procedures in each of the above cases, the timing of their implementation and other relevant matters will be promptly announced by the Company as soon as they are determined upon consultation with the Tender Offeror.

The Tender Offer is in no way intended to solicit the approval of the Company's shareholders at the Extraordinary Shareholders Meeting. Additionally, the Company's shareholders and the Share Option Holders should consult their certified public tax accountants or other experts at their own responsibility with respect to the tax treatment when they tender their Shares in the Tender Offer or take the abovementioned procedures.

(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer

As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, there are no plans for all or a part of the management of the Company to invest directly or indirectly in the Tender Offeror, and the Transactions including the Tender Offer does not constitute a so-called management buyout (MBO) transaction. However, given that the Tender Offeror is aiming to privatize the Shares by acquiring all of the Shares (excluding the treasury shares owned by the Company) and all of the Share Options through the Transactions and the Tender Offeror has entered into a Tender Agreement (Mr. Masuda, Etc.) with Mr. Masuda, Etc. with respect to its Shares, and is planning to negotiate with the Major Shareholder Group an agreement to tender Shares in the Tender Offer, and taking into account the possibility that the interests of Mr. Masuda, Etc. and the Major Shareholders Group may not necessarily align with the interests of the general shareholders of the Company, the Tender Offeror and the Company have taken the following measures to ensure the fairness of the Transactions including the Tender Offer from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer and avoiding conflicts of interest. The measures taken by the Tender Offeror in the following descriptions are based on the explanations received from the Tender Offeror.

(I) Implementation of Bidding Procedures

As described in "(ii) Background of Consideration and Negotiation" in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reason for Opinions on Tender Offer" above, the Company has conducted the Process with the three Prospective Partners from mid-March 2023 and has given the Prospective Partners, including Bain Capital, due diligence opportunities from mid-March to mid-May 2023 and subsequently, from mid- to late May, the Company received final proposals from two of the Prospective Partners, including Bain Capital. Not only was the Tender Offer Price related to the Transactions offered by Bain Capital the highest in comparison with the Tender Offer Price related to the Transactions offered by the other Prospective Partners, Bain Capital's final proposal was also superior in terms of the conditions precedent for financing, the terms and conditions for borrowing upon conducting the Transaction, the management strategy after the Transactions and its support structure and other factors. As a result, the Company decided to enter into final negotiations to conduct the Transactions with Bain Capital. Thereafter, the Company and Bain Capital continued to engage in numerous negotiations and the Company received a final proposal from Bain Capital to set the Tender Offer Price at JPY 1,400. There were no other prospects that offered more favorable terms for the Company's shareholders and the Share Option Holders compared to the proposal presented by Bain Capital. As described above, the Company implemented the Process and secured an opportunity to receive a wide range of proposals to enhance its corporate value.

(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee

(i) Background of the establishment, etc.

As set forth in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reason for Opinions on Tender Offer" above, the Company established the Special

Committee to implement the Process by a resolution of the meeting of its Board of Directors on March 14, 2023. At the time of establishment, the Special Committee consisted of three independent directors, independent of Prospective Partners, Major Shareholders Group, Mr. Masuda, Etc. and the Company: Mr. Kenji Otaka (independent outside director, the Audit and Supervisory Committee Member of the Company), Mr. Satoshi Noguchi (independent outside director, the Audit and Supervisory Committee Member of the Company) and Mr. Koichi Hanabusa (independent outside director, the Audit and Supervisory Committee Member of the Company). However, given that Mr. Kenji Otaka ceased to meet the requirements for independent directors stipulated by the Company at the time of conclusion of the Company's annual shareholders meeting held on June 23, 2023, as his total tenure of office exceeded eight years (the "T&K TOKA Independent Director Appointment Standards" stipulate that "the total tenure of an independent director must not exceed eight years), at the meeting of the Board of Directors held on the same day after the closing of the said annual shareholders meeting, Mr. Hideaki Kimura (independent outside director, the Audit and Supervisory Committee Member of the Company) was appointed as a member of the Special Committee in addition to the above-mentioned three members, and the Special Committee since the conclusion of the said meeting of the Board of Directors consists of the above-mentioned four members. Mr. Satoshi Noguchi has been elected as chairperson of the Special Committee. It has been confirmed in writing that none of the members of the Special Committee has any interests in Prospective Partners, the Tender Offeror, Major Shareholders Group and Mr. Masuda, Etc. nor has any interests in the success or failure of the Transactions. Each member of the Special Committee shall be to be paid a fixed amount of compensation in connection with his or her duties (however, for Mr. Hideaki Kimura, the amount of compensation shall be to be set according to the period of his activity, up to the amount of compensation for the other three members), regardless of the contents of his or her report, and this compensation does not include a success fee to be paid subject to the closing of the Transactions.

As set forth in "(3) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer" in "(2) Basis and Reason for Opinions on Tender Offer" above, the Company established the Special Committee by a resolution of the meeting of its Board of Directors held on March 14, 2023, and has consulted the Special Committee on the Consultation Matters. In establishing the Special Committee, its Board of Directors also resolved that: (i) the decision of its Board of Directors in connection with the implementation of the Transactions shall be made with the utmost respect for the judgment of the Special Committee, including the approval or disapproval of the Tender Offer; and that (ii) if the Special Committee judges the implementation of the Transactions or the terms and conditions of the Transactions to be inappropriate, its Board of Directors shall not approve the implementation of the Transactions. Moreover, its Board of Directors resolved to grant the Special Committee the authorities to: (i) be substantially involved in the process of negotiations conducted by the Company with the Prospective Partners (including, as necessary, providing instructions or requests regarding the course of negotiations with the Prospective Partners, and engaging in negotiations with the Prospective Partners on their own), (ii) appoint its own financial or legal advisors as necessary (in this case, the Company will bear the cost therefor) or appoint or approve (including ex post approval) financial or legal advisors of the Company in conducting its consideration and judgment in connection with the Consultation Matters, and (iii) as necessary, authorize the receipt of information necessary for the consideration and judgment of the Consultation Matters from officers and employees of the Company and other persons as deemed necessary by the Special Committee.

(ii) Background of the consideration

The Special Committee met a total of 14 times for a total of approximately 15 hours for a period between March 14, 2023 and August 17 of the same year, and carefully discussed and considered the Consultation Matters by reporting and sharing information, deliberating and making decisions through e-mail or telephone contact as needed basis.

Specifically, given that Nomura Securities, which was appointed by the Company as its financial advisor and third-party calculation agent, and Mori Hamada & Matsumoto, which was appointed by the Company as its legal advisor,

have sufficient expertise, independent from (i) the Prospective Partners, including Bain Capital, (ii) the Major Shareholders Group, (iii) Mr. Masuda, Etc. and (iv) the Company, and do not have any material interests in any of them, the Special Committee first approved the appointment of Nomura Securities and Mori Hamada & Matsumoto, and also confirmed that it will not appoint its own financial advisor and third-party calculation agent and that the Special Committee will receive professional advice from Nomura Securities as necessary. In addition, the Special Committee decided to appoint Iwata Godo, which has sufficient expertise, is independent from any of (i) through (iv) above, and has no material interest in any of them, as the Special Committee's own legal advisor, and to receive professional advice from Iwata Godo.

Accordingly, the Special Committee held several meetings with the Company in order to consider the Consultation Matters, and received explanations regarding the assessment/status of consideration of the proposal from the Prospective Partners and the details of discussions with the Prospective Partners, and had a Q&A session regarding these points. In addition, the Special Committee asked questions of the Company regarding the Company's management policies, assessment/status of consideration regarding privatization/delisting, and assessment/status of consideration of the Transactions, and received a written response from the Company.

The Special Committee also requested that the Prospective Partners include in their final proposals the assessment/status of consideration regarding the Company's management policies and business policies, measures and policies after the Transactions, investment performance in the past, and other matters. The Special Committee also held interviews with two of the Prospective Partners that submitted final proposals, including Bain Capital, and held a Q&A session regarding the contents of the final proposals, specifically, the conditions precedent of fundraising, conditions for borrowing upon the Transactions, management strategies after the Transactions and supporting systems.

Furthermore, the Special Committee received explanations from the Company's financial advisor and third-party calculation agent, Nomura Securities, regarding the details and progress of the Transactions, the contents of share valuation and the situation of discussions/negotiations with the Prospective Partners, and held a Q&A session regarding these points.

(iii) Details of the judgment

Under the circumstances described above, the Special Committee carefully discussed and considered the Consultation Matters, based on the contents of the advice it had received from Iwata Godo, and consequently submitted a report with the following outline to its Board of Directors, on August 17, 2023, with the unanimous consent of all members:

- (a) Rationality of the Purpose of the Transactions (including whether the Transactions contribute to the improvement of the Company's corporate value
 - (A) (Purpose of the Transactions) According to Bain Capital and the Tender Offeror, the purpose of the Transactions is to thoroughly support the Company through designing/implementing growth strategies/transformation of business structure using a consulting approach and physical support, and to enjoy the fruits obtained from the Company's transformation and growth with all stakeholders including the management team and employees. On the other hand, based on Bain Capital's achievements and global network, the Company considers that becoming the Tender Offeror's wholly owned subsidiary and receiving support from Bain Capital would enable it to promptly improve its performance and maximize mid-to-long term corporate value by taking necessary measures for the performance improvement. The Company determined to carry out the Transactions to realize this.
 - (B) (The advantages of the Transactions for the Company) In the Mid-term Management Plan, the Company demonstrated the policy to preferentially allocate operating cash flows generated in the existing business to capital/development investment and M&A, while Bain Capital and the Tender Offeror assessed the Company's

Mid-term Management Plan and expressed their opinions that it should proactively make capital/development investment in next-generation UV ink and the precision dispersion products business in Zhejiang, China, the future growth areas, and implement M&A especially if there are favorable opportunities to pursue the expansion of overseas business, meaning that the Company, Bain Capital's and the Tender Offeror share the same purpose. It is expected that, if the Company becomes a wholly-owned subsidiary of the Tender Offeror by the Transactions, in accordance with the shared purpose, it would be possible to promptly make decisions to make strategic investment from a mid-to-long perspective and take other measures to achieve mid-to-long-term improvement of corporate value.

While the Company expects the support based on Bain Capital's investment experiences and network, according to Bain Capital, it intends to thoroughly support the Company through designing/implementing growth strategies/transformation of business structure using a consulting approach and physical support, and can support the Company utilizing Bain Capital's knowhow and network related to various industries/acquisition. Therefore, given that there is no discrepancy between the support that is expected by the Company and feasible for Bain Capital, and the Company, Bain Capital and the Tender Offeror share the same purposes regarding the Company's business, it would be highly probable that the Transactions enables the Company to receive support from Bain Capital that is necessary to improve its performance and realize mid-to-long term improvement of its corporate value.

For these reasons, since the Transactions contribute to the prompt improvement of the Company's performance and mid-to-term improvement of its corporate value, the purpose of the Transactions is expected to be achieved.

- (C) (The disadvantages of the Transactions for the Company) The impact on social credibility, funds and fundraising associated with delisting would be disadvantages of the Transactions. However, since the Company engages in so-called B to B business, it is unlikely that delisting will cause material adverse effect on its social credibility and result in having fewer business partners, and the network owned by Bain Capital enables it to supplement, maintain and reinforce its public credibility. Since its listing, the Company has collected funds necessary for business operation from its operating cash flow and bank loan, and has never needed to raise funds by shares. Therefore, the Company considers that establishing the system to receive appropriate amount of funds or capital raising from Bain Capital and Tender Offeror, who are ready to provide capital support to the Company, whenever necessary would be more beneficial for its business operation than maintaining access to the capital market.

Also, according to Bain Capital, since the terms of the loan of the Bank Financing related to the Transactions are more favorable to the Company than the general standard, the Company does not believe that interest burdens of the Bank Financing would cause any particular difficulty in repaying loans of the Bank Financing.

For these reasons, if there were to be any disadvantages of the Transactions for the Company, it is deemed that it would not cause any particular difficulty in carrying out the Transactions.

- (D) (Others) In addition to them, Bain Capital and the Tender Offeror believe that further growth of the Company after the Transactions will be achieved on the premise of the cooperation by its employees, do not consider implementing the dismissal of officers and employees, retirement under instruction and encouragement to retire. Also, believing that establishing a system with incentive in harmony with shareholders is important for continuous growth of business and maximization of the corporate value, they expressed their intention to consider various personnel reward systems and incentive plans including stock options. Therefore, it can be said that there are appropriate policies from the perspectives of the maintenance and improvement of the Company's corporate value regarding the handling of the employees of the Company Group, and as long as such policies are implemented after the implementation of the Transactions, such policies are deemed to contribute to the maintenance and improvement of the Company's corporate value. Moreover, no alternative

methods with similar effects to the Transactions are considered.

- (E) (Conclusion) The transactions including the Tender Offer contribute to the improvement of the Company's corporate value, and it is deemed that the purpose has rationality.

(b) Fairness and Appropriateness of the Transactions (including the Process)

- (A) (the Process) The Process is implemented before the announcement of the Transactions, and the Special Committee verified the fairness and appropriateness of the Process, and expressed its opinions at the important phase in selecting Bain Capital as the Partner in the Process. The Special Committee being involved in the Process, in addition to offering the highest Tender Offer Price of the Transactions compared to those offered by the other Prospective Partners, since Bain Capital presented preferable conditions for the Company and its general shareholders from the perspectives of the conditions precedent of fund raising, conditions for borrowing upon the Transactions, management strategies after the Transactions and supporting systems, it was selected as the Partner, meaning that the procedures reasonable for the Company and general shareholders. As stated above, the Process is deemed to ensure extensive opportunities to receive proposal for the improvement of the Company's corporate value and to be a process to select the proposal that more contribute to the Company's value, meaning that it is effectively functioning as a measure to ensure fairness.
- (B) (Establishment of the Special Committee and Deliberation) The Special Committee consists of three outside directors (as described in "(i) Background of the establishment, etc." above, it consists of four outside directors since the conclusion of the meeting of the Board of Directors held on June 23, 2023) who are deemed to be qualified as special committee members. All members of the Special Committee are independent of the Prospective Partners, the Tender Offeror, the Majority Shareholders Group, Mr. Masuda, Etc. and the Company. Moreover, since success fees for the announcement or completion of the transactions will not be paid to the members of the Special Committee, they do not have material conflicts of interest regarding the completion of the Transactions. Furthermore, at the meeting of the Company's Board of Directors where the Company resolved to establish the Special Committee, the Company resolved to request the Special Committee to issue a report regarding the Consultation Matters and also resolved that (i) its decisions regarding the implementation of the Transactions (including agreement or disagreement with the Tender Offer) should be made respecting the decision of the Special Committee to the maximum extent, and (ii) if the Special Committee judged that the implementation or conditions of the Transactions is inappropriate, it should not approve the implementation thereof. Moreover, the Special Committee was granted by the Company's Board of Directors each authority stated in "(i) Background of the establishment, etc." above.

The Special Committee asked the Company regarding the Company's operation policies, assessment/status of consideration regarding privatization/delisting, and assessment/status of consideration of the Transactions, and received answers to them from the Company. Also, as stated in (A) above, in selecting Bain Capital as the Partner in the Process, the Special Committee verified the fairness and appropriateness of the process, and expressed its opinions or made requests at the important phase. Furthermore, the Special Committee received explanations from Nomura Securities, the Company's financial advisor and third-party calculation agent, on the status of the discussions/negotiations, etc. with the Partner, including the contents and progress of the Transactions and the contents of the share valuation reports, and had a question-and-answer session in these respects. The Special Committee also received from Iwata Godo, its legal advisor, legal advice regarding the measures to be taken to ensure fairness of the procedures of the Transactions, various procedures of the Transactions as well as the method and process of the Special Committee's deliberations regarding the Transaction, and had a question-and-answer session in these respects.

For these reasons, since the establishment and deliberations of the Special Committee ensures the fairness of the procedures related to the Transactions, it is deemed that it is effectively functioning as a measure to ensure

fairness.

- (C) (Deliberations at the Company) Based on the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective received from Nomura Securities and the content of the Share Valuation Report, the Company has carefully discussed and considered whether or not the Transactions, including the Tender Offer, would contribute to enhancing the corporate value of the Company and whether or not the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate.

With respect to the Company's consideration system for the Transactions, first, from the perspective of eliminating the risk of being affected by the issue of structural conflicts of interest in the Transactions and ensuring the fairness of the Transactions, Mr. Masuda has not participated in the discussion and resolution of any of the previous proposals in connection with the Transactions at the meetings of Board of Directors, nor has he participated in any discussions or negotiations with the Prospective Partners and the Tender Offeror on the part of the Company, not only after his retirement from the Company's director but also during his term of office. Such consideration system of the Company can be evaluated as a system that ensures, among others, a system to consider, negotiate, and make decisions on the Transactions from a standpoint independent of Mr. Masuda, Etc.

On the other hand, Mr. Shintetsu Iwamoto, who was an outside director of the Company, is not a related party of the Major Shareholders Group and does not have a material interest in the Transactions including the Tender Offer, and therefore, the fact that Mr. Iwamoto was involved in the deliberation and resolution regarding the Transactions at the meetings of Board of Directors is not problematic from the perspective of ensuring fairness of the Transactions.

- (D) (Advice from independent outside professional advisors) The Company has appointed Nomura Securities as its financial advisor for the Transactions and has obtained necessary and adequate advice from a financial perspective to ensure the fairness and appropriateness of the various procedures for the Transactions and terms and conditions of the Transactions, including the Tender Offer Price. The Company also appointed Nomura Securities as a third-party calculation agent and requested Nomura Securities to calculate the value of the Shares, and has obtained the Share Valuation Report from Nomura Securities on August 17, 2023.

In addition, the Company has appointed Mori Hamada & Matsumoto as its legal advisor for the Transactions and has obtained legal advice, including advice on measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures for the Transactions, and the Company's decision-making method and the Process.

Furthermore, the Special Committee has appointed Iwata Go do as an independent legal advisor of its own, separate from the Company's legal advisor, and has obtained necessary and adequate advice from a legal perspective on the measures to be taken to ensure the fairness of the procedures for the Transactions, the various procedures for the Transactions, and the method and process of deliberation by the Special Committee for the Transactions, etc. All of the above procedures are to ensure the fairness of the procedures for the Transactions, and can be evaluated as effectively functioning as measures to ensure the fairness.

- (E) (Measures to ensure opportunities for purchases from other purchasers (market checks)) Given that the Tender Offer Period is set to be relatively longer than the period stipulated in law, and that a long period of around five months is expected to be ensured after the announcement of a series of the terms and conditions of the Transactions, including the Tender Offer Price, until the scheduled commencement date of the Tender Offer, the Company believes that, before and after the commencement of the Tender Offer, it is ensured that counterbidders will have an opportunity to make a countervailing purchase, etc. of the Shares and the Share Options.

As described in "4. Matters Related to Important Agreements Concerning the Tender Offer" below, the Tender Offer Agreement prevents the Company from actively encouraging other acquirers to make an

acquisition offer. However, considering the fact that the Company has implemented the Process and secured an opportunity to receive a wide range of proposals aimed at enhancing the Company's corporate value through active market checks in the Process, we believe that there is a limited possibility that restrictions on the Company's ability to actively solicit or negotiate a counteroffer after the Tender Offer Agreement is executed will reduce the opportunity for other acquirers to make an acquisition offer. In addition, in light of the following facts that: if the Company receives a specific, feasible and sincere proposal regarding Competing Transactions (as defined in "(1) Tender Offer Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below; the same applies hereinafter in the description of "Competing Transactions") to acquire all of the Shares and the Share Options at a purchase price that is at least 5% above the Tender Offer Price, the Company is not precluded from providing information or engaging in discussions or negotiations; as described in "4. Matters Related to Important Agreements Concerning the Tender Offer" below, although the Company shall maintain the expression of its opinion in support of the Tender Offer and shall not pass a resolution of the Board of Directors to withdraw or modify such expression until the end of the Tender Offer Period, the Company may, under certain circumstances, modify or withdraw such expression of its opinion in support of the Tender Offer (for the avoidance of doubt, there is no provision in the Tender Offer Agreement stipulating that the Company will be obligated to compensate for damages, pay a penalty, or be subject to any other obligation, burden, or condition as a result of the Company's changing or withdrawing its expression of opinion in support of the Tender Offer as stated above); the Company has already secured an opportunity to receive a wide range of proposals aimed at enhancing the corporate value of the Company through active market checks; and the Company and the Tender Offeror have devoted considerable resources to the consideration of the Transactions in the Process, the Company believes that the agreed terms of the Tender Offer Agreement are not of such a nature as to impede opportunities that counter offers with more favorable contents for the shareholders will be proposed. Based on the above, together with the establishment of the Tender Offer Period described above, it can be evaluated that opportunities for countervailing purchases, etc. are secured to a certain degree and in direct market checks in the Transactions are evaluated to function reasonably.

Furthermore, as a proactive market check in the Transactions, the Process was conducted prior to the announcement as described in (A) above, and it is deemed that procedures were taken that are reasonable for both the Company and the Company's general shareholders.

All of these measures, etc. are to ensure the fairness of the procedures for the Transactions, and can be evaluated as effectively functioning as measures to ensure the fairness.

- (F) (Appropriate information provision to the Company's general shareholders) The Company's disclosure materials for the Transactions will provide specific and detailed information that is appropriate for the Company's general shareholders to evaluate and judge the Transactions. Such provision of information will ensure the fairness of the procedures for the Transactions and can be evaluated as effectively functioning as a measure to ensure the fairness.
- (G) (Establishment of the minimum number of shares to be purchased in excess of the Majority of Minority) With respect to the establishment of the minimum number of shares to be purchased in the Tender Offer, if the minimum number of shares to be purchased in the Tender Offer is satisfied, in effect, a majority of the outstanding shares other than the shares subject to each Tender Agreement will be tendered. Therefore, as the establishment of the minimum number of shares to be purchased that corresponds to the so-called Majority of Minority (hereinafter referred to as "MoM" in this "(II) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee"), it will ensure the fairness of the procedures for the Transactions, and can be evaluated as effectively functioning as a measure to ensure the fairness.

- (H) (Elimination of coercion) The Transactions are premised on the assumption that the Tender Offeror will acquire all of the Shares. In addition, no method will be adopted that does not secure the right to request purchase of shares or the right to request a price determination for the Company's shareholders. Also, it is expected to be announced that it is ensured that the general shareholders will receive consideration equal to the Tender Offer Price, regardless of whether they will receive consideration through the Tender Offer or the Squeeze Out Procedures of the Company to be implemented after the Tender Offer is completed. Given these facts, it is deemed that coercion is eliminated in the Transactions.
- (I) (Conclusion) Each of the above measures to ensure the fairness have been taken in the Transactions, and the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured.
- (c) Fairness and appropriateness of the terms and conditions of the transactions
- (A) (Obtaining the Share Valuation Report from a third-party calculation agent) In expressing its opinion regarding the Tender Offer, in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by Bain Capital, the Company requested Nomura Securities, a financial advisor and third-party calculation agent independent of the Prospective Partners, the Tender Offeror, the Major Shareholder Group, Mr. Masuda, Etc. and the Company, to calculate the value of the Shares, and obtained the Share Valuation Report as of August 17, 2023.
- (B) (Reliability of the Share Valuation Report) Each of the methods used by Nomura Securities to calculate the per-share value of the Shares is deemed to be a common calculation method. In addition, there is nothing unreasonable about the reasons why Nomura Securities adopted each of the calculation methods. The results of the calculations based on each of such calculation methods were calculated by Nomura Securities, an experienced third-party calculation agent, and there is nothing unreasonable about the results of the calculation of the per-share value of the Shares. Furthermore, there is nothing unreasonable about the financial forecasts and assumptions, etc. on which the above calculation method and its results were based. Based on the above, it can be evaluated that the Share Valuation Report is reliable.
- (C) (Fairness and appropriateness of the Tender Offer Price) Given that the Tender Offer Price of JPY 1,400 is above the upper limit of the range of the valuation results based on the average market share price method in the Share Valuation Report, which is deemed to be reliable, and within the range of the valuation results based on the comparable company method in the Share Valuation Report, and also within the range of the valuation results of the DCF method in the Share Price Valuation Report, the Tender Offer Price can be evaluated as being within a reasonable range in relation to the results of the share value calculations in the Share Valuation Report.

Although the Tender Offer Price of JPY 1,400 is less than the net asset value per share of JPY 2,136.06 (rounded to two decimal places) calculated from the amount of the Company's equity capital as of June 30, 2023, which is stated in the Company First Quarter Report, the Company believes that the net asset value per share does not represent the theoretical liquidation value per share of the Company based on such as the following reasons: (i) although the Company's assets include tangible fixed assets equivalent to 49.4% of the Company's equity capital (rounded to one decimal places), since there are only a few companies engaged in the same business as the Company, and many tangible fixed assets owned by the Company were acquired by special order to be used for the Company's business, in the event of liquidation of the Company, it is extremely unlikely that the Company would be able to convert its tangible fixed assets into cash at the book value; and (ii) liquidation of the Company Group would require the termination of the Company Group's employees, which would result in additional costs, such as premium severance pay and expenses for job placement assistance.

There is nothing unreasonable about the Company's explanation above. On this basis, the Company's net asset value per share does not reflect the future profitability of the Company, nor can it be presumed that the net asset value per share is a reasonable minimum price that shareholders are inherently entitled to enjoy, and therefore, it is considered unreasonable to give weight to the Company's net asset value per share in the consideration of the share value of the Company, which is a going concern.

Therefore, the fact that the Tender Offer Price of JPY 1,400 is less than the net asset value per share of the Company is no reason to deny the fairness and appropriateness of the Tender Offer Price.

- (D) (Implementation of the tender process) As described in (b) (A) above, the Process was implemented in the Transactions prior to the announcement, and in selecting Bain Capital as the Partner in the Process, the Special Committee verified the fairness and appropriateness of the Process and, in critical phases, the Special Committee expressed its opinion or made requests. Then, the Tender Offer Price for the Transactions, which was presented by Bain capital through the Process implemented with the substantial involvement of the Special Committee, was the highest in comparison with other Potential Partners. The Tender Offer Price determined under the above process can be evaluated as having a certain degree of fairness and appropriateness.
- (E) (Purchase Price of Share Option) It can be evaluated that the fairness and appropriateness of the Tender Offer Price have been ensured. The Purchase Price of Share Option was determined at the difference between the Tender Offer Price of JPY 1,400 and the exercise price per share of the Shares for each Share Option multiplied by the number of the Shares to be issued upon exercise of each Share Option, and therefore the Purchase Price of Share Option has been calculated based on the Tender Offer Price., and there is nothing unreasonable about the calculation method above. Based on this, it can also be evaluated that the fairness and appropriateness of the Purchase Price of Share Option have been ensured.
- (F) (Terms and conditions other than the Tender Offer Price for the Transactions) When considering the terms and conditions other than the Tender Offer Price for the Transactions, the scheme of the Transactions can be evaluated as reasonable in light of the fact that there is no alternative means other than the Transactions, which is expected to produce the same effect as the Transactions as described in (a) (D) above, and the fact that will give the general shareholders of the Company appropriate opportunities to recover their investments. In addition, the fairness and appropriateness of the terms and conditions of the Transactions have been ensured by the following reasons: (i) all of the measures taken in the Transactions to secure opportunities for purchases from other buyers (market checks) are to ensure the fairness of the procedures for the Transactions, and can be evaluated as effectively functioning as measures to ensure the fairness ((b) (E) above); (ii) the establishment of the minimum number of shares to be purchased in the Tender Offer is to ensure the fairness of the procedures for the Transactions as the establishment of the minimum number of shares to be purchased that corresponds to MoM, and can be evaluated as effectively functioning as a measure to ensure the fairness ((b) (G) above); and (iii) coerciveness is considered to have been eliminated in the Transactions ((b) (H) above). Moreover, terms and conditions other than the Tender Offer Price for the Transactions (including the contents of the Tender Offer Agreement) are also not considered to be unreasonable in comparison with the terms and conditions of transactions of the same type and size, and the terms and conditions of the Transactions are not considered to lack fairness and appropriateness.
- (G) (Conclusion) Based on the above, it can be evaluated that the fairness and appropriateness of the terms and conditions of the Transactions have been ensured.
- (d) Whether or not the Board of Directors should express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer
Given that, as described in (a) through (c) above, (i) the Transactions will contribute to the enhancement of

Company's corporate value, and the purpose of the Transactions is considered to be reasonable, (ii) the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured, and (iii) the fairness and appropriateness of the terms and conditions of the Transactions are considered to have been ensured, it is considered reasonable for the Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Share Option Holders tender their shares in the Tender Offer.

(e) Whether or not the Board of Directors' decision to implement the Transactions is disadvantageous to the general shareholders of the Company based on the above

Given that, as described in (a) through (d) above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is considered to be reasonable, (ii) the fairness and appropriateness of the procedures for the Transactions, including the Process, are considered to have been ensured, (iii) the fairness and appropriateness of the terms and conditions of the Transactions are considered to have been ensured, and (iv) it is considered reasonable for the Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Share Option Holders tender their shares in the Tender Offer, the Board of Directors' decision to implement the Transactions is not considered to be disadvantageous to the Company's general shareholders.

(III) Obtainment of Advice from Independent Law Firm by the Company

As set forth in "(i) Background of the Establishment of Consideration System" in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reasons for the Opinion" above, the Company has appointed Mori Hamada & Matsumoto as its legal advisor independent of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc. and the Company, to provide legal advice including advice on measures to be taken to ensure the fairness of procedures for the Transactions, various procedures for the Transactions and the Company's method and process, etc. for making decisions in connection with the Transactions.

Mori Hamada & Matsumoto is not a related party of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc. and the Company and has no material interests in the Transactions, including the Tender Offer. After confirming that there are no problems with the independence of Mori Hamada & Matsumoto, the Special Committee has approved Mori Hamada & Matsumoto as a legal advisor to the Company. In addition, the compensation to be paid to Mori Hamada & Matsumoto does not include a success fee to be paid subject to the closing, etc. of the Transactions.

(IV) Obtainment of Share Valuation Report from the Company's Independent Financial Advisor and Third-party Calculation Agent

As described in "(i) Name of Calculation Agent and Relationship with the Company and Tender Offeror" in "(I) Obtainment of Share Valuation Report from the Company's Independent Financial Advisor and Third-Party Calculation Agent" in "(3) Matters Concerning Calculation" above, the Company requested Nomura Securities, a financial advisor and a third-party calculation agent independent of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc. and the Company, to assess the valuation of the Shares and obtained the Share Valuation Report as of August 17, 2023. For a summary of the Share Valuation Report, see "(ii) Summary of Calculation" in "(1) Obtainment of Share Valuation Report from the Company's Independent Financial Advisor and Third-Party Calculation Agent" in "(3) Matters Concerning Calculation" above.

Nomura Securities does not fall under the category of a related party of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc., and the Company and does not have any material interests in the Transactions that should be described. After confirming that Nomura Securities has no problems with its independence,

the Special Committee has approved Nomura Securities as a financial advisor and third-party calculation agent of the Company. In addition, the Company believes that due consideration has been given to the interests of the Company's general shareholders in light of other measures implemented in connection with the Transactions to ensure the fairness of the Tender Offer Price and avoid conflicts of interest (For details, please see "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer"), and has not obtained any opinion from Nomura Securities in connection with the fairness of the Tender Offer Price (a fairness opinion).

Nomura Securities' compensation for the Transactions includes a success fee to be paid subject to the closing, etc. of the Transactions. The Company has appointed Nomura Securities as its financial advisor and third-party calculation agent based on the above compensation structure, after determining that the inclusion of the success fee, which will be paid subject to the completion of the Tender Offer, does not negate the independence of Nomura Securities, taking into account the general practice in similar types of transactions as well as the appropriateness, etc. of a compensation structure that would give the Company a reasonable monetary burden even if the Transactions was not consummated.

(V) Advice from Independent Law Firm at the Special Committee

As set forth in "(i) Background of Establishment of Consideration System" in "(III) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reasons for Opinions on Tender Offer" above, the Special Committee appointed Iwata Godo as its legal advisor independent of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc. and the Company, and has received legal advice including advice on measures to be taken to ensure the fairness of procedures for the Transactions, various procedures for the Transactions and the method and process, etc. of the Special Committee's deliberations on the Transactions.

Iwata Godo is not a related party of the Prospective Partners, Tender Offeror, Major Shareholders Group, Mr. Masuda, Etc. and the Company, and does not have any material interests in the Transactions, including the Tender Offer. In addition, the compensation for Iwata Godo does not include a contingency fee to be paid subject to the closing of the Transactions.

(VI) Approval of All Directors (Including Audit and Supervisory Committee Members) of the Company without Conflicts of Interest

In the Tender Offer, as described in "(III) Decision-Making Process and Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reasons for Opinions on Tender Offer" above, taking into account the legal advice to be provided by Mori Hamada & Matsumoto, advice from Nomura Securities from a financial perspective, and the contents of the Share Valuation Report, and with the utmost respect for the judgment of the Special Committee expressed in the Report, the Company carefully discussed and examined as to whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, were reasonable.

Consequently, the Company determined that the Transactions would contribute to the enhancement of the Company's corporate value as described in "(III) Decision-Making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reasons for Opinions on Tender Offer" above, and that the terms and conditions of the Transactions, including the Tender Offer Price, were reasonable. Accordingly, at the meeting of its Board of Directors held today, the Company expressed its opinion in support of the Tender Offer by unanimous vote of the Company's Directors (including those who are the Audit and Supervisory Committee Members) who participated in the deliberations and the resolution (with an unanimous vote of 7 Directors of the Company), and resolved to recommend that the Company's shareholders and the Share Option Holders tender their Shares or Share Options in the Tender Offer.

As described in "(III) Decision-Making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reasons for Opinions on Tender Offer" above, the Tender Offer is scheduled to commence promptly upon the satisfaction of the Tender Offer Conditions or the waiver by the Tender Offeror, and as of today, although it is difficult to accurately predict the period required for the procedures for the China TOB Treatment Measures, etc., the Tender Offeror is aiming to commence the Tender Offer around early January 2024. Accordingly, the Company also resolved at the above meeting of its Board of Directors that, upon the commencement of the Tender Offer, the Special Committee shall consider whether or not there is any change in the opinion expressed by the Special Committee to the Board of Directors of the Company as of today, and that it shall consult the Board of Directors of the Company to that effect if there is no change, and to express its opinion after the change if there is any change, and that, based on such opinion, it shall express its opinion in connection with the Tender Offer again when the Tender Offer is commenced.

Since Mr. Masuda has entered into the Tender Agreement (Mr. Masuda) with the Tender Offeror and further, his asset management company, Koshibi, has also entered into the Tender Agreement (Koshibi) with the Tender Offeror based on his intention, and, from the perspective of eliminating the risk of being affected by the issue of structural conflicts of interest in the Transactions and ensuring the fairness of the Transactions, Mr. Masuda has not participated in the discussion and resolution of any of the previous proposals in connection with the Transactions at the meetings of its Board of Directors, nor has he participated in any discussions or negotiations with the Prospective Partners and the Tender Offeror on the part of the Company, not only after his retirement from the Company's director but also during his term of office. In addition, Mr. Shintetsu Iwamoto, who was an outside director of the Company, participated in the management of the Company as an outside director of the Company since June 2022 on the recommendation of Dalton Advisory KK (Dalton Advisory KK is a wholly owned subsidiary of Dalton LLC, a company incorporated under Japanese law under which RSM, the entity entrusted with all of Michael 1925's assets under management, has entered into an entrustment agreement for research on investment destinations in Japan, and shares officers with RSM.), but because he does not fall under the category of a related party of the Major Shareholders Group and does not have any material interests in the Transactions, including the Tender Offer (includes benefits to be provided by the Major Shareholders Group), the foregoing allowance has been paid to Mr. Masuda as the sole interested Director. The Special Committee has approved that the review system for the Transactions at the Company (including the scope and duties of its officers and employees involved in the consideration, negotiation and judgment regarding the Transactions), including the review system adopted by the Board of Directors of the Company, is not problematic from the perspective of independence and fairness.

(VII) Measures to Ensure Opportunities for Purchases from Other Purchasers

It is understood that the Tender Offeror intends to set the Tender Offer Period of 30 business days, where the minimum period required by law is 20 business days. In addition to the fact that the Tender Offer Period is set to be relatively longer than the period stipulated in law, a long period of about five months is expected to be secured after the announcement made today of a series of the terms and conditions of the Transactions, including the Tender Offer Price, until the scheduled commencement date of the Tender Offer, which is expected to be early January 2024, the Company believes that, before and after the commencement of the Tender Offer, it will ensure that the shareholders of the Company and the Share Option Holders have an opportunity to make an appropriate decision in connection with the tender in the Tender Offer and that the counterbidders will also have an adequate opportunity to make a countervailing purchase, etc. of the Shares and the Share Options of the Company.

As described in "4. Matters Related to Important Agreements Concerning the Tender Offer" below, the Tender Offer Agreement contains provisions stipulating that the Company shall not, by itself or through a third party, enter into any agreement with any party other than the Tender Offeror regarding Competing Transactions, shall not provide any person other than the Tender Offeror with any information concerning the Company Group or other information

regarding such Competing Transactions, and shall not propose, offer or solicit offers for such Competing Transactions or engage in any discussions or negotiations in connection with such transactions. Therefore, the Company will not be able to actively encourage other acquirers to make an acquisition offer. However, as mentioned above, considering the fact that the Company has implemented the Process and secured an opportunity to receive a wide range of proposals aimed at enhancing the Company's corporate value through active market checks in the Process, we believe that there is a limited possibility that restrictions on the Company's ability to actively solicit or negotiate a counteroffer after the Tender Offer Agreement is executed will reduce the opportunity for other acquirers to make an acquisition offer. In addition, if the Company receives a specific, feasible and sincere proposal regarding Competing Transactions to acquire all of the Shares and the Share Options at a purchase price that is at least 5% above the Tender Offer Price (regardless of the amount of the Purchase Price of Share Option, however, it is required that the proposal is legally binding, that it is reasonably expected that financing for the acquisition will be secured, that the method for avoiding tender offer restrictions in China or other alternative means are specifically stated in the proposal, and that necessary filings under competition laws and regulations and investment control laws and regulations and other procedures relating to government agencies are stated in the proposal based on reasonable grounds), the Company is not precluded from providing information or engaging in discussions or negotiations.

In addition, as described in "4. Matters Related to Important Agreements Concerning the Tender Offer" below, although under the Tender Offer Agreement, the Company shall maintain the expression of its opinion in support of the Tender Offer and shall not pass a resolution of the Board of Directors to withdraw or modify such expression until the end of the Tender Offer Period, if the Counter Tender Offer (Tender Offer Agreement) (as defined in "(1) Tender Offer Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below; the same applies hereinafter in the description of "Counter Tender Offer (Tender Offer Agreement)") is commenced by a third party other than the Tender Offeror (excluding those who have made a final declaration of intent in the Process) by 4:00 PM on the business day prior to the expiry date of the Tender Offer Period without the solicitation or proposal by the Company, the Company may, as long as it has not breached any of its obligations under the Tender Offer Agreement, request the Tender Offeror to have a discussion on changes to the Tender Offer Price and the Purchase Price of Share Option. If the Tender Offeror does not make a renewed proposal to change the Tender Offer Price to an amount not less than the purchase price of the Counter Tender Offer (Tender Offer Agreement) and to change the Purchase Price of Share Option to a reasonable amount based on the Tender Offer Price after such change by the later of the date on which seven business days have elapsed from the date of such request for a discussion or the date which is five business days prior to the expiration date of the Tender Offer Period ("Re-proposal Due Date"; if the Company's request for a discussion mentioned above is made within seven business days preceding the last day of the Tender Offer Period, the Tender Offeror shall extend the Tender Offer Period to a date on which at least five business days are secured from the Re-proposal Due Date; however, the Tender Offeror is not required to extend the Tender Offer Period to a date later than March 21, 2024), and if it is reasonably deemed that there is a specific concern that the Company's maintenance of the expression of its opinion in support of the Tender Offer would, based on the opinion of the Special Committee and other reasonable grounds, breach the duty of care of a good manager of the Company's directors, the Company may change or withdraw the expression of its opinion in support of the Tender Offer. There is no provision in the Tender Offer Agreement stipulating that the Company will be obligated to compensate for damages, pay a penalty, or be subject to any other obligation, burden, or condition as a result of the Company's changing or withdrawing its expression of opinion in support of the Tender Offer as stated above. Also, considering the fact that the Company has already secured an opportunity to receive a wide range of proposals aimed at enhancing the corporate value of the Company through active market checks, and the fact that the Company and the Tender Offeror have devoted considerable resources to the consideration of the Transactions in the Process, the Company believes that the agreed terms of the Tender Offer Agreement are not of such a nature as to impede opportunities that counter offers with more favorable contents for the shareholders will be proposed.

(VIII) The Establishment of the Minimum Number of Shares to be Purchased in excess of the Majority of Minority

It is understood that, in the Tender Offer, the Tender Offeror has set the minimum number of the Shares to be purchased at 15,170,600 shares (ownership ratio: 66.58%), and if the total number of the Tendered Share Certificates is less than the minimum number of the Shares to be purchased of 15,170,600 shares, the Tender Offeror will not purchase all of the Tendered Share Certificates. The lower limit of the number of the Shares to be purchased of 15,170,600 shares (ownership ratio: 66.58%) is above the number of shares calculated by (i) dividing by two, the number of shares (20,973,063 shares), which is obtained by deducting the number of treasury shares owned by the Company as of June 30, 2023 (50,287 shares) and 1,782,890 Shares owned by Mr. Masuda, Etc. (including 8,200 shares to be received by Mr. Masuda on or after today; ownership ratio: 7.82%) from the total number of issued shares as of the same date set out in the Company First Quarter Report (22,806,240 shares)" (10,486,532 shares, rounded up to the nearest whole number, ownership ratio: 46.02%; this is the number equivalent to the number of the Shares held by the Company's shareholders who do not have a material interest in the Tender Offeror, i.e., the so-called "Majority of Minority"), and (ii) adding 1,782,890 shares owned by Mr. Masuda, Etc. (12,269,422 shares, ownership ratio: 53.85%).

Accordingly, taking into consideration the intention of the general shareholders of the Company, the Transactions, including the Tender Offer, will not be conducted if the approval of a majority of shareholders other than the interested parties of the Tender Offeror is not obtained.

4. Matters Related to Important Agreements Concerning the Tender Offer

(1) Tender Offer Agreement

The Tender Offeror and the Company have entered into the Tender Offer Agreement as of today to conduct the Tender Offer. Under the Tender Offer Agreement, on the condition that a positive report was submitted by the Special Committee regarding the Board of Directors expressing its opinion that it is in favor of the Tender Offer and recommends that the Company's shareholders and the Share Option Holders tender their shares in the Tender Offer, and that the report is not withdrawn or changed, the Company expresses its opinion in support of the Tender Offer and recommending the shareholders of the Company and the Share Option Holders to tender their Shares in the Tender Offer, and cooperate with the shareholders and the Share Option Holders in good faith, as necessary, to ensure that the Tender Offer is accepted by as many shareholders and Share Option Holders as possible. Until the end of the Tender Offer Period, the Company shall maintain its expressions of approval and shall not make any resolution of the Board of Directors to withdraw or change them, except as otherwise expressly set forth in the Tender Offer Agreement.

In addition, the Tender Offer Agreement provides that the Company shall not, by itself or through a third party, enter into any agreement with any party other than the Tender Offeror regarding transactions that are reasonably considered to be in substantial conflict with the Transactions or to make it impossible or extremely difficult to execute the Transactions ("Competing Transactions"), shall not provide any person other than the Tender Offeror with any information concerning the Company Group or other information regarding such Competing Transactions, and shall not propose, offer or solicit offers for such Competing Transactions or engage in any discussions or negotiations in connection with such transactions. However, if the Company receives a specific, feasible and sincere proposal regarding Competing Transactions to acquire all of the Company's common shares and stock acquisition rights at a purchase price that is at least 5% above the Tender Offer Price (regardless of the amount of the purchase price for the stock acquisition rights, however, it is required that the proposal is legally binding, that it is reasonably expected that financing for the acquisition will be secured, that the method for avoiding tender offer restrictions in China or other alternative means are specifically stated in the proposal, and that necessary filings under competition laws and regulations and investment control laws and regulations and other procedures relating to government agencies are stated in the proposal based on reasonable grounds), the Company will not be precluded from providing information or engaging in discussions or negotiations.

If a tender offer to acquire all of the common shares and share acquisition rights of the Company at a purchase price that is at least 5% above (Note 1) (regardless of the amount of the purchase price for the stock acquisition rights, "Counter Tender Offer (Tender Offer Agreement)") is commenced by a third party other than the Tender Offeror (excluding those who have made a final declaration of intent in the Process) after the execution of the Tender Offer Agreement by 4:00 PM on the business day prior to the expiration date of the Tender Offer Period without the solicitation or proposal from the Company, the Company may, as long as it has not breached any of its obligations under the Tender Offer Agreement, request to the Tender Offeror to discuss changes to the Tender Offer Price and the consideration per Share Option. If the Tender Offeror does not make a renewed proposal to change the Tender Offer Price to an amount not less than the purchase price of the Counter Tender Offer (Tender Offer Agreement) and to change the consideration for acquisition per Share Option to a reasonable amount based on the Tender Offer Price affers such change by the Re-proposal Due Date (the later of the date on which seven business days have elapsed from the date of such proposal or the date which is five business days prior to the expiration date of the Tender Offer Period) (if the Company's request for a discussion mentioned above is made within seven business days preceding the last day of the Tender Offer Period, the Tender Offeror shall extend the Tender Offer Period to a date on which at least five business days are secured from the Re-proposal Due Date; however, the Tender Offeror is not required to extend the Tender Offer Period to a date later than March 21, 2024), and if it is reasonably deemed that there is a specific concern that the Company's maintenance of the expression of its opinion in support of the Tender Offer would, based on the opinion of the Special Committee and other reasonable grounds, breach the duty of care of a good manager of the Company's directors, the Company may change or withdraw the expression of its opinion in support of the Tender Offer. There is no provision in the Tender Offer Agreement stipulating that the Company will be obligated to compensate for damages, pay a penalty, or be subject to any other obligation, burden, or condition as a result of the Company's changing or withdrawing its expression of opinion in support of the Tender Offer as stated above.

(Note 1) This value was determined through negotiations between the Tender Offeror and the Company.

Under the Tender Offer Agreement, (i) the Tender Offeror is to exert its utmost efforts to complete the acquisition of the clearances under the competition laws of Japan and the Republic of Serbia as soon as practicable after the execution of the Tender Offer Agreement, subject to the performance by the Company of its obligations set forth in (ii) below, and (ii) the Company is to promptly provide the information reasonably sought by the Tender Offeror so that the Tender Offeror can complete the acquisition of the clearances under the competition laws of Japan and the Republic of Serbia, and is to exert reasonable efforts to have the group companies of the Company cooperate (including the provision of information required for filing and proceeding under applicable competition laws and other laws and regulations) in a timely and sincere manner with respect to the matters reasonably sought by the Tender Offeror.

In addition, the Tender Offer Agreement provides for matters pertaining to the implementation of the Transactions (specifically, the Tender Offer and the Squeeze Out Procedures that follow), representations and warranties by the Tender Offeror and the Company (Note 2), and, in addition to the foregoing, certain obligations of the Company until the completion of the Transactions (Note 3), and provides that the Tender Offeror will conduct the Tender Offer if the Tender Offer Conditions are satisfied or waived by the Tender Offeror. The Tender Offer Agreement also provides for the termination of the Tender Offer in the following cases: (i) the other party (which means the Tender Offeror for the Company and the Company for the Tender Offeror. The same shall apply hereinafter.) has materially breached any of the representations and warranties set forth in the Tender Offer Agreement, (ii) when the other party has materially failed to perform its obligations under the Tender Offer Agreement, a petition for the commencement of bankruptcy proceedings has been filed against the other party, and (iii) the Tender Offeror does not commence the Tender Offer on or before January 31, 2024 (except for cases attributable to the Tender Offeror).

(Note 2) In the Tender Offer Agreement, the Tender Offeror has made representations and warranties regarding: (1) the effectiveness of its establishment and survival, (2) the authority and power necessary for the execution and

performance of the Tender Offer Agreement, (3) the effectiveness and enforceability of the Tender Offer Agreement, (4) the absence of conflicts with laws and regulations, etc. regarding the execution and performance of the Tender Offer Agreement, (5) the acquisition of clearances under the competition laws of Japan and the Republic of Serbia upon the commencement of the Tender Offer, (6) the absence of transactions or involvement with antisocial forces, and (7) the sufficiency of funds to conduct the Transactions. In the Tender Offer Agreement, the Company has made representations and warranties regarding: (1) the effectiveness of its establishment and survival, (2) the authority and power necessary for the execution and performance of the Tender Offer Agreement, (3) the effectiveness and enforceability of the Tender Offer Agreement, (4) the absence of conflicts with laws and regulations, etc. regarding the execution and performance of the Tender Offer Agreement, (5) the absence of bankruptcy proceedings, etc., (6) the absence of transactions or involvement with antisocial forces, (7) the absence of bribery, etc., (8) the absence of undisclosed material facts, etc., and (9) the accuracy of the disclosed documents.

(Note 3) In the Tender Offer Agreement, the Company has substantially assumed: (1) an obligation to cooperate in satisfaction of the Tender Offer Conditions, (2) an obligation to implement the China TOB Treatment Measures, (3) an obligation to change officers dispatched by the Company to Hangzhou Toka Ink Chemical from positions in charge of the day-to-day business execution of Hangzhou Toka Ink Chemical, (4) an obligation to make efforts to terminate certain related party transactions to which Hangzhou Toka Ink Chemical is a party, (5) an obligation to cause itself or its subsidiaries or affiliates (excluding Hangzhou Toka Ink Chemical) to terminate transactions orders for which are received from companies located in the Russian Federation or the Islamic Republic of Iran and transactions for which companies located in the Russian Federation or the Islamic Republic of Iran are the ultimate clients, (6) an obligation to endeavor to obtain the necessary acceptance or consent from the counterparty to such agreement or other agreement in connection with the Transactions and the resulting conversion of the Company into a wholly-owned subsidiary by the Tender Offeror, (7) an obligation to perform businesses within the ordinary course of business, (8) an obligation to notify when aware of breach of representations and warranties or breach of duty, (9) an obligation to cooperate in financing by the Tender Offeror, (10) an obligation to grant the Tender Offeror access to our group's information, and (11) an obligation to maintain confidentiality.

(2) Tender Agreement (Koshihi)

It is understood that, as of today, the Tender Offeror has agreed with Koshihi to tender all of its Shares held (Total number of shares owned: 1,051,820 shares, ownership ratio: 4.62%) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Koshihi in connection with the Tender Offer other than the Tender Agreement (Koshihi), and there are no benefits to be provided by the Tender Offeror to Koshihi other than monies to be obtained by tendering its Shares in the Tender Offer. The Tender Agreement (Koshihi) does not provide for any conditions precedent for Koshihi to tender such Shares when the Tender Offer is commenced. It is also understood that, in the Tender Agreement (Koshihi), the Tender Offeror has agreed to the following:

- (i) It is understood that during a period between the execution date of the Tender Agreement (Koshihi) and the commencement date of settlement in connection with the Tender Offer, Koshihi may not exercise its right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if Koshihi is entitled to exercise its voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Koshihi) and the commencement date of settlement in connection with the Tender Offer, Koshihi shall vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding its voting rights at such general meeting of shareholders with respect to the Shares.

- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Koshibi shall exercise its voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(3) Tender Agreement (Mr. Masuda)

It is understood that, as of today, the Tender Offeror has agreed with Mr. Masuda to tender all of its Shares (Total number of shares owned: 722,870 shares, ownership ratio: 3.17 %; The total number will be 731,070 shares together with 8,200 Shares that Mr. Masuda will receive on or after today if the conditions of the incentive plan implemented when Mr. Masuda was a former officer of the Company are met. (Ownership ratio: 3.21%)) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Mr. Masuda with respect to the Tender Offer other than the Tender Agreement (Mr. Masuda), and there are no benefits to be provided by the Tender Offeror to Mr. Masuda other than the monies to be obtained by tendering his Shares in the Tender Offer. It is understood that the Tender Agreement (Mr. Masuda) does not provide for any conditions precedent for Mr. Masuda to tender such Shares when the Tender Offer is commenced. In addition, it is understood that, in the Tender Agreement (Mr. Masuda), the Tender Offeror has agreed to the following:

- (i) It is understood that, during a period between the execution date of the Tender Agreement (Mr. Masuda) and the commencement date of settlement in connection with the Tender Offer, Mr. Masuda shall not exercise his right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that, if Mr. Masuda is entitled to exercise his voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Mr. Masuda) and the commencement date of settlement in connection with the Tender Offer, he is to vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding his voting right at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Mr. Masuda shall exercise his voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(4) Tender Agreement (Mizuho Bank)

It is understood that, as of today, the Tender Offeror has agreed with Mizuho Bank to tender all of the 300 Shares owned by Mizuho Bank (ownership ratio 0.00%), and to instruct Mizuho Trust & Banking to tender all of the 987,900 Shares contributed by Mizuho Bank to a retirement benefit trust for which Mizuho Trust & Banking is a trustee (ownership ratio 4.34%). Provided, however, that if any party other than the Tender Offeror commences a tender offer to acquire all Shares at a purchase price exceeding the Tender Offer Price by 5% (Note) or more after the commencement of the Tender Offer by the last day of the Tender Offer Period ("Counter Tender Offer (Mizuho Bank)"), Mizuho Bank may, as long as it is not in breach of its obligations stipulated in the Tender Agreement (Mizuho Bank), make a request to the Tender Offeror for consultation regarding the change of the Tender Offer Price, and if the Tender Offeror does not change the Tender Offer Price to an amount that is equal to or greater than the purchase price of the Counter Tender Offer (Mizuho Bank) based on such consultation, it is understood that Mizuho Bank will be relieved from its obligations to tender shares and give instructions as stated above. (Provided, however, that, if the Tender Offer Price exceeds the purchase price of the Counter Tender Offer (Mizuho Bank) during the purchase period of the Counter Tender Offer (Mizuho Bank), Mizuho Bank shall be obliged to tender shares and

give instructions as set forth above). It is understood that, except for the Tender Agreement (Mizuho Bank), the Tender Offeror has not agreed with Mizuho Bank in connection with the Tender Offer, and that there are no benefits to be provided by the Tender Offeror to Mizuho Bank other than the monies to be obtained by tendering such Shares in the Tender Offer.

It is understood that the Tender Agreement (Mizuho Bank) does not provide for any conditions precedent for Mizuho Bank to tender its shares or for Mizuho Bank to instruct Mizuho Trust & Banking to tender its shares when the Tender Offer is commenced. In addition, it is understood that, in the Tender Agreement (Mizuho Bank), the Tender Offeror has agreed to the following:

(Note) The figure is determined by negotiations between the Tender Offeror and Mizuho Bank.

- (i) It is understood that during a period between the execution date of the Tender Agreement (Mizuho Bank) and the commencement date of settlement in connection with the Tender Offer, Mizuho Bank shall not exercise any rights to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if Mizuho Bank is entitled to exercise its right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Mizuho Bank) and the commencement date of settlement in connection with the Tender Offer, it shall vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding his voting right at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Mizuho Bank shall exercise its voting rights and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(5) Tender Agreement (Meiji Yasuda)

It is understood that, as of today, the Tender Offeror has agreed with Meiji Yasuda to tender all of its Shares (Total number of shares owned: 756,000 shares, ownership ratio: 3.32%) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Meiji Yasuda with respect to the Tender Offer other than the Tender Agreement (Meiji Yasuda), and there are no benefits to be provided by the Tender Offeror to Meiji Yasuda other than the monies to be obtained by tendering his Shares in the Tender Offer. It is understood that the Tender Agreement (Meiji Yasuda) does not provide for any conditions precedent for Meiji Yasuda to tender such Shares when the Tender Offer is commenced. In addition, it is understood that, in the Tender Agreement (Meiji Yasuda), the Tender Offeror has agreed to the following:

- (i) It is understood that, during a period between the execution date of the Tender Agreement (Meiji Yasuda) and the commencement date of settlement in connection with the Tender Offer, Meiji Yasuda shall not exercise his right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Meiji Yasuda shall exercise his voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(6) Tender Agreement (Ms. Ueda)

It is understood that, as of today, the Tender Offeror has agreed with Ms. Ueda to tender all of its Shares (Total number of shares owned: 750,370 shares, ownership ratio: 3.29 %) in the Tender Offer when the Tender Offer is commenced. It is

understood that the Tender Offeror has not reached any agreement with Ms. Ueda with respect to the Tender Offer other than the Tender Agreement (Ms. Ueda), and there are no benefits to be provided by the Tender Offeror to Ms. Ueda other than the monies to be obtained by tendering his Shares in the Tender Offer. It is understood that the Tender Agreement (Ms. Ueda) does not provide for any conditions precedent for Ms. Ueda to tender such Shares when the Tender Offer is commenced. In addition, it is understood that, in the Tender Agreement (Ms. Ueda), the Tender Offeror has agreed to the following:

- (i) It is understood that, during a period between the execution date of the Tender Agreement (Ms. Ueda) and the commencement date of settlement in connection with the Tender Offer, Ms. Ueda shall not exercise his right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that, if Ms. Ueda is entitled to exercise his voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Ms. Ueda) and the commencement date of settlement in connection with the Tender Offer, he is to vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding his voting right at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Ms. Ueda shall exercise his voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(7) Tender Agreement (Yasushi)

It is understood that, as of today, the Tender Offeror has agreed with Yasushi to tender all of its Shares held (Total number of shares owned: 741,680 shares, ownership ratio: 3.25%) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Yasushi in connection with the Tender Offer other than the Tender Agreement (Yasushi), and there are no benefits to be provided by the Tender Offeror to other than monies to be obtained by tendering its Shares in the Tender Offer. The Tender Agreement (Yasushi) does not provide for any conditions precedent for Yasushi to tender such Shares when the Tender Offer is commenced. It is also understood that, in the Tender Agreement (Yasushi), the Tender Offeror has agreed to the following:

- (i) It is understood that during a period between the execution date of the Tender Agreement (Yasushi) and the commencement date of settlement in connection with the Tender Offer, Yasushi may not exercise its right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if Yasushi is entitled to exercise its voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Yasushi) and the commencement date of settlement in connection with the Tender Offer, Yasushi shall vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding its voting rights at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Yasushi shall exercise its voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(8) Tender Agreement (Hiromi)

It is understood that, as of today, the Tender Offeror has agreed with Hiromi to tender all of its Shares held (Total number of shares owned: 647,100 shares, ownership ratio: 2.84%) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Hiromi in connection with the Tender Offer other than the Tender Agreement (Hiromi), and there are no benefits to be provided by the Tender Offeror to Hiromi other than monies to be obtained by tendering its Shares in the Tender Offer. The Tender Agreement (Hiromi) does not provide for any conditions precedent for Hiromi to tender such Shares when the Tender Offer is commenced. It is also understood that, in the Tender Agreement (Hiromi), the Tender Offeror has agreed to the following:

- (i) It is understood that during a period between the execution date of the Tender Agreement (Hiromi) and the commencement date of settlement in connection with the Tender Offer, Hiromi may not exercise its right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if Hiromi is entitled to exercise its voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Hiromi) and the commencement date of settlement in connection with the Tender Offer, Hiromi shall vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding its voting rights at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date for the exercise of the right, Hiromi shall exercise its voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

(9) Tender Agreement (Asuka)

It is understood that, as of today, the Tender Offeror has agreed with Asuka to tender all of its Shares held (Total number of shares owned: 581,780 shares, ownership ratio: 2.55%) in the Tender Offer when the Tender Offer is commenced. It is understood that the Tender Offeror has not reached any agreement with Asuka in connection with the Tender Offer other than the Tender Agreement (Asuka), and there are no benefits to be provided by the Tender Offeror to Asuka other than monies to be obtained by tendering its Shares in the Tender Offer. The Tender Agreement (Asuka) does not provide for any conditions precedent for Asuka to tender such Shares when the Tender Offer is commenced. It is also understood that, in the Tender Agreement (Asuka), the Tender Offeror has agreed to the following:

- (i) It is understood that during a period between the execution date of the Tender Agreement (Asuka) and the commencement date of settlement in connection with the Tender Offer, Asuka may not exercise its right to request the convocation of any general meeting of shareholders of the Company, to make any shareholder proposal or to exercise any other shareholder right without the prior written consent of the Tender Offeror.
- (ii) It is understood that if Asuka is entitled to exercise its voting right at a general meeting of shareholders of the Company to be held for a period between the execution date of the Tender Agreement (Asuka) and the commencement date of settlement in connection with the Tender Offer, Asuka shall vote against: (I) any proposal for the payment of a dividend or other disposition of surplus and (II) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects (including cases where proposals are made by shareholders.) regarding its voting rights at such general meeting of shareholders with respect to the Shares.
- (iii) It is understood that if the Tender Offer is consummated and a general meeting of shareholders of the Company is held on a date prior to the commencement date of settlement in connection with the Tender Offer as the record date

for the exercise of the right, Asuka shall exercise its voting right and all other rights in connection with the Shares at such general meeting of shareholders based on the instructions of the Tender Offeror.

5. Details of Benefits to be Provided by the Tender Offeror or its Special Related Parties

Not applicable.

6. Policy for Responding under the Basic Policy to Control of the Company

Not applicable.

7. Questions to Tender Offeror

Not applicable.

8. Request for Extension of Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to "(II) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer and Management Policies after the Tender Offer," in "(2) Basis and Reason for Opinions on Tender Offer", "(4) Likelihood of and Reasons for Delisting" and "(5) Organizational Restructuring after Tender Offer and Other Policies (Matters Concerning the "Two-Step Acquisition") above in "3. Contents, Basis of and Reason for Opinions on Tender Offer".

10. Other

(1) Publication of "Announcement of Revision of Dividend Forecast for the Fiscal Year Ending March 2024 (No Dividend) and Abolition of Shareholder Benefit Plan"

At a meeting of its Board of Directors held today, the Company resolved, in light of the Tender Offer being expected to be commenced, to revise its dividend forecast for the fiscal year ending March 2024, not to pay dividend at the end of the second quarter of, and at the end of the fiscal year ending March 31, 2024, and subject to the successful completion of the Tender Offer, to abolish the shareholder benefit plan effective the fiscal year ending March 2024. For details, please see "Announcement of Revision of Dividend Forecast for the Fiscal Year Ending March 2024 (No Dividend) and Abolition of Shareholder Benefit Plan" released by the Company today.

End

[Restrictions on Solicitation]

This press release is to announce the declaration of opinion of the Company regarding the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares or share options. If shareholders wish to make an offer to sell their shares or share options, they should first be sure to carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of any agreement pertaining to the Tender Offer or be relied upon in the event of the execution of any such agreement.

[U.S. Regulations]

The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not always the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the "U.S. Securities Exchange Act of 1934") or the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures or standards. All of the financial information included or referred to in this press release and reference materials of this press release do not conform to the U.S. accounting standards and may not be equivalent or comparable to the financial statements prepared pursuant to the U.S. accounting standards. In addition, because the Tender Offeror is a corporation incorporated outside the United States and some or all of its officers are non-U.S. residents, it may be difficult to exercise rights or demands against them which arise pursuant to U.S. securities laws. It also may be impossible to bring an action against a corporation that is based outside of the United States or its officers in a court outside of the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.

All procedures regarding the Tender Offer will be conducted in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English; however, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail.

Before the commencement of the Tender Offer or during the purchase period of the Tender Offer, the Tender Offeror and its affiliates (including the Company), and the affiliates of the financial advisors and tender offer agents of each of the foregoing might purchase, etc. by means other than the Tender Offer or conduct an act aimed at such a purchase, etc. of the common shares of the Company on their own account or the account of their client to the extent permitted by Japanese legislation related to financial instruments transactions in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase, etc. is disclosed in Japan, the person that conducted that purchase, etc. will disclose such information in English on the website of such person.

[Forward-looking Statements]

This press release includes forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 (as amended, the "U.S. Securities Exchange Act of 1933") and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or implicitly indicated in the forward-looking statements, due to known or unknown risks, uncertainties, or other factors. The Tender Offeror or its affiliates cannot promise that the predictions expressly or implicitly indicated as the forward-looking statements will turn out to be correct. The forward-looking statements included in this press release were prepared based on the information held by the Tender Offeror as of the date of this press release, and unless obligated by laws or regulations or the rules of a financial instruments exchange, the Company or its affiliates shall not be obligated to update or revise the statements to reflect future incidents or situations.

[Other Countries]

Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply therewith. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy share certificates, etc. relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.