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**Notice Regarding Commencement of Tender Offer for Shares of PCI Holdings, Inc. (Securities Code: 3918) and Execution of Capital and Business Alliance Agreement with PCI Holdings, Inc.**

Restar Corporation (the "Tender Offeror") hereby announces that, at a meeting of the Board of Directors held on the date of this notice, it has resolved to acquire the ordinary shares of PCI Holdings, Inc. (securities code: 3918, listed on the Standard Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"); the "Target Company") (the "Target Company Shares"), through a tender offer (the "Tender Offer") in accordance with the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments; the "Act"), and to terminate the capital and business alliance agreement executed with the Target Company on June 27, 2018, and execute a capital and business alliance agreement (the "Capital and Business Alliance Agreement," and the capital and business alliance pursuant to the Capital and Business Alliance Agreement is referred to as the "Capital and Business Alliance") as of the date of this notice.

1. Purpose, etc., of the Purchase, etc.

(1) Outline of the Tender Offer

The Tender Offeror resolved, at a meeting of the Board of Directors held on the date of this notice, to acquire the Target Company Shares, which are listed on the Tokyo Stock Exchange Standard Market, through the Tender Offer, and to terminate the capital and business alliance agreement executed with the Target Company on June 27, 2018, and execute a new capital and business alliance agreement as of the date of this notice. As of the date of this notice, the Tender Offeror owns 585,000 Target Company Shares (shareholding ratio (Note 1): 5.83%), but does not own any of the Stock Acquisition Rights (defined below). For details of the Capital and Business Alliance Agreement, please refer to "(I) Capital and Business Alliance Agreement" in "(6) Material Agreements Regarding the Tender Offer" below.

(Note 1) The "shareholding ratio" refers to the ratio as a percentage of the number of shares calculated based on the total number of issued shares of the Target Company (10,122,400 shares) as of June 30, 2024, as stated in the "Consolidated Financial Results for the Nine Months Ended June 30, 2024 [Japanese GAAP]" announced by the Target Company on the date of this notice (the "Target Company Third Quarter Financial Results"), minus treasury shares held by the Target Company as of the same date (217,695 shares) (resulting in 9,904,705 shares; the "Total Base Number of Shares"), plus the number of Target Company Shares (124,400) underlying 964 (Note 2) stock acquisition rights reported as outstanding by the Target Company as of June 30, 2024 (the "Stock Acquisition Rights") (resulting in 10,029,105 shares; the "Total Number of Shares Adjusted for Dilutive Shares") (rounded to two decimal places; hereinafter, the

same applies in calculations of shareholding ratios).

(Note 2) The breakdown of the 964 Stock Acquisition Rights is as follows.

Name of stock acquisition rights	Number	Number of the Target Company Shares underlying	Rights exercise period
Third series of stock acquisition rights	280	56,000 shares	November 14, 2021, to November 13, 2025
Fourth series of stock acquisition rights	131	13,100 shares	December 8, 2022, to December 7, 2026
Fifth series of stock acquisition rights	553	55,300 shares	November 27, 2023, to November 26, 2027

In connection with the Tender Offer, on the date of this notice, the Tender Offeror executed tender offer subscription agreements with (i) Y&U Inc. (number of shares held: 565,800 shares, shareholding ratio: 5.64%; "Y&U"), the third largest shareholder of the target company and an asset management company of which all issued shares are held by Mr. Toyomi Amano ("Mr. Amano"), the Representative Director and Chairman of the Target Company, as well as its founder, and his relatives, and (ii) Ms. Emi Sekiya (number of shares held: 319,600 shares, shareholding ratio: 3.19%; "Ms. Sekiya"; Y&U and Ms. Sekiya are collectively referred to as the "Tendering Shareholders"), the fifth largest shareholder of the Target Company. Pursuant to these agreements, the Tendering Shareholders have agreed to tender in the Tender Offer all Target Company Shares that they own (total: 885,400 shares, shareholding ratio: 8.83%; the "Shares to be Tendered") (hereinafter, the tender offer subscription agreement with Y&U is referred to as the "Subscription Agreement (Y&U)," and the tender offer subscription agreement with Ms. Sekiya is referred to as the "Subscription Agreement (Ms. Sekiya)," and these are referred to collectively as the "Subscription Agreements"). For details of the Subscription Agreements, please refer to "(II) Subscription Agreement (Y&U)" and "(III) Subscription Agreement (Ms. Sekiya)" in "(6) Material Agreements Regarding the Tender Offer" below.

Since the purpose of the Tender Offer is to make the Target Company a consolidated subsidiary of the Tender Offeror, and because the Tender Offeror's policy is to continue to maintain the listing of the Target Company Shares after the completion of the Tender Offer, the maximum and minimum limits for the number of shares to be purchased are set at 4,480,000 shares (shareholding ratio: 44.67%), to ensure that the Tender Offeror owns a majority of shares after the completion of the Tender Offer, as the minimum level generally required for the Tender Offeror to make the Target Company a consolidated subsidiary. The number of Target Company Shares held by the Tender Offeror after the completion of the Tender Offer will be 5,065,000 shares (shareholding ratio: 50.50%).

If the total number of share certificates, etc., tendered in the Tender Offer ("Tendered Share Certificates, etc.") is less than the minimum number of shares to be purchased (4,480,000 shares), not all of the Tendered Share Certificates, etc., will be purchased, etc. If the total number of Tendered Share Certificates, etc., exceeds the maximum number of shares to be purchased (4,480,000 shares), the Tender Offeror will not purchase, etc., all or part of the excess portion, and will instead receive delivery and otherwise perform settlement for the purchase, etc., of share certificates, etc., by a pro rata method, as provided for in Article 27-13, paragraph (5) of the Act and Article 32 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, including subsequent amendments; the "Cabinet Office Order").

Furthermore, according to the "Notice Regarding an Affirmative View Concerning a Tender Offer for Shares of the Company by Restar Corporation, Expression of Neutrality Concerning Subscription, and Execution of Capital and Business Alliance Agreement with Restar Corporation" announced by the Target Company on the date of this notice (the "Target Company Press Release"), the Target Company's Board of Directors, at a meeting held on the date of this notice, expressed an affirmative view toward the Tender Offer and resolved to adopt a neutral position and leave it to the judgment of the Target Company's

shareholders as to whether or not they should tender their shares in the Tender Offer.

For details of the Target Company's opinion on the Tender Offer and the decision-making process, please refer to the Target Company Press Release and “(III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company” under “(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer, and Management Policy after the Tender Offer

(I) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer

With regard to the Tender Offeror, on April 1, 2019, UKC Holdings Corporation (listed on the First Section of the Tokyo Stock Exchange on October 1, 2009), which was established on October 1, 2009, as a joint holding company through a share transfer between USC Corporation and Kyoshin Technosonic Co., Ltd., and Vitec Holdings Co., LTD. integrated their management and changed their trade name to Restar Holdings Corporation on April 1, 2019. After transferring from the First Section of the Tokyo Stock Exchange to the Tokyo Stock Exchange Prime Market in April 2022, in accordance with the revision of the market segments of the Tokyo Stock Exchange, on April 1, 2024, the Tender Offeror conducted an absorption-type merger with its wholly owned subsidiaries Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., with the Tender Offeror as the surviving company, and changed its company name to Restar Corporation. As of the date of this notice, the group of the Tender Offeror consists of the Tender Offeror, as well as 49 consolidated subsidiaries, two equity method affiliates, and one other affiliated company of the Tender Offeror (hereinafter, collectively referred to as the “Tender Offeror Group”).

Effective April 1, 2024, the Tender Offeror Group reorganized its businesses as a group, which previously consisted of four segments, namely, the Semiconductor and Electronic Components Business, the Procurement Business, the Electronic Equipment Business, and the Environmental Energy Business, into two segments: (i) the Devices Business Unit (“Devices BU”) and (ii) the System Business Unit (“System BU”), as of the date of this notice. The details of each segment are as follows.

(i) Devices BU

- Devices Business: Sales of semiconductors, electronic components, and related products in Japan and overseas; system and module proposals that are not sales of individual products but combinations of semiconductors, electronic components, and related products, such as sensors and LCDs, with a focus on image-related products; provision of high value-added solutions utilizing AI (Note 1); provision of technical support and engineering services with a focus on LCD-related and overseas supplier products, and proposals for optimal supply chain management through global procurement trading related to electronics and related contract services
- EMS Business (Note 2): Contracted electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories

(ii) System BU

- System Solution Business: Design, construction, and maintenance engineering for solutions for video, audio, communications, and measurement in various fields, including broadcasting, business, education, medical and life sciences, public facilities, FA (Note 3), security, and electronic measuring instruments, as well as the development, manufacture, and sale of payment terminals, security and personal authentication products, and other products that integrate core technologies such as digital technologies and communications with NFC (Note 4) technologies
- Eco-solution Business: Community coexistence-based operation and management services for the introduction and spread of renewable energy mainly through in-house solar power plants (in Japan and overseas), sale of electric power, including renewable energy, to businesses and public institutions, electric power consulting including local production and consumption of the power for community revitalization, the production and sale of vegetables made in completely

closed vegetable factories to the commercial market, including convenience stores, supermarkets, and food service chains, and system consulting

(Note 1) "AI" is an abbreviation for "Artificial Intelligence" and refers to computer systems equipped with the functions of human intelligence, such as learning, reasoning, and judgment.

(Note 2) "EMS" is an abbreviation for "Electronics Manufacturing Services" and refers to contracted services for the manufacture of electronic equipment.

(Note 3) "FA" is an abbreviation for "Factory Automation" and refers to the automation of factories using sensors, computer control technology, etc., or the equipment used for automation.

(Note 4) "NFC" is an abbreviation for "Near Field Communication" and refers to short-range wireless communication.

The Tender Offeror Group is pursuing synergies between businesses and active co-creation with external partners, diverse business development, expansion of technological domains, and the sustainable expansion of scale, in line with its vision of "We aim to be 'the Electronics Value Platformer' that accommodates all manner of stakeholder needs.", under the mission of "We help society evolve by leveraging information and technology to create and deliver new value and services.", as set forth in its Management Philosophy.

As corporate activities are increasingly required to contribute to a sustainable society, the Tender Offeror Group, which is expanding its business into diverse areas, is committed to further efforts to solve social issues, including the expansion of the generation of electricity from renewable energy. In an ever-changing business environment, the Tender Offeror Group aims to build a system capable of permanent growth and evolution, and long-term management with an eye on the future. In addition, on May 28, 2024, the Tender Offeror Group formulated and disclosed its first medium-term management plan, which sets targets through the fiscal year ending March 31, 2027. In addition to the existing Devices BU and System BU, the Tender Offeror Group also aims to establish a management structure based on four business units, through the addition of the new IT & SIer (Note 5) Business Unit ("IT & SIer BU") and the Engineering Business Unit ("Engineering BU"), as part of efforts to achieve long-term growth.

(Note 5) "SIer" is an abbreviation for "System Integrator" and refers to a business entity that undertakes contracted system integration for clients.

On the other hand, with regard to the Target Company, M&S Co., Ltd. was established in April 2005 and starting with IT system development, operation, and related information service businesses, expanded its business domains and corporate scale by establishing multiple companies engaged in information service businesses, making companies into subsidiaries, and merging, etc., with companies in order to expand and stabilize its business. Based on the concept of contributing to society while stabilizing management and expanding business by strengthening the management foundations and creditworthiness through the cooperation of companies that are small but have strengths in innovative technologies, the Target Company transitioned to a pure holding company in November 2006, and in April 2007, changed its trade name to the current one, PCI Holdings, Inc. At present, it has established a group management structure in which the Target Company, a pure holding company, supports the businesses of each of its subsidiary operating companies, and each operating company formulates comprehensive strategies and engages in business activities for the services it handles. Subsequently, the Target Company was listed on the Mothers Market of the Tokyo Stock Exchange in August 2015, changed its market to the First Section of the Tokyo Stock Exchange in September 2016, and has now transferred to the Tokyo Stock Exchange Standard Market, in accordance with the revision of the market segments of the Tokyo Stock Exchange.

As of the date of this notice, the Target Company's corporate group is centered on the Target Company, a pure holding company, and also consists of six consolidated subsidiaries (including three subsidiaries of subsidiaries) (hereinafter, collectively referred to as the "Target Company Group") engaged in software development, industrial PC design and manufacturing, in-house solution development and maintenance, semiconductor design and testing, and other information service businesses.

While respecting the culture and uniqueness of each of its operating companies, the Target Company Group is working to further enhance its corporate value by leveraging synergy effects across the entire group and responding agilely and flexibly to changes in the market environment and diversifying social needs.

The Target Company Group has worked to achieve robust organic growth and the expansion of its corporate scale through M&A since its listing in August 2015. In the fiscal year ended September 30, 2015, when the company listed, consolidated net sales were 7.8 billion yen, but by the fiscal year ended September 30, 2023, consolidated net sales had grown to 28.4 billion yen (3.6 times the September 2015 level).

Under the Vision Statement of its long-term vision for 2032, “PCI X-formation 2032 (PX2032),” “continue to explore the possibilities of IT and contribute to the realization of a secure, safe, and prosperous society (i.e., a sustainable society), while also being a company that constantly adapts to change and grows,” the Target Company Group aims to achieve annual net sales of 50-70 billion yen and establish its corporate brand by increasing its presence in the information service industry. At the same time, the Target Company Group is also prioritizing its “EBITDA margin” from the perspective of improving the “quality” of earnings, “ROE (return on equity) and ROIC (return on invested capital)” from the perspective of capital efficiency, and “P/B ratio (price to book value ratio),” from the perspective of market valuation. In November 2023, the Target Company Group also announced its medium-term management plan “PCI-VISION 2026” (from the fiscal year ending September 30, 2024 to the fiscal year ending September 30, 2026), which outlines a growth strategy to realize the vision of PX2032. Under this plan, the Target Company Group positions the medium-term management plan period as a second foundational start period, and is aggressively making strategic investments to improve the “quality” of its earnings, with an emphasis on building a foundation for further growth. As a form of management that is conscious of the cost of capital, the Target Company Group will continue to focus on achieving return on capital in excess of the cost of capital, with a target ROE of 15% or more for the fiscal year ending September 30, 2026. In addition, it is targeting a P/B ratio of 2x or more for the fiscal year ending September 30, 2026, as management that is conscious of the stock price. The P/B ratio is calculated as “ROE × P/E ratio (price-to-earnings ratio),” and in order to improve ROE, the Target Company Group is focusing on improving the “quality” of earnings and implementing appropriate capital policies and shareholder returns, while also improving the P/E ratio by enhancing IR activities so that shareholders and investors can understand the Target Company’s business and growth potential.

The business environment surrounding the Target Company Group is expected to remain uncertain owing to factors such as increasingly prolonged and multifaceted geopolitical risks, rapid increases in the prices of energy resources and raw materials, and rising prices due to the weak yen, while economic activities are expected to normalize as a result of the shift in the classification of COVID-19 from a Category 2 to a Category 5 disease. In the information service industry, to which the Target Company Group belongs, IT investment demand, particularly in relation to advanced technologies such as AI and IoT (Note 7), is expected to remain strong against the backdrop of the accelerated promotion of digitization and DX (Note 6) throughout society as a whole.

(Note 6) "DX" is an abbreviation for "Digital Transformation" and refers to the creation of new business models and the transformation of existing businesses through the utilization of data and digital technology.

(Note 7) "IoT" is an abbreviation for "Internet of Things" and refers to the creation of an internet for things.

The capital alliance relationship between the Tender Offeror and the Target Company began with the Target Company's capital participation in Vitec Vegetable Factory Co., Ltd. (“Vitec Vegetable Factory”), a subsidiary of the Tender Offeror (formerly Vitec Holdings Co., LTD.) that operates a plant factory business, in April 2018. Subsequently, the Tender Offeror and the Target Company executed a capital and business alliance agreement on June 27, 2018, and the Tender Offeror acquired 44,300 Target Company Shares (ratio to the total number of issued shares of the Target Company at that time (4,250,800 shares): 1.04%) through a negotiated transaction in July 2018. In September 2018, the Tender Offeror transferred to the Target Company a portion of its shares in VSE Corporation, then a subsidiary of a subsidiary of the Tender Offeror, and in May 2019, the Tender Offeror transferred to the Target Company a portion of its shares in Infitech Corporation, then a subsidiary of the Tender Offeror. As a result, both of these companies became joint ventures of the Tender Offeror and the Target Company. In March of

the same year, the Tender Offeror acquired an additional 44,300 Target Company Shares (ratio to the total number of issued shares of the Target Company at that time (4,261,200 shares): 1.04%) through a negotiated transaction, resulting in the Tender Offeror owning 88,600 Target Company Shares (ratio to the total number of issued shares of the Target Company at that time (4,261,200 shares): 2.08%). Additionally, in November of the same year, the Tender Offeror acquired a portion of the shares of Syswave Corporation, which was a wholly owned subsidiary of the Target Company, and Syswave Corporation became a joint venture between the Tender Offeror and the Target Company. Through becoming joint ventures in this way, VSE Corporation and Syswave Corporation began to collaborate mainly in the area of technology in semiconductor-related businesses, and this led to VSE Corporation conducting an absorption-type merger with Syswave Corporation as the disappearing company, in January 2020, for the purpose of strengthening technological collaboration, and changing its trade name to PRIVATECH Inc. ("PRIVATECH"). The two companies have taken steps to accelerate the creation of synergies, including the provision of high added value to existing customers of the Tender Offeror and the Target Company, the acquisition of new customers, and the effective utilization of the resources of both companies, as well as the expansion of IoT/IoE (Note 8) solutions businesses through the integration of hardware and software. In April 2020, the Target Company conducted a two-for-one share split, resulting in the Tender Offeror owning 177,200 Target Company Shares (ratio to the total number of issued shares of the Target Company at that time (8,522,400 shares): 2.08%). Subsequently, in January 2021, when the Target Company acquired SORD CORPORATION ("SORD"), a company engaged in the development, design, manufacture, and sale of embedded PC controllers and peripheral devices, as a means of raising funds, the Target Company resolved to issue new shares by public offering on May 21, 2021. The Tender Offeror subscribed to 300,000 shares of this public offering (ratio to the total number of issued shares of the Target Company on the payment date (June 25, 2021) of the capital increase by third-party allotment resolved at the same time as the new share issuance (10,322,400 shares): 2.91%), resulting in the Tender Offeror owing 477,200 Target Company Shares (ratio to the total number of issued shares of the Target Company on the payment date (June 25, 2021) of the capital increase by third-party allotment (10,322,400 shares): 4.62%). Furthermore, the Tender Offeror acquired an additional 60,400 Target Company Shares on March 15, 2022 (ratio to the total number of issued shares of the Target Company at that time (10,322,400): 0.59%) and an additional 47,400 Target Company Shares on March 18, 2022 (ratio to the total number of issued shares of the Target Company at that time (10,322,400): 0.46%) through negotiated transactions, resulting in the Tender Offeror owning 585,000 Target Company Shares (shareholding ratio: 5.83%), and it has since held the same number of shares until the date of this notice.

(Note 8) "IoE" is an abbreviation for "Internet of Everything" and refers to the connection of everything via the internet.

The Tender Offeror has set forth the following four main specific results it has achieved through the Capital and Business Alliance with the Target Company to date.

[Specific results of the Capital and Business Alliance]

- (i) Procurement of parts and materials (CPUs (Note 9), etc.) for embedded personal computers and controllers manufactured by SORD and support for sales expansion mainly to medical institutions, etc., by the Tender Offeror
- (ii) FAE (Note 10) support by the Target Company for the Tender Offeror's marketing activities to its customers (set manufacturers, etc.) and technical support, etc., by accepting contracts for development projects from various manufacturers, etc.
- (iii) Technical support, etc., for AI, IoT, etc., for various solutions (automated robots, plant weight estimation, AI security at solar power plants) provided by the Tender Offeror by PCI Solutions INC. and Institute of PCI Solutions Inc. (hereinafter, PCI Solutions INC. and Institute of PCI Solutions Inc. are collectively referred to as "PCI Solutions") or PRIVATECH
- (iv) Support by the Target Company for core system development for the Tender Offeror

(Note 9) "CPU" is an abbreviation for "Central Processing Unit" and refers to a device that processes and calculates data.

(Note 10) "FAE" is an abbreviation for "Field Application Engineer" and refers to a role that supports sales with technical expertise.

While the Tender Offeror and the Target Company have both achieved certain results through the Capital and Business Alliance, as described, the Tender Offeror felt that there was insufficient drive to deepen collaboration and there were limits to the creation of synergies with the current loose capital relationship, because both companies are different corporate groups, and the business practices and corporate culture of the Tender Offeror Group, which mainly has a conventional business selling goods, and the Target Company Group, which mainly provides IT services, are different, and the direction and interests of the two companies do not match, meaning that they remain as an extension of each other's business partners. In late April 2024, the Tender Offeror decided that in order to further enhance the corporate value of both companies through maximizing synergies based on accelerating the promotion of business collaboration, it would be necessary to eliminate the differences in business practices and corporate culture, which had been an issue, and to align their interests by becoming one and the same corporate group through the strengthening of the Capital and Business Alliance, and thereby uniting the management resources of both companies and utilizing management resources as one entity, including the Tender Offeror's abundant network of business partners in the manufacturing industry and other industries, as well as its scale and financial resources.

Based on the above considerations, on May 30, 2024, the Tender Offeror submitted to the Target Company a statement of intent (the "Statement of Intent") stating its initial intention to (i) hold at least a majority of the voting rights of the Target Company and make the Target Company a consolidated subsidiary, and (ii) while maintaining the independence of the Target Company, enhance the corporate value of both companies through deeper business cooperation and collaboration between the two companies. Furthermore, the Tender Offeror believed that the following synergies could be realized by making the Target Company a consolidated subsidiary.

[Synergies from the collaborative relationship after the Tender Offer]

(i) Expansion of business targeting the manufacturing industry through market deepening/expansion

In addition to deeply tapping the "automotive," "industrial machinery," "ICT (Note 11)," and other markets in which both companies have strengths, expand business by broadening markets with the potential for mutual complementation (overseas, consumer, construction machinery, security, etc.) and by utilizing direct connections to the Tender Offeror's high-quality customer base

(ii) Expansion of quality and quantity of technical resources

Expand the scale of existing business and technology domains (system architecture, AI, image processing, communications, and others) by increasing the number of engineers, which it is difficult for the companies to make new hires alone

(iii) Expansion into Sier upstream processes by strengthening planning and proposal capabilities

Through the achievement of (i) and (ii) above, improve the ability to propose hardware and software solutions developed by both companies and accelerate the development of upstream processes, such as planning and proposals, by increasing direct business opportunities for customers

(iv) Strengthening of management foundations and economies of scale

Business expansion (working capital and growth investment) based on the financial foundations of the Tender Offeror's net assets on the scale of 90 billion yen, and reduction and compression of various costs through economies of scale

(Note 11) "ICT" is an abbreviation for "Information and Communication Technology" and refers to communication that utilizes information and communication technology.

Additionally, in the Statement of Intent, the Tender Offeror selected the following specific themes and proposed the launch of a collaborative project directly under the management of both companies in order to ensure the realization of these envisaged synergies.

[Collaborative project directly under the management of both companies]

- (i) Reinforcement of systems to expand sales of products handled by SORD, particularly by the Tender Offeror's group companies PALTEK CORPORATION and Restar Embedded Solutions Corporation, which have strengths in the industrial machinery, medical, and other markets
- (ii) Strengthen PRIVATECH's business by expanding FAE support to the Devices BU, consolidating semiconductor design and reliability-related businesses, optimally allocating the other businesses of both companies, etc.
- (iii) Utilization of PCI Solutions' technology and promotion of entry into upstream processes through collaboration with the System BU and businesses related to smart solutions, as well as cooperation with SBI Holdings, Inc. ("SBI Holdings"), a capital and business alliance partner of the Tender Offeror, and security companies
- (iv) Creation of the Tender Offeror's platform infrastructure (total investment on the scale of 4 billion yen over five years) and utilization of PCI Solutions' functions through the functions of the Group's IT division

Subsequently, the Tender Offeror engaged in questions and answers with the Target Company between early and late June 2024 in response to the Statement of Intent, and as part of these questions and answers, in late June 2024, the Tender Offeror received a reply from the Target Company that deepening business cooperation and collaboration through the Capital and Business Alliance with the Tender Offeror could contribute to improving the Target Company's corporate value. In response to this reply, the Tender Offeror decided to commence preparations for specific procedures to make the Target Company a consolidated subsidiary of the Tender Offeror through the Tender Offer. In order to prepare for the Tender Offer, in late June 2024, the Tender Offeror appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), Mori Hamada & Matsumoto, and Plutus Consulting Co., Ltd. ("Plutus Consulting") as a financial advisor, legal advisor, and third-party valuation institution, respectively, independent of the Tender Offeror and the Target Company.

From late June to late July 2024, the Tender Offeror conducted due diligence on the Target Company and its subsidiaries, and has also conducted a series of analyses regarding the nature and probability of synergies expected from the Tender Offeror making the Target Company its consolidated subsidiary through the Tender Offer. In addition to strengthening the value chain of existing businesses through the addition of the Target Company's semiconductor design and testing business, FAE support, industrial PC design and manufacturing, etc., the Tender Offeror aims to establish the IT & Sler BU and Engineering BU, and in doing so, it has confirmed the probability of the creation of synergies, as the information service business of the Target Company, where it has strengths in software development, solution development and maintenance, etc., has been developed in markets with high affinity to the Tender Offeror. Based on such reasons, in late July 2024, the Tender Offeror decided that it would be possible to achieve synergies (i) through (iv) listed above through the collaborative relationship after the Tender Offer. In addition, the Tender Offeror also judged that an increase in the corporate value of both companies could be expected, partly because it considered that the Target Company Group could assume the core functions of the IT & Sler BU, which the Tender Offeror aims to establish as a new business unit in its medium-term management plan, as well as the enhancement of the functions of the Engineering BU.

Based on the above decision, on July 24, 2024, the Tender Offeror, based on the results of an analysis of the value of the Target Company Shares by Plutus Consulting, a third-party valuation institution independent of the Tender Offeror and the Target Company, submitted a proposal to the Target Company to: (i) determine a price for the purchase, etc., of Target Company Shares in the Tender Offer (the "Tender Offer Price") of 1,170 yen (the price of 1,170 yen proposed as the Tender Offer Price represents a premium of 20.74% (rounded to two decimal places; hereinafter, the same applies to calculations of the premium) to the closing price of 969 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 23, 2024, the business day immediately preceding the date of the proposal, a premium of 20.74% to the simple average closing price of 969 yen (rounded to the nearest whole number; hereinafter, the same applies to calculations of the simple average closing price) of the Target Company Shares during the period of one month up to and including the same date, a premium of 22.77% to the simple average closing price of 953 yen for the period of three months up to and including the same date, and a premium of 22.64% to



the simple average closing price of 954 yen for the period of six months up to and including the same date), and (ii) limit the maximum and minimum number of shares to be purchased to 4,480,000 shares. In response, on July 25, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price, as it could not assess that the Tender Offer Price represented a sufficient level of premium for the Target Company's common shareholders, although it accepted the maximum and minimum limits of the number of shares to be purchased. Based on this request, on July 30, the Tender Offeror submitted another proposal to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 25.65% to the closing price of 963 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 29, 2024, the business day immediately preceding the date of the proposal, a premium of 25.13% to the simple average closing price of 967 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 26.97% to the simple average closing price of 953 yen for the period of six months up to and including the same date). In response, on August 1, 2024, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price, in order to further increase the premium received by common shareholders of the Target Company. Subsequently, although the Tender Offeror reconsidered this request from the Target Company, based on the fact that the price of 1,210 yen that it proposed on July 30 was the maximum price that it could offer taking into consideration information related to the Target Company and the market environment, on August 2, the Tender Offeror submitted another proposal to the Target Company for a Tender Offer Price of the same amount as the previous proposal of 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 28.31% to the closing price of 943 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 1, 2024, the business day immediately preceding the date of the proposal, a premium of 25.39% to the simple average closing price of 965 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 27.23% to the simple average closing price of 951 yen for the period of six months up to and including the same date). In response, on August 5, the Target Company responded that, after serious consideration, given that it was the maximum price the Tender Offeror could offer, the market environment surrounding the Target Company, and other factors, it had determined that it was not unreasonable for common shareholders of the Target Company, and ultimately, on the date of this notice, the Tender Offeror and the Target Company reached agreement on the Tender Offer Price of 1,210 yen per share.

In addition, based on the response from the Target Company to the effect that it had judged that the Tender Offer Price was not unreasonable for common shareholders of the Target Company, on August 6, 2024, the Tender Offeror submitted a proposal to Y&U to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 56.13% to the closing price of 775 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 5, 2024, the business day immediately preceding the date of the proposal, a premium of 27.10% to the simple average closing price of 952 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 27.23% to the simple average closing price of 951 yen for the period of three months up to and including the same date, and a premium of 27.64% to the simple average closing price of 948 yen for the period of six months up to and including the same date). In response, on August 8, the Tender Offeror received a response from Y&U to the effect that it would accept the Tender Offer Price, and executed the Subscription Agreement (Y&U) as of the date of this notice. Furthermore, according to Y&U, if the total number of Tendered Share Certificates, etc., in the Tender Offer exceeds the maximum number of shares to be purchased, Y&U intends to continue to hold any remaining shares in the event that Y&U has shares remaining as a result of the use of the pro rata method.

In addition, on August 7, 2024, the Tender Offeror submitted a proposal to Ms. Sekiya to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 45.96% to the closing price of 829 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 6, 2024, the business day immediately

preceding the date of the proposal, a premium of 27.91% to the simple average closing price of 946 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 27.50% to the simple average closing price of 949 yen for the period of three months up to and including the same date, and a premium of 27.77% to the simple average closing price of 947 yen for the period of six months up to and including the same date). In response, on August 8, the Tender Offeror received a response from Ms. Sekiya to the effect that she would accept the Tender Offer Price, and executed the Subscription Agreement (Ms. Sekiya) as of the date of this notice. Furthermore, according to Ms. Sekiya, if the total number of Tendered Share Certificates, etc., in the Tender Offer exceeds the maximum number of shares to be purchased, as of the date of this notice, Ms. Sekiya has not determined her policy regarding any remaining shares in the event that she has shares remaining as a result of the use of the pro rata method.

After the above discussion and negotiation, the Tender Offeror, at a meeting of the Board of Directors held on the date of this notice, resolved that (i) the Tender Offeror will conduct the Tender Offer with the Tender Offer Price of 1,210 yen, (ii) the Tender Offeror will execute the Capital and Business Alliance Agreement with the Target Company, and (iii) the Tender Offeror will execute the Subscription Agreements with the Tendering Shareholders.

## (II) Decision-Making Process and Reasons for the Target Company's Support of the Tender Offer

As described in the above "(I) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer," on May 30, 2024, the Tender Offeror submitted to the Target Company the Statement of Intent stating the details of its proposal, namely its aim to hold at least a majority of the voting rights of the Target Company and make the Target Company a consolidated subsidiary, and while maintaining the independence of the Target Company, enhance the corporate value of both companies through deeper business cooperation and collaboration between the two companies.

In the course of these discussions and considerations, the Target Company appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as a financial advisor independent from the Tender Offeror and Target Company in mid-June 2024, and in late June 2024, it appointed Nagashima Ohno & Tsunematsu as its legal advisor.

In addition, between early and late June 2024, the Target Company engaged in questions and answers with the Tender Offeror concerning the Statement of Intent, and it judged that creating a capital relationship with the Tender Offeror and deepening business cooperation and collaboration could contribute to improving the Target Company's corporate value.

Subsequently, based on the judgment that deeper discussions were required concerning expected synergies and corporate governance, from early July 2024, the Target Company and the Tender Offeror engaged in specific working-level discussions, particularly among officers and employees of corporate planning divisions, and through late July 2024, engaged in a series of working-level discussions with the Tender Offeror on initiatives that would contribute to the improvement of the corporate value of both companies, synergies that could be expected to emerge, etc., as well as corporate governance after the Tender Offer. With respect to synergies, the Target Company confirmed with the Tender Offeror that in order for both companies to exercise synergies, it would be essential for the two companies to engage in business on an equal footing while maintaining a spirit of equality in the field, and to continue to conduct transactions at fair prices and conditions with respect to the procurement of semiconductor-related parts and materials, etc., from the Tender Offeror Group and the sale of embedded electronic devices, etc., to the Tender Offeror Group. With respect to corporate governance, the Target Company has confirmed with the Tender Offeror that it will maintain its independence after the Tender Offer, based on the intent of each principle of Japan's Corporate Governance Code and other listing rules, etc., established by the Tokyo Stock Exchange. Although the Target Company is expected to become a subsidiary of the Tender Offeror after the Tender Offer, the Target Company believes that there are no particular disadvantages to becoming a subsidiary of the Tender Offeror, provided that there are appropriate measures against the "risk of structural and potential conflicts of interest," which is a common issue in parent-subsidary listings, the spread of a "spirit and position of equality" in the field, and governance measures.

With respect to the conditions of the Tender Offer, on July 24, 2024, the Target Company received a proposal from the Tender Offeror to (i) make the Tender Offer Price 1,170 yen (the price of 1,170 yen proposed as the Tender Offer Price represents a premium of 20.74% to the closing price of 969 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 23, 2024, the business day immediately preceding the date of the proposal, a premium of 20.74% to the simple average closing price of 969 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 22.77% to the simple average closing price of 953 yen for the period of three months up to and including the same date, and a premium of 22.64% to the simple average closing price of 954 yen for the period of six months up to and including the same date), and (ii) limit the maximum and minimum number of shares to be purchased to 4,480,000 shares. In response, on July 25, the Target Company submitted a request to the Tender Offeror to increase the Tender Offer Price, as it could not assess that the Tender Offer Price represented a sufficient level of premium for the Target Company's common shareholders, although it accepted the maximum and minimum limits of the number of shares to be purchased. Subsequently, on July 30, the Target Company received another proposal from the Tender Offeror to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 25.65% to the closing price of 963 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 29, 2024, the business day immediately preceding the date of the proposal, a premium of 25.13% to the simple average closing price of 967 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 26.97% to the simple average closing price of 953 yen for the period of six months up to and including the same date). In response, on August 1, 2024, the Target Company submitted to the Tender Offeror a request to increase the Tender Offer Price, in order to further increase the premium received by common shareholders of the Target Company. Subsequently, on August 2, the Target Company received a proposal from the Tender Offeror to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 28.31% to the closing price of 943 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 1, 2024, the business day immediately preceding the date of the proposal, a premium of 25.39% to the simple average closing price of 965 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 27.23% to the simple average closing price of 951 yen for the period of six months up to and including the same date), as well as information to the effect that the Tender Offeror believed this was the maximum price it could offer. In response, on August 5, the Target Company responded that, given that the Tender Offer Price of 1,210 yen proposed by the Tender Offeror on August 2 was the maximum price the Tender Offeror could offer, the market environment, including the price level of the Target Company Shares up to that date, other conditions related to the Tender Offer, and other factors, it had determined that it was not unreasonable for common shareholders of the Target Company, and that it would proceed with consideration of the Tender Offer based on the assumption that the Tender Offer Price would be 1,210 yen. In addition, as described in "(II) Announcement of Notice Regarding Expected Recording of Extraordinary Income (Gain on Sale of Investment Securities) and Revision of Consolidated Earnings Forecast for the Full Year Ending September 30, 2024" in "(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Their Shares, etc." under "4. Other" below, the Target Company has revised its consolidated earnings forecasts for the fiscal year ending September 30, 2024 (the "Forecast Revisions") as of the date of this notice. However, when considering the fairness and reasonableness of the Tender Offer Price of 1,210 yen, which was proposed by the Tender Offeror on August 2, 2024, the Tender Offeror took into account the details of the Forecast Revisions and the fact that the impact of the Forecast Revisions had not been reflected in the share price prior to that date, and thus determined that the Tender Offer Price of 1,210 yen is not disadvantageous to the common shareholders of the Target Company. Furthermore, the Forecast Revisions were made irrespective of any synergies expected from the Tender Offer.

On that basis, the Target Company has comprehensively considered the various terms and conditions of the Tender Offer, various synergies, including the creation of business opportunities that can be expected from the deepening of the relationship between the Target Company and the Tender Offeror, and other factors, and after careful discussions and consideration, for the

reasons outlined below, the Target Company has determined that the Tender Offer will contribute to the enhancement of the Target Company's corporate value.

First, under the assumption that the Target Company's management independence will be maintained and the employment and treatment of its employees will be maintained and improved, the Target Company believes that it can be expected that it will be able to utilize the Tender Offeror's customer base and business partner base, and thereby improve order efficiency and purchasing power.

Furthermore, in the information service business, by establishing a business promotion structure centered on the Target Company within the Tender Offeror Group, the Target Company believes that it will be able to further expand orders by adding the Tender Offeror Group's extensive customer and business partner bases to the Target Company Group's advanced technological capabilities and abundant experience and expertise in the fields of embedded (industrial) systems for the electrical equipment manufacturing industry and LSI (Note 1) design and testing for the semiconductor manufacturing industry, which are the core businesses of the Target Company and areas in which the Target Company Group has a competitive edge. Additionally, in the field of business (enterprise) systems, by establishing a business structure centered on the Target Company Group as part of the architecture, maintenance, and operation of the Tender Offeror Group's information systems, the Target Company believes that it will be able to absorb the operational expertise of the Tender Offeror Group, particularly in the wholesale business, and strengthen its ability to accept contracts for upstream processes. The Tender Offeror and the Target Company plan to hold discussions in good faith regarding the establishment of specific measures to transfer the Tender Offeror Group's LSI design, evaluation and quality inspection business to the Target Company Group, and believe that they can expand their cooperative relationship.

(Note 1) "LSI" is an abbreviation for "Large-Scale Integration" and refers to the integration of many integrated circuits on a single substrate.

As a result of the above, at a meeting of the Board of Directors of the Target Company held on the date of this notice, as described in "(III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Target Company resolved to support the tender offer, by the unanimous votes of all nine Directors of the Target Company without special interests, excluding Mr. Amano, out of the 10 Directors of the Target Company.

In addition, since a maximum number of shares to be purchased is set for the Tender Offer and the Tender Offeror's policy is to continue to maintain the listing of the Target Company Shares after the Tender Offer, the Target Company's shareholders will have the option to continue to hold their Target Company Shares after the Tender Offer. Accordingly, at the meeting of the Board of Directors of the Target Company held on the date of this notice, as described in "(III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Target Company resolved to adopt a neutral position and entrust the decision on whether or not to tender their shares in the Tender Offer to the discretion of the shareholders of the Target Company, by the unanimous votes of all nine Directors of the Target Company without special interests, excluding Mr. Amano, out of the 10 Directors of the Target Company. Furthermore, in consideration of the above circumstances, the Target Company has not obtained a valuation report from a third-party valuation institution regarding the valuation of the Target Company Shares.

For details of the decision-making process of the Board of Directors of the Target Company, please refer to "(III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

### (III) Management Policy After the Tender Offer

The Tender Offeror intends to maintain the listing of the Target Company Shares on the Tokyo Stock Exchange Standard Market. Therefore, the Tender Offeror and the Target Company have agreed in the Capital and Business Alliance Agreement that the Tender Offeror will maintain the management independence of the Target Company as a listed company.

With respect to the composition of the Board of Directors of the Target Company after the Tender Offer, the Tender Offeror has agreed in the Capital and Business Alliance Agreement that it will have the right to nominate up to two Directors, including one Executive Director who is not an Audit and Supervisory Committee Member of the Target Company (for details, please see “(I) Capital and Business Alliance Agreement” in “(6) Material Agreements Regarding the Tender Offer” below).

### (3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

Although the Tender Offeror owns 585,000 Target Company Shares (shareholding ratio: 5.83%) as of the date of this notice, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. Additionally, there are no plans for direct or indirect investment in the Tender Offeror by all or part of the management of the Target Company, and the Tender Offer does not constitute a so-called management buyout transaction.

However, as of the date of this notice, the Tender Offeror has executed the Subscription Agreement (Y&U) with Y&U, an asset management company of which all issued shares are held by Mr. Amano, the Representative Director and Chairman of the Target Company, as well as its founder, and his relatives, and there is a possibility that the interests of Mr. Amano and the Target Company's minority shareholders may not necessarily align. Accordingly, based on this possibility, the Tender Offeror and the Target Company will carefully deliberate the Tender Offer to ensure the fairness of the Tender Offer, and have also taken the following measures to eliminate arbitrariness in the decision-making process regarding the Tender Offer, ensure fairness, transparency, and objectivity in the decision-making process of the Target Company, and avoid any conflict of interest that may arise between the Target Company or the Target Company's minority shareholders and the Target Company's Directors.

Furthermore, in the following information, the measures taken by the Target Company are described based on explanations received from the Target Company.

#### (I) Acquisition of Valuation Report From Independent Third-Party Valuation Institution by the Tender Offeror

When determining the Tender Offer Price, the Tender Offeror requested that Plutus Consulting, as a third-party valuation institution independent of the Tender Offeror and the Target Company, calculate the value of the Target Company Shares.

For details, please refer to “(I) Basis of Calculation” and “(II) Background of Calculation” in “(4) Basis, etc., of Calculation of Price for the Purchase, etc.” under “2. Outline of the Purchase, etc.” below.

#### (II) Advice From Independent Legal Advisors of the Target Company

According to the Target Company Press Release, the Target Company has appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Target Company and the Tender Offeror, in order to obtain expert advice on the fairness and legality of the procedures in the decision-making process regarding the Tender Offer. Nagashima Ohno & Tsunematsu has provided the Target Company with necessary legal advice with respect to the method and process of decision-making by its Board of Directors and other points to be noted in the decision-making process regarding the Tender Offer.

#### (III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company

According to the Target Company Press Release, as described in “(II) Decision-Making Process and Reasons for the Target Company's Support of the Tender Offer” under “(2) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer, and Management Policy after the Tender Offer” above and “(5) Prospects for Delisting and Reasons Therefor” below, the Target Company has resolved, at a meeting of the Board of Directors of the Target Company

held on the date of this notice, to support the Tender Offer, because it has judged that the Tender Offer will contribute to the enhancement of the Target Company's corporate value, based on the expectation that, by establishing a business promotion structure centered on the Target Company Group within the Tender Offeror Group in the information service business through the Tender Offer, while maintaining the independence of the management of the Target Company through keeping the listing of the Target Company Shares, the Target Company will be able to further expand orders by adding the Tender Offeror Group's extensive customer and business partner bases to its advanced technological capabilities and abundant experience and expertise in the fields of embedded (industrial) systems for the electrical equipment manufacturing industry and LSI design and testing for the semiconductor manufacturing industry, which are the core businesses of the Target Company and areas in which the Target Company Group has a competitive edge, as well as the expectation that, by establishing a business structure centered on the Target Company Group as part of the architecture, maintenance, and operation of the Tender Offeror Group's information systems in the field of business (enterprise) systems, the Target Company will be able to absorb the operational expertise of the Tender Offeror Group, particularly in the wholesale business, and strengthen its ability to accept contracts for upstream processes.

In addition, as described in “(II) Decision-Making Process and Reasons for the Target Company's Support of the Tender Offer” under “(2) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer, and Management Policy after the Tender Offer” above and “(5) Prospects for Delisting and Reasons Therefor” below, since a maximum number of shares to be purchased is set for the Tender Offer and the Tender Offeror's policy is to continue to maintain the listing of the Target Company Shares after the Tender Offer, the Target Company's shareholders will have the option to continue to hold their Target Company Shares after the Tender Offer. Accordingly, at the meeting of the Board of Directors of the Target Company held on the date of this notice, the Target Company resolved to adopt a neutral position and entrust the decision on whether or not to tender their shares in the Tender Offer to the discretion of the shareholders of the Target Company.

Additionally, of the 10 Directors of the Target Company, with respect to Mr. Amano, the Tender Offeror and Y&U, an asset management company of which all issued shares are held by Mr. Amano and his relatives, executed the Subscription Agreement (Y&U) on the date of this notice, and there is a possibility that the interests of Mr. Amano and the Target Company's minority shareholders may not necessarily align. Based on this possibility, Mr. Amano did not participate in the deliberations and resolution at the above meeting of the Board of Directors, and the resolution at the above meeting of the Board of Directors was adopted by the unanimous votes of all nine Directors of the Target Company without special interests, excluding Mr. Amano.

Additionally, all four members of the Audit and Supervisory Committee Members of the Target Company participated in the meeting of the Board of Directors pertaining to the above resolution, and stated that they had no objection to the Target Company's expression of the above opinion.

#### (4) Planned Acquisition of Additional Target Company Share Certificates, etc., After the Tender Offer

Since the Tender Offeror will conduct the Tender Offer for the purpose of making the Target Company a consolidated subsidiary and its policy is to respect the management independence of the Target Company by continuing to maintain the listing of the Target Company Shares even after the completion of the Tender Offer, if the Tender Offeror achieves that purpose through the Tender Offer, the Tender Offeror does not currently plan to acquire additional share certificates, etc., of the Target Company after the Tender Offer. In addition, if the total number of Tendered Share Certificates, etc., exceeds the maximum number of shares to be purchased and a pro rata method is applied, the Tendering Shareholders will not be able to sell all of their Shares to be Tendered in the Tender Offer, but the Tender Offeror does not currently plan to acquire any additional Shares to be Tendered that could not be sold.

#### (5) Prospects for Delisting and Reasons Therefor

The Target Company Shares are listed on the Tokyo Stock Exchange Standard Market as of the date of this notice, but the Tender Offer is not intended to result in the delisting of the Target Company Shares, and the Tender Offeror has set a maximum number of shares to be purchased of 4,480,000 shares (shareholding ratio: 44.67%) when conducting the Tender Offer. Therefore, the number of Target Company Shares to be held by the Tender Offeror after the completion of the Tender Offer is expected to

be no higher than 5,065,000 shares (shareholding ratio: 50.50%), and therefore, the Target Company Shares are expected to remain listed on the Tokyo Stock Exchange Standard Market after the completion of the Tender Offer.

Furthermore, as of the date of this notice, the Target Company meets all of the criteria for maintaining its listing on the Tokyo Stock Exchange's Standard Market, and as of March 31, 2024, the Target Company's ratio of shares in circulation was 76.64% (rounded down to two decimal places). Therefore, the Target Company is not expected to violate the Tokyo Stock Exchange's criteria for maintaining listing on the Tokyo Stock Exchange's Standard Market for the ratio of shares in circulation (25.00% or more) as a result of the Tender Offer.

#### (6) Material Agreements Regarding the Tender Offer

##### (I) Capital and Business Alliance Agreement

The Tender Offeror has executed the Capital and Business Alliance Agreement with the Target Company as of the date of this notice. The outline of the Capital and Business Alliance Agreement is as follows.

##### (i) Purpose

- The purpose of the Capital and Business Alliance Agreement is to ensure that through the Tender Offer and the Capital and Business Alliance, the Tender Offeror and the Target Company effectively utilize the management resources of both companies while maintaining the Target Company's independence as a listed company, based on the intent of each principle of Japan's Corporate Governance Code and other listing rules and regulations applicable to companies listed on the Tokyo Stock Exchange Standard Market, while also ensuring that, by promoting and accelerating the creation of the "IT & Sier" and "Engineering" business pillars with the Target Company's technological capabilities at their core based on the Tender Offeror's extensive accounts, scale, financial resources, etc., in manufacturing and other industries, and thus enhancing scale and profitability (technological capabilities), the companies will pursue further synergies based on the partnership relationship between the two companies, which has been continuously strengthened in the past, and thereby improve the corporate value of both companies, and ultimately maximize the shareholder returns of both companies, and make both companies into a corporate group that leads the restructuring of the IT industry.

##### (ii) Matters Concerning the Tender Offer (Note 1)

- The Tender Offeror shall commence the Tender Offer in accordance with laws, regulations, etc., and the Capital and Business Alliance Agreement.
- If the Tender Offer is to be implemented, the Target Company shall pass a resolution at a meeting of its Board of Directors to support the Tender Offer (the "Resolution of Support") and publicly announce the details thereof in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange. Provided, however, that the Target Company may pass a resolution to the effect that it will leave the decision on whether or not to tender shares in the Tender Offer to the discretion of its shareholders.
- The Target Company shall maintain the Resolution of Support and shall not revoke or amend the Resolution of Support. Provided, however, that the Target Company may revoke or amend the Resolution of Support, only (a) in cases when, at least 10 business days prior to the last day of the period for purchase, etc., in the Tender Offer (the "Tender Offer Period"), the Target Company receives a specific and serious proposal (a "Counterproposal") concerning a tender offer for the Target Company Shares for the purpose of making the Target Company a subsidiary or making it private, or a transaction that is inconsistent or conflicts with the Capital and Business Alliance (a "Competing Transaction"), with no violation of any obligation regarding competing transactions by the Target Company, and (b) despite good faith discussions between the Tender Offeror and the Target Company regarding a response to the Counterproposal, (c) taking into consideration the terms of such Counterproposal and the Tender Offer Price and other conditions (including the price or other conditions after any changes, if the Tender Offeror makes any changes to the Tender Offer Price, the Business Alliance (as defined below in "(iii) Details of Business Alliance"; hereinafter, the same applies), or other conditions), as well as any synergies arising from the Business Alliance and all other related factors, the Board of Directors of the Target

Company reasonably determines that there is a reasonable possibility that the Target Company's retention of the Resolution of Support will constitute a breach of its fiduciary duty of loyalty or duty of care as Directors of the Target Company.

(Note 1) In addition to the above, the Target Company has made pledges, including: (a) the Target Company Group will execute business operations, etc., within the scope of normal business operations with the due care of a prudent manager and will not perform certain acts (Note 2) without the advance approval of the Tender Offeror in writing, during the period lasting until the commencement date of settlement for the Tender Offer; (b) the Target Company will take all necessary measures to ensure that the Tender Offer does not conflict with Article 166, paragraph (1) and Article 167, paragraph (1) of the Act; (c) the Target Company will complete all necessary procedures for the implementation of the Transaction by the day before the commencement date of settlement for the Tender Offer; (d) if the Target Company receives a proposal for a Competing Transaction, it will immediately notify the Tender Offeror of that fact and the details of the proposal in writing, and will conduct discussions in good faith with the Tender Offeror about a response thereto; and (e) the Target Company will not solicit, provide information on, discuss, negotiate or agree to any Competing Transaction (provided, however, that if the Target Company receives a Counterproposal directly or indirectly without solicitation, provision of information, discussion, or negotiation, and, after discussions in good faith with the Tender Offeror concerning a response to the Counterproposal, the Board of Directors of the Target Company reasonably determines that the failure to discuss or negotiate in response to such Counterproposal could reasonably constitute a breach of its fiduciary duty of loyalty or duty of care as Directors of the Target Company, the Target Company may discuss and negotiate such Counterproposal). In addition, the Tender Offeror has made pledges, including: (a) by the day prior to the last day of the Tender Offer Period, the Tender Offeror will have received notification from the Japan Fair Trade Commission that it will not issue a cease and desist order with respect to notification submitted to the Fair Trade Commission pursuant to the provisions of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, including subsequent amendments; the "Antimonopoly Act") and that the Tender Offeror will make reasonable efforts to let the waiting period under the Antimonopoly Act elapse; and (b) the Tender Offeror will take all necessary steps to implement the Transaction by the day before the commencement date of settlement for the Tender Offer. In addition, the Tender Offeror and the Target Company have made agreements, including that, if the Tender Offer takes effect, (a) the Target Company will confirm that it will transfer all of the issued common shares of the Tender Offeror it holds to KMF Corporation for 974,750,000 yen, as soon as practically possible after the Tender Offer takes effect (by September 27, 2024, or another date separately agreed upon by the Tender Offeror and the Target Company), and (b) the Target Company will transfer all of the issued shares of Vitec Vegetable Factory it holds to the Tender Offeror for 100 million yen, the acquisition price when the Target Company acquired those shares, as soon as practically possible after the Tender Offer takes effect (by September 27, 2024, or another date separately agreed upon by the Tender Offeror and the Target Company).

(Note 2) (I) Changes to the Articles of Incorporation, (II) issuance, disposal, or granting of shares, etc. (excluding the disposal of treasury stock owing to the exercise of stock acquisition rights that have already been issued), (III) acquisition or transfer of shares accompanying changes in subsidiaries, (IV) purchase of treasury stock or any other form of acquisition, (V) stock split or consolidation, or gratis allotment of shares or stock acquisition rights, (VI) distribution or other disposition of surplus (limited to that which exceeds any forecast dividend), (VII) increase or decrease of capital or reserves; (VIII) petition for dissolution, liquidation, or commencement of bankruptcy proceedings, etc.

(iii) Details of Business Alliance

- The Tender Offeror and the Target Company will enter into a business alliance (the "Business Alliance") as follows.



- (I) Reinforcement of systems to expand sales of SORD products, particularly by PALTEK CORPORATION and Restar Embedded Solutions Corporation, which have strengths in the industrial machinery, medical, and other markets
- (II) Strengthen PRIVATECH's business by expanding FAE support to the Devices BU, consolidating semiconductor design and reliability-related operations, splitting and integrating businesses, etc.
- (III) Utilization of PCI Solutions' technology and promotion of entry into upstream processes through collaboration with the System BU and businesses related to smart solutions, as well as cooperation with SBI Holdings and security companies
- (IV) Creation of the Restar platform infrastructure and utilization of PCI Solutions' functions through the functions of the Group's IT division

- In the event the Tender Offer takes effect, the two companies shall hold discussions in good faith regarding the conversion of PRIVATECH, a consolidated subsidiary of the Target Company, into a wholly owned subsidiary of the Target Company, including the specific method and timing, and shall implement such conversion upon agreement.
- In the event the Tender Offer takes effect, the Tender Offeror and the Target Company shall hold discussions in good faith regarding the transfer of the Tender Offeror's own semiconductor design testing business to the Target Company.
- The Tender Offeror and the Target Company shall create a project structure for the Business Alliance with details to be separately agreed upon, establish subcommittees for each specific synergy theme, and create a structure in which persons responsible for each subcommittee report the status of progress, including results and issues, to the person with chief responsibility for the Business Alliance. The details thereof will be determined by agreement upon separate consultation between the two companies.

(iv) Independence of the Target Company's Management, etc.

- The Tender Offeror shall maintain the management independence of the Target Company as a listed company, based on the intent of each principle of Japan's Corporate Governance Code and other listing rules, etc., applicable to companies listed on the Standard Market. Specifically, the Tender Offeror and the Target Company shall take the following measures to maintain the independence of the management of the Target Company.

(I) Maintain the Independence of Personnel

- A system shall be established and maintained in which decision-making by the Board of Directors of the Target Company is not influenced by the will of the Tender Offeror (including, but not limited to, the appointment of at least one-third of all Directors of the Target Company as independent Outside Directors who are independent from the Tender Offeror).
- With respect to employees seconded from the Tender Offeror to the Target Company and employees concurrently serving at both the Tender Offeror and the Target Company, the Tender Offeror and the Target Company shall limit such employees to a certain percentage to be agreed upon by the Tender Offeror and the Target Company from the viewpoint of ensuring the independence of the management of the Target Company.

(II) Maintain Business Independence

- The Tender Offeror and the Target Company shall set the terms and conditions of business transactions between the Tender Offeror Group and the Target Company Group on the basis of arm's length transactions, taking into consideration the fact that the Target Company is a listed company, and shall consider whether or not to implement the transactions, taking into account the ratio of transaction dependence, to ensure that the Target Company Group does not become dependent on transactions with the Tender Offeror Group. In accordance with each principle of Japan's Corporate Governance Code and other listing rules, etc., the Tender Offeror and the Target Company shall take measures to eliminate any conflicts of interest that may arise between them, and take appropriate actions from the perspective of protecting the interests of minority shareholders of the Target Company.
- The Target Company Group shall independently manage lease contracts, systems (excluding consolidated accounting systems), intellectual property rights, and other expertise necessary for the Target Company Group's business, without

relying on the Tender Offeror Group.

- The Tender Offeror shall maintain the trade names, management principles, product names, brands, etc., of the Target Company Group, including its subsidiaries.
- The Tender Offeror and the Target Company intend that the Target Company will continue to conduct its business independently as a listed company after the Tender Offer and the Capital and Business Alliance, and each Director shall be responsible for ensuring that all employees are informed of the fact that the Tender Offeror and the Target Company will cooperate with each other on an equal footing to conduct the specific transactions assumed in the Capital and Business Alliance and the Capital and Business Alliance Agreement.

(III) Maintain Financial Independence

- In the event that the Target Company borrows from external financial institutions, etc., the Target Company shall independently negotiate the terms and conditions, etc., of such borrowing, and the Tender Offeror shall only provide credit and other support in cases where the Tender Offeror separately agrees.

(v) Appointment of Dispatch Directors, etc.

- The Tender Offeror shall have the right to nominate (i) up to two Directors, including one Executive Director who is not an Audit and Supervisory Committee Member of the Target Company, and (ii) up to two Directors at each Target Company Group company, and the Target Company shall, after the settlement of the Tender Offer, (I) at the Annual General Meeting of Shareholders of the Target Company for the fiscal year ending September 30, 2024, submit a resolution for the election of Directors that includes these nominated Directors as candidates, and (II) as soon as practically possible after the completion of the settlement of the Tender Offer, have each Target Company Group company other than the Target Company hold a General Meeting of Shareholders and have such nominated Directors elected. If the Tender Offeror and the Target Company reasonably determine that adding Directors nominated by the Tender Offeror or changing the responsibilities of Directors nominated by the Tender Offeror would best enhance the corporate value of the Target Company, provided that the management independence, etc., of the Target Company is maintained, the Tender Offeror and the Target Company may, upon mutual agreement, add Directors nominated by the Tender Offeror or change the responsibilities of Directors nominated by the Tender Offeror.
- From the settlement date of the Tender Offer, during the period until a Director nominated by the Tender Offeror is elected as a Director of the Target Company, and during the period until a successor Director nominated by the Tender Offeror is elected at a General Meeting of Shareholders of the Target Company in the event that a Director nominated by the Target Company resigns, etc., the Tender Offeror shall have the right to have one such candidate for Director attend meetings of the Board of Directors and other important meetings of the Target Company as an observer.
- The Tender Offeror and the Target Company confirm that, provided that the management independence, etc., of the Target Company is maintained, the Tender Offeror and the Target Company will earnestly discuss the number and responsibilities of Directors to be nominated by the Tender Offeror and the establishment of other management systems optimal for improving the Target Company's corporate value, taking into consideration the current selection process for Director candidates of the Target Company. Furthermore, the Tender Offeror and the Target Company confirm that, in principle, they will respect the current management structure of the Target Company until the end of the fiscal year ending September 30, 2026, the final fiscal year of the medium-term management plan announced by the Target Company, except for the nomination of Directors by the Tender Offeror, in order to achieve this medium-term management plan.

(vi) Cooperation Related to Maintaining the Ratio of Voting Rights

- After the completion of the settlement of the Tender Offer, in the event that, for reasons not attributable to any act of the Tender Offeror (excluding, however, the disposal of treasury stock held by the Target Company to the extent that the Tender Offeror's fully diluted base ratio of voting rights does not fall below a majority, based on the restricted stock compensation plan for Directors and Corporate Officers of the Target Company Group and the stock option plan for

Directors and employees of the Target Company introduced by the Target Company as of the execution date of the Capital and Business Alliance Agreement), there is a possibility that the fully diluted base ratio of voting rights of the Tender Offeror will decrease and fall below a majority, the Target Company and the Tender Offeror will discuss in good faith the measures necessary for the Target Company to maintain or restore a majority in the Tender Offeror's fully diluted base ratio of voting rights and will cooperate to the maximum extent possible without violating any laws, regulations, etc.

(vii) Right of First Refusal

- In the event that the Target Company issues, disposes of, or grants shares, etc., the Tender Offeror shall have preferential rights to subscribe for a number of shares, etc., proportionate to its shareholding ratio in the Target Company Shares. However, this excludes cases where the Target Company sells treasury stock in cases when a request for the sale of shares constituting less than one unit is made, and cases where the Target Company disposes of treasury stock held by the Target Company to the extent that the Tender Offeror's fully diluted base ratio of voting rights does not fall below a majority, based on the restricted stock compensation plan for Directors and Corporate Officers of the Target Company Group and the stock option plan for Directors and employees of the Target Company introduced by the Target Company as of the execution date of the Capital and Business Alliance Agreement.

(viii) Matters Requiring Advance Approval and Discussion

- The Target Company must obtain prior approval in writing from the Tender Offeror when deciding or approving certain matters (Note 3) related to the Target Company Group (provided, however, that the Tender Offeror shall not unreasonably refuse such approval).

(Note 3) (I) Acquisition or disposal of shares involving a change in subsidiaries or affiliates (excluding, however, minor transactions that do not fall under the timely disclosure standards); (II) acts that fall under or may fall under the delisting standards or applications for delisting; (III) business alliances that substantially contradict or conflict with the Business Alliance, or significantly reduce or hinder the effect of the Business Alliance (excluding, however, minor transactions that do not meet the standards for timely disclosure); (IV) organizational changes, mergers, share exchanges, corporate splits, transfers or acquisitions of all or part of a business, or other similar actions (excluding, however, minor actions that do not meet the standards for timely disclosure)

- The Target Company must conduct prior discussions sincerely and in good faith with the Tender Offeror when deciding or approving certain matters (Note 4) related to the Target Company Group.

(Note 4) (I) Advance fiscal year plans; (II) the start of large-scale new businesses; (III) material investments and loans; (IV) matters related to the exercise of voting rights at the General Meeting of Shareholders; (V) matters that could constitute grounds for timely disclosure by the Target Company; (VI) matters that would have a material effect on the consolidated financial statements of the Tender Offeror; (VII) matters related to the acquisition and disposal of investment securities (related to cross-shareholdings); and (VIII) serious lawsuits, etc., complaints, etc., scandals, etc., and other matters that may damage the credibility of the Tender Offeror Group

(ix) Others

- In addition to the above, the Capital and Business Alliance Agreement includes provisions such as: (a) the Tender Offeror shall not object to and shall not take any action to prevent the Target Company Group from maintaining the employment and treatment of the Target Company Group's employees as of the execution date of the agreement as a whole for two years after the completion of settlement of the Tender Offer, and even after this period has elapsed, the Target Company Group shall respect the employment and treatment of employees of the Target Company Group as of the execution date of the agreement as a whole; (b) the Tender Offeror shall consult with the Target Company in advance if the Tender Offeror intends to acquire additional Target Company Shares after the completion of the settlement of the Tender Offer;

(c) if the Tender Offeror intends to sell Target Company Shares that it holds after the completion of the settlement of the Tender Offer, the Tender Offeror shall, to the extent reasonably possible, notify the Target Company in advance of the outline of such sale and hold discussions with the Target Company in good faith; (d) after the completion of the settlement of the Tender Offer, if the Tender Offeror intends to acquire any company or business operating in business domains related to the IT & Sler BU or Engineering BU operated by the Tender Offeror Group, or to implement a material business alliance or other collaboration related to these businesses, the Tender Offeror shall consult with the Target Company in advance; (e) provision of information from the Target Company to the Tender Offeror; (f) representations and warranties (Note 5); and (g) indemnities (Note 6).

(Note 5) Under the Capital and Business Alliance Agreement, the Target Company has made representations and warranties to the Tender Offeror regarding: (I) its valid establishment and continuance; (II) the authority and implementation of procedures for the execution and performance of the Capital and Business Alliance Agreement; (III) the enforceability of the Capital and Business Alliance Agreement; (IV) the absence of any conflict with laws and regulations, etc.; (V) the absence of any bankruptcy proceedings, etc.; (VI) the fact that it is not classed as an antisocial force and absence of any relationship with antisocial forces; (VII) acquisition of the necessary permits and approvals, etc., for the execution and performance of the Capital and Business Alliance Agreement; (VIII) the Target Company Shares, etc.; (IX) the absence of undisclosed material facts; (X) the accuracy of statutory disclosure documents; and (XI) the absence of lawsuits, etc. In addition, the Tender Offeror has made representations and warranties to the Target Company regarding: (I) its valid establishment and continuance; (II) the authority and implementation of procedures for the execution and performance of the Capital and Business Alliance Agreement; (III) the enforceability of the Capital and Business Alliance Agreement; (IV) the absence of any conflict with laws and regulations, etc.; (V) the absence of any bankruptcy proceedings, etc.; and (VI) the fact that it is not classed as an antisocial force and absence of any relationship with antisocial forces.

(Note 6) The amount of indemnification, etc., based on any breach of representations and warranties by the Target Company shall not, in principle, exceed 10% of the amount obtained by multiplying the total Tender Offer Price by 4,480,000.

## (II) Subscription Agreement (Y&U)

The Tender Offeror has executed the Subscription Agreement (Y&U) with Y&U as of the date of this notice, under which Y&U has agreed to tender all of its Target Company Shares in the Tender Offer. The outline of the Subscription Agreement (Y&U) is as follows. Furthermore, the Tender Offeror has not entered into any agreement with Y&U with respect to the Tender Offer other than the Subscription Agreement (Y&U), and no benefits will be provided by the Tender Offeror to Y&U other than the money to be received from its subscription to the Tender Offer.

The Subscription Agreement (Y&U) stipulates that the tender of all Target Company Shares held by Y&U in the Tender Offer is subject to: (i) the representations and warranties of the Tender Offeror set forth in the Subscription Agreement (Y&U) being true and correct in all material respects; (ii) the obligations to be performed or observed by the Tender Offeror under the Subscription Agreement (Y&U) being performed and observed in all material respects; and (iii) a resolution of the Board of Directors of the Target Company expressing its opinion to the effect that it will support the Tender Offer being passed and publicly announced to that effect, and that expression of opinion not being changed or withdrawn. Provided, however, that Y&U may, at its sole discretion, waive any of these conditions and tender its shares. In addition, under the Subscription Agreement (Y&U), Y&U shall, from the date of execution of the agreement until the commencement date of settlement of the Tender Offer, refrain from transferring, pledging as security, or otherwise disposing of the shares to be tendered, or entering into any other transaction that would materially conflict with the Tender Offer or make it difficult to execute the Tender Offer, or any agreement relating to such transactions, or proposing, soliciting, discussing, negotiating, or providing information in relation to any such proposal. Additionally, if Y&U receives any information, proposal, solicitation, discussion, or other offer from a third party concerning

such transactions, Y&U will promptly notify the Tender Offeror of such fact and the details thereof.

Furthermore, the Subscription Agreement (Y&U) stipulates that Y&U: (i) shall not exercise the right to request the convening of a General Meeting of Shareholders of the Target Company, the right to submit an agenda item or proposal, voting rights, or any other shareholder rights against the instructions of the Tender Offeror until the commencement date of settlement of the Tender Offer; and (ii) if, after the settlement of the Tender Offer, a General Meeting of Shareholders of the Target Company is held with a record date for the exercise of rights that is on or before the commencement date of settlement of the Tender Offer, Y&U shall, in relation to the exercise of voting rights and all other rights for the shares to be tendered at such meeting, at the option of the Tender Offeror, either (a) exercise such rights entirely in accordance with the Tender Offeror's instructions, or (b) grant a general power of attorney to the Tender Offeror or a person designated by the Tender Offeror by delivering a duly executed power of attorney signed and sealed by an authorized person, and not revoke such power of attorney.

In addition, the Subscription Agreement (Y&U) provides for representations and warranties (Note) and indemnifications, etc. (Note) In the Subscription Agreement (Y&U), Y&U has made representations and warranties to the Tender Offeror regarding:

(I) the capacity to hold rights, etc.; (II) enforceability; (III) implementation of permits and approvals, etc.; (IV) absence of conflict with laws and regulations, etc.; (V) absence of bankruptcy proceedings, etc.; (VI) anti-social forces; and (VII) rights for the shares, etc. In addition, the Tender Offeror has made representations and warranties to Y&U regarding: (I) the capacity to hold rights, etc.; (II) enforceability; (III) implementation of permits and approvals, etc.; (IV) absence of conflict with laws and regulations, etc.; (V) absence of bankruptcy proceedings, etc.; and (VI) anti-social forces.

### (III) Subscription Agreement (Ms. Sekiya)

The Tender Offeror has executed the Subscription Agreement (Ms. Sekiya) with Ms. Sekiya as of the date of this notice, under which Ms. Sekiya has agreed to tender all of her Target Company Shares in the Tender Offer. The outline of the Subscription Agreement (Ms. Sekiya) is as follows. Furthermore, the Tender Offeror has not entered into any agreement with Ms. Sekiya with respect to the Tender Offer other than the Subscription Agreement (Ms. Sekiya), and no benefits will be provided by the Tender Offeror to Ms. Sekiya other than the money to be received from its subscription to the Tender Offer.

The Subscription Agreement (Ms. Sekiya) stipulates that the tender of all Target Company Shares held by Ms. Sekiya in the Tender Offer is subject to: (i) the representations and warranties of the Tender Offeror set forth in the Subscription Agreement (Ms. Sekiya) being true and correct in all material respects; (ii) the obligations to be performed or observed by the Tender Offeror under the Subscription Agreement (Ms. Sekiya) being performed and observed in all material respects; and (iii) a resolution of the Board of Directors of the Target Company expressing its opinion to the effect that it will support the Tender Offer being passed and publicly announced to that effect, and that expression of opinion not being changed or withdrawn. Provided, however, that Ms. Sekiya may, at her sole discretion, waive any of these conditions and tender her shares. In addition, the Subscription Agreement (Ms. Sekiya) stipulates that if, between the date of execution of the agreement and the expiration date of the Tender Offer Period, a tender offer for the Target Company Shares other than the Tender Offer is commenced or announced and the purchase price per Target Company Share for such tender offer exceeds the purchase price per Target Company Share for the Tender Offer (or, if the purchase price has been changed, the purchase price after such change), Ms. Sekiya may, after consulting with the Tender Offeror in good faith, not tender her shares in the Tender Offer, withdraw her tender, or cancel any agreement regarding the purchase of the shares to be tendered that was concluded as a result of the tender. In addition, under the Subscription Agreement (Ms. Sekiya), Ms. Sekiya shall, from the date of execution of the agreement until the commencement date of settlement of the Tender Offer, refrain from transferring, pledging as security, or otherwise disposing of the shares to be tendered, or entering into any other transaction that would materially conflict with the Tender Offer or make it difficult to execute the Tender Offer, or any agreement relating to such transactions, or proposing, soliciting, discussing, negotiating, or providing information in relation to any such proposal. Additionally, if Ms. Sekiya receives any information, proposal, solicitation, discussion, or other offer from a third party concerning such transactions, Ms. Sekiya will promptly notify the Tender Offeror of such fact and the details thereof.

Furthermore, under the Subscription Agreement (Ms. Sekiya), Ms. Sekiya is obligated: (i) not to exercise the right to request

the convening of a General Meeting of Shareholders of the Target Company, the right to submit an agenda item or proposal, voting rights, or any other shareholder rights against the instructions of the Tender Offeror until the commencement date of settlement of the Tender Offer; and (ii) if, after the settlement of the Tender Offer, a General Meeting of Shareholders of the Target Company is held with a record date for the exercise of rights that is on or before the commencement date of settlement of the Tender Offer, Ms. Sekiya shall, in relation to the exercise of voting rights and all other rights for the shares to be tendered at such meeting, at the option of the Tender Offeror, either (a) exercise such rights entirely in accordance with the Tender Offeror's instructions, or (b) grant a general power of attorney to the Tender Offeror or a person designated by the Tender Offeror by delivering a duly executed power of attorney signed and sealed by an authorized person, and not revoke such power of attorney.

In addition, the Subscription Agreement (Ms. Sekiya) provides for representations and warranties (Note) and indemnifications, etc.

(Note) In the Tender Agreement (Ms. Sekiya), Ms. Sekiya has made representations and warranties to the Tender Offeror concerning the capacity to hold rights, etc., the rights for shares, etc. In addition, the Tender Offeror has made representations and warranties to Ms. Sekiya with respect to the capacity to hold rights, etc., and its performance of permits and approvals, etc.

## 2. Outline of the Purchase, etc.

### (1) Outline of the Target Company

(I) Name	PCI Holdings, Inc.	
(II) Location	1-21-19 Toranomon, Minato-ku, Tokyo	
(III) Name and Job Title of Representative	Kunio Yokoyama, Representative Director and President	
(IV) Description of Business	Engineering Business, Product/Device Business, and ICT Solutions Business	
(V) Stated Capital	2,091,897 thousand yen	
(VI) Date of Establishment	April 11, 2005	
(VII) Major Shareholders and Shareholding Ratios (As of March 31, 2024)	The Master Trust Bank of Japan, Ltd. (trust account)	6.12%
	Restar Holdings Corporation	5.91%
	Y&U Inc.	5.71%
	Employee stock ownership association of PCI Holdings	5.49%
	Emi Sekiya	3.23%
	Takefumi Oka	2.46%
	Mitsubishi Research Institute, Inc.	1.94%
	Ueda Yagi Tanshi Co., Ltd.	1.92%
	Isao Miyamoto	1.63%
IDEREAS Co.,Ltd.	1.41%	
(VIII) Relationship Between the Tender Offeror and the Target Company		
Capital	As of the date of this notice, the Tender Offeror owns 585,000 Target Company Shares (shareholding ratio: 5.83%), and the Target Company owns 350,000 shares of the common stock of the Tender Offeror (ownership ratio of voting rights: 1.16%). In addition, the Tender Offeror also owns 4,015 shares of the common stock of PRIVATECH (ownership ratio: 50.00%), a consolidated subsidiary of the Target Company. In addition, the Target Company owns 10,000 shares of the common stock of Vitec Vegetable Factory, a consolidated subsidiary of the Tender Offeror	

	(ownership ratio of voting rights: 2.00%).			
Personnel	As of the date of this notice, the Tender Offeror Group has accepted the secondment of three employees from the Target Company Group. In addition, three Directors (including two part-time Directors) and two employees from the Tender Offeror Group have been seconded to PRIVATECH, a consolidated subsidiary of the Target Company.			
Business	<p>The Tender Offeror has executed the Capital and Business Alliance Agreement with the Target Company as of the date of this notice. In addition, the Tender Offeror and the Target Company have the following business relationship.</p> <ul style="list-style-type: none"> <li>• The Tender Offeror Group sells semiconductor-related parts and materials to the Target Company Group for embedding into electronic devices, etc.</li> <li>• The Tender Offeror Group procures embedded electronic devices (PCs/custom controllers, etc.) from the Target Company Group.</li> </ul>			
Applicability of related parties	Not applicable.			
(IX)	Financial Position and Operating Results for the Past Three Years (Consolidated) (millions of yen)			
	Fiscal year-end	September 30, 2021	September 30, 2022	September 30, 2023
	Net assets	7,950	8,374	9,098
	Total assets	17,391	16,915	17,627
	Net assets per share (yen)	741.28	771.99	852.10
	Net sales	21,248	25,170	28,491
	Operating profit	1,174	1,445	1,709
	Ordinary profit	1,208	1,549	1,774
	Profit attributable to owners of parent	669	643	1,008
	Basic earnings per share (yen)	76.12	63.97	100.09
	Cash dividends per share (yen)	31	31	33

(Note) “(VII) Major Shareholders and Shareholding Ratios (as of March 31, 2024)” is based on the “Major Shareholders” in the Target Company’s Quarterly Report for the Second Quarter of the 20th Term filed by the Target Company on May 14, 2024 (the “Target Company’s Second Quarter Report”).

(2) Timetable, etc.

(I) Timetable

Date of resolution by the Board of Directors	Friday, August 9, 2024
Date of public notice of commencement of Tender Offer	<p>Tuesday, August 13, 2024</p> <p>Electronic public notice will be made and a notice to that effect will be published in the Nihon Keizai Shimbun.</p> <p>(Electronic public notice address: <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a>)</p>
Filing date of the tender offer statement	Tuesday, August 13, 2024

(II) Period of the Purchase, etc., at the Time of Initial Filing

Tuesday, August 13, 2024 through Friday, September 20, 2024 (28 business days)

### (III) Possibility of Extension Based on the Target Company's Request

If the Target Company submits a position statement requesting an extension of the Tender Offer Period pursuant to Article 27-10, paragraph (3) of the Act, the Tender Offer Period will last until Wednesday, September 25, 2024 (30 business days).

#### (3) Price for the Purchase, etc.

1,210 yen per share of common stock

#### (4) Basis, etc., of Calculation of Price for the Purchase, etc.

##### (I) Basis of Calculation

When determining the Tender Offer Price, the Tender Offeror requested that Plutus Consulting, as a third-party valuation institution independent of the Tender Offeror and the Target Company, calculate the value of the Target Company Shares. Furthermore, Plutus Consulting is not a related party of either the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer.

After considering the calculation method to be adopted when calculating the share value of the Target Company Shares from among several share value calculation methods, Plutus Consulting calculated the value of the Target Company Shares using the market price method, because the Target Company is listed on the Tokyo Stock Exchange Standard Market and a market price exists for the Target Company Shares; the comparable company comparison method, because there are several listed companies that can be compared to the Target Company and it is possible to infer the value of the Target Company Shares through comparisons with similar companies; and the discounted cash flow method ("DCF method"), in order to reflect the future business activities of the Target Company in the calculation. The Tender Offeror then obtained a share valuation report (the "Share Valuation Report") on the share value of the Target Company Shares from Plutus Consulting on August 8, 2024. Furthermore, the Tender Offeror believes that the fairness of the Tender Offer is ensured by the measures set forth in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose, etc., of the Purchase, etc." above, and therefore, the Tender Offeror has not obtained an opinion on the appropriateness of the Tender Offer Price (fairness opinion) from Plutus Consulting.

The range of per-share values of the Target Company Shares according to Plutus Consulting is as follows.

Market price method: 849 yen to 946 yen

Comparable company comparison method: 857 yen to 1,042 yen

DCF method: 1,128 yen to 1,773 yen

Under the market share price method, with August 8, 2024, as the calculation base date, Plutus Consulting calculated the per-share value of the Target Company Shares as a range from 849 yen to 946 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Standard Market on the base date of 849 yen, the simple average of the closing prices for the last month of 936 yen, the simple average of the closing prices for the last three months of 946 yen, and the simple average of the closing prices for the last six months of 945 yen.

Under the comparable companies comparison method, Plutus Consulting calculated the per-share value of the Target Company Shares through comparisons with the market share prices and financial indicators of profitability of listed companies engaged in businesses similar to those of the Target Company, resulting in a calculation of the per-share value of the Target Company Shares as a range from 857 yen to 1,042 yen.

Under the DCF method, based on various factors, including the business plan for the period from the fiscal year ending September 30, 2024, to the fiscal year ending September 30, 2026, which was received from the Target Company and revised by the Tender Offeror before being provided to Plutus Consulting, as well as publicly available information, Plutus Consulting analyzed the Target Company's corporate value and equity value by discounting future free cash flows that the Target Company is expected to generate from the third quarter of the fiscal year ending September 30, 2024, onward by a certain discount rate to



arrive at their present value. As a result, Plutus Consulting calculated the per-share value of the Target Company Shares as a range from 1,128 yen to 1,773 yen. Furthermore, the future financial forecasts of the Target Company, which were used as assumptions in the DCF method, assume significant fluctuations in profit. Specifically, in the fiscal year ending September 30, 2024, the Target Company expects a decrease in profit due partly to the postponement of new projects for which it had planned to provide services. In addition, in the fiscal year ending September 30, 2025, the Target Company expects an increase in profit as profits recover from the previous year. The synergies expected to be realized from the execution of the Transaction are not reflected because it is difficult to estimate the specific impact on earnings at this time.

In addition to the valuation results in the Share Valuation Report obtained from Plutus Consulting, the Tender Offeror also conducted due diligence on the Target Company. As a result, the Tender Offeror comprehensively considered factors such as whether the Board of Directors of the Target Company would support the Tender Offer, trends in the market share price of the Target Company Shares, and the prospects for subscriptions to the Tender Offer, and based on the results of discussions and negotiations with the Target Company, etc., the Board of Directors, at a meeting held on the date of this notice, ultimately determined that the Tender Offer Price would be 1,210 yen per share.

The Tender Offer Price of 1,210 yen represents a premium of 42.52% to the closing price of 849 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 8, 2024, the business day immediately preceding the date of public announcement concerning the implementation of the Tender Offer, a premium of 29.27% to the simple average closing price of 936 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 27.91% to the simple average closing price of 946 yen for the period of three months up to and including the same date, and a premium of 28.04% to the simple average closing price of 945 yen for the period of six months up to and including the same date.

## (II) Background of Calculation

### (Background leading to the determination of the Tender Offer Price)

The Tender Offeror has determined the Tender Offer Price in accordance with the following process.

As described in the above “(I) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer, and Management Policy after the Tender Offer” of “1. Purpose, etc., of the Purchase, etc.,” on July 24, 2024, the Tender Offeror, based on the results of an analysis of the value of the Target Company Shares by Plutus Consulting, a third-party valuation institution independent of the Tender Offeror and the Target Company, submitted a proposal to the Target Company to: (i) determine the Tender Offer Price of 1,170 yen (the price of 1,170 yen proposed as the Tender Offer Price represents a premium of 20.74% to the closing price of 969 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 23, 2024, the business day immediately preceding the date of the proposal, a premium of 20.74% to the simple average closing price of 969 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 22.77% to the simple average closing price of 953 yen for the period of three months up to and including the same date, and a premium of 22.64% to the simple average closing price of 954 yen for the period of six months up to and including the same date), and (ii) limit the maximum and minimum number of shares to be purchased to 4,480,000 shares. In response, on July 25, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price, as it could not assess that the Tender Offer Price represented a sufficient level of premium for the Target Company's common shareholders, although it accepted the maximum and minimum limits of the number of shares to be purchased. Based on this request, on July 30, the Tender Offeror submitted another proposal to make the Tender Offer Price 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 25.65% to the closing price of 963 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on July 29, 2024, the business day immediately preceding the date of the proposal, a premium of 25.13% to the simple average closing price of 967 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 26.97% to the simple average

closing price of 953 yen for the period of six months up to and including the same date). In response, on August 1, 2024, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price, in order to further increase the premium received by common shareholders of the Target Company. Subsequently, although the Tender Offeror reconsidered this request from the Target Company, based on the fact that the price of 1,210 yen that it proposed on July 30 was the maximum price that it could offer taking into consideration information related to the Target Company and the market environment, on August 2, the Tender Offeror submitted another proposal to the Target Company for a Tender Offer Price of the same amount as the previous proposal of 1,210 yen (the price of 1,210 yen proposed as the Tender Offer Price represents a premium of 28.31% to the closing price of 943 yen of the Target Company Shares on the Tokyo Stock Exchange Standard Market on August 1, 2024, the business day immediately preceding the date of the proposal, a premium of 25.39% to the simple average closing price of 965 yen of the Target Company Shares during the period of one month up to and including the same date, a premium of 26.83% to the simple average closing price of 954 yen for the period of three months up to and including the same date, and a premium of 27.23% to the simple average closing price of 951 yen for the period of six months up to and including the same date). In response, on August 5, the Target Company responded that, after serious consideration, given that it was the maximum price the Tender Offeror could offer, the market environment surrounding the Target Company, and other factors, it had determined that it was not unreasonable for common shareholders of the Target Company, and ultimately, on the date of this notice, the Tender Offeror and the Target Company reached agreement on the Tender Offer Price of 1,210 yen per share.

After the above discussion and negotiation, the Tender Offeror, at a meeting of the Board of Directors held on the date of this notice, determined that it will conduct the Tender Offer with the Tender Offer Price of 1,210 yen.

(i) Name of Third Party whose Opinion was Sought at the Time of Valuation

When determining the Tender Offer Price, the Tender Offeror referenced the Share Valuation Report provided by Plutus Consulting, a third-party valuation institution independent of the Tender Offeror and the Target Company. Furthermore, Plutus Consulting is not a related party of either the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. In addition, the Tender Offeror believes that the fairness of the Tender Offer is ensured by the measures set forth in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose, etc., of the Purchase, etc." above, and therefore, the Tender Offeror has not obtained an opinion on the fairness of the Tender Offer Price (fairness opinion) from Plutus Consulting.

(ii) Summary of Such Opinion

Plutus Consulting calculated the equity value of the Target Company Shares using the market price method, the comparable company comparison method, and the DCF method, and the range of the equity value per share of the Target Company Shares calculated using each method is as follows.

Market price method: 849 yen to 946 yen

Comparable company comparison method: 857 yen to 1,042 yen

DCF method: 1,128 yen to 1,773 yen

(iii) Process for Determining the Tender Offer Price Based on Such Opinion

In addition to the valuation results in the Share Valuation Report obtained from Plutus Consulting, the Tender Offeror also conducted due diligence on the Target Company. As a result, the Tender Offeror comprehensively considered factors such as whether the Board of Directors of the Target Company would support the Tender Offer, trends in the market share price of the Target Company Shares, and the prospects for subscriptions to the Tender Offer, and based on the results of discussions and negotiations with the Target Company, etc., the Board of Directors, at a meeting held on the date of this notice, ultimately determined that the Tender Offer Price would be 1,210 yen per share.

(III) Relationship with the Valuation Institution

Plutus Consulting, the valuation institution of the Tender Offeror, is not a related party of either the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer.

(5) Number of Share Certificates, etc., to be Purchased

Number to be purchased	Minimum number to be purchased	Maximum number to be purchased
4,480,000 shares	4,480,000 shares	4,480,000 shares

(Note 1) If the total number of Tendered Share Certificates, etc., is less than the minimum number of shares to be purchased (4,480,000 shares), not all of the Tendered Share Certificates, etc., will be purchased, etc. If the total number of Tendered Share Certificates, etc., exceeds the maximum number of shares to be purchased (4,480,000 shares), the Tender Offeror will not purchase, etc., all or part of the excess portion, and will instead receive delivery and otherwise perform settlement for the purchase, etc., of share certificates, etc., by a pro rata method, as provided for in Article 27-13, paragraph (5) of the Act and Article 32 of the Cabinet Office Order.

(Note 2) Shares constituting less than one unit are also subject to the Tender Offer. Furthermore, in the event that shareholders exercise their right to request the purchase of shares constituting less than one unit in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the procedures set forth in laws and regulations.

(Note 3) The Tender Offeror does not plan to acquire treasury stock held by the Target Company through the Tender Offer.

(Note 4) Target Company Shares issued or transferred as a result of the exercise of the Stock Acquisition Rights by the last day of the Tender Offer Period are also subject to the Tender Offer.

(6) Change in the Ownership Ratio of Share Certificates, etc. as a Result of the Purchase, etc.

Number of voting rights pertaining to share certificates, etc., owned by the Tender Offeror before the purchase, etc.	5,850	(Ownership ratio of share certificates, etc., before the purchase, etc.: 5.83%)
Number of voting rights pertaining to share certificates, etc., owned by specially related parties before the purchase, etc.	—	(Ownership ratio of share certificates, etc., before the purchase, etc.: 0.00%)
Number of voting rights pertaining to share certificates, etc., to be owned by the Tender Offeror after the purchase, etc.	50,650	(Ownership ratio of share certificates, etc., after the purchase, etc.: 50.50%)
Number of voting rights pertaining to share certificates, etc., to be owned by specially related parties after the purchase, etc.	—	(Ownership ratio of share certificates, etc., after the purchase, etc.: 0.00%)
Number of voting rights of all shareholders of the Target Company	98,985	

(Note 1) The "number of voting rights pertaining to share certificates, etc., to be owned by the Tender Offeror after the purchase, etc." refers to the number of voting rights obtained by adding the number of voting rights (44,800) pertaining to share certificates, etc., to be purchased in the Tender Offer (4,480,000 shares) and the "number of voting rights pertaining to share certificates, etc., owned by the Tender Offeror before the purchase, etc." (5,850).

(Note 2) The "number of voting rights of all shareholders of the Target Company" refers to the number of voting rights of all shareholders as of March 31, 2024, as stated in the Target Company's Second Quarter Report. However, because shares constituting less than one unit (excluding treasury stock held by the Target Company) and Target Company Shares that may be issued upon exercise of the Stock Acquisition Rights are also subject to purchase, etc., in the Tender Offer, when

calculating the "ownership ratio of share certificates, etc., after the purchase, etc.," the number of voting rights (100,291) pertaining to the Total Number of Shares Adjusted for Dilutive Shares (10,029,105 shares) is used as the denominator. However, if the Stock Acquisition Rights are not exercised by the last day of the Tender Offer Period, the "ownership ratio of share certificates, etc., after the purchase, etc." in relation to the "number of voting rights pertaining to share certificates, etc., to be owned by the Tender Offeror after the purchase, etc." calculated using the number of voting rights (99,047) pertaining to the Total Base Number of Shares (9,904,705 shares) as the denominator will be 51.14%.

(Note 3) The "ownership ratio of share certificates, etc., before the purchase, etc." and the "ownership ratio of share certificates, etc., after the purchase, etc." are rounded to two decimal places.

(7) Purchase amount 5,421 million yen

(Note) The "purchase amount" is the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (4,480,000 shares) by the Tender Offer Price (1,210 yen).

(8) Method of Settlement

(I) Name and location of the head office of the securities company, bank, etc., responsible for settlement for the purchase, etc.  
SMBC Nikko Securities Inc.  
3-3-1 Marunouchi, Chiyoda-ku, Tokyo

(II) Settlement Start Date

Friday, September 27, 2024

(Note) If the Target Company submits a position statement requesting an extension of the Tender Offer Period pursuant to Article 27-10, paragraph (3) of the Act, this date shall be Wednesday, October 2, 2024.

(III) Method of Settlement

After the end of the Tender Offer Period, the Tender Offeror will promptly send a written notification of the purchase, etc., through the Tender Offer to the addresses or locations of persons who have approved an application for the purchase, etc., of share certificates, etc., under the Tender Offer or who have applied for the sale, etc., thereof (the "Tendering Shareholders, etc.") (in the case of foreign shareholders, etc., their standing proxy). For applications submitted via online trading (<https://trade.smbcnikko.co.jp/>), delivery will be made by electromagnetic means.

Purchases will be made in cash. The Tender Offer Agent will, in accordance with the instructions of the Tendering Shareholders, etc. (or the standing proxy in the case of foreign shareholders, etc.), remit consideration for the sale of the purchased share certificates, etc., to the place designated by the Tendering Shareholders, etc. (or the standing proxy in the case of foreign shareholders, etc.) without delay after the settlement commencement date.

(IV) Method of Return of Share Certificates, etc.

If the Tender Offeror will not purchase all or part of the Tendered Share Certificates, etc., under the conditions set forth in "(I) Existence and Details of Conditions Set Forth in Each Item of Article 27-13, Paragraph (4) of the Act" or "(II) Conditions for Withdrawal, etc., of the Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal, etc." in "(9) Other Conditions and Methods of Purchase, etc." below, the Tender Offer Agent will return any share certificates, etc., required to be returned, two business days after the final day of the Tender Offer Period (in the event of withdrawal, etc., of the Tender Offer, the date of withdrawal, etc.) in the state they were in when tendered (the state they were in when tendered refers to the state in which the execution of the order to tender them in the Tender Offer was cancelled) to an account for the Tendering Shareholder at the Tender Offer Agent.

Furthermore, if a shareholder wishes to transfer share certificates, etc., required to be returned to a financial instruments business operator other than the Tender Offer Agent, the Tender Offeror requests that they confirm with the head office or domestic branch of the Tender Offer Agent where they tendered their shares, as the transfer date may differ depending on the

category of the account in which the share certificates, etc., are managed.

(9) Other Conditions and Methods of Purchase, etc.

(I) Existence and Details of Conditions Set Forth in Each Item of Article 27-13, Paragraph (4) of the Act

If the total number of Tendered Share Certificates, etc., is less than the minimum number of shares to be purchased (4,480,000 shares), not all of the Tendered Share Certificates, etc., will be purchased, etc. If the total number of Tendered Share Certificates, etc., exceeds the maximum number of shares to be purchased (4,480,000 shares), the Tender Offeror will not purchase, etc., all or part of the excess portion, and will instead receive delivery and otherwise perform settlement for the purchase, etc., of share certificates, etc., by a pro rata method, as provided for in Article 27-13, paragraph (5) of the Act and Article 32 of the Cabinet Office Order (if the number of any Tendered Share Certificates, etc., includes a portion that is less than one unit (100 shares), the respective number of Tendered Share Certificates, etc., will be set as the maximum for the number of shares to be purchased as calculated by the pro rata method).

If the total number of shares to be purchased from each Tendering Shareholder, etc., after rounding the number of shares constituting less than one unit resulting from the pro rata calculation, is less than the maximum number of shares to be purchased, the Tender Offeror will sequentially purchase, etc., one unit of Tendered Share Certificates, etc., from each Tendering Shareholder, etc., beginning with Tendering Shareholders, etc., with the most rounded-down shares, until the maximum number of shares to be purchased is reached (and up to the number of Tendered Share Certificates, etc., if the purchase, etc., of one additional unit would result in the purchase of more than the number of Tendered Share Certificates, etc.). However, when purchasing, etc., shares from all of multiple Tendering Shareholders, etc., with equal numbers of shares after rounding down by this method, if it will exceed the maximum number of shares to be purchased, the Tender Offeror will determine the shareholders from which it will purchase, etc., shares by lottery from among these Tendering Shareholders, etc., to the extent that the number of shares is not less than the maximum number of shares to be purchased.

If the total number of shares to be purchased from each Tendering Shareholder, etc., after rounding the number of shares constituting less than one unit resulting from the pro rata calculation, will exceed the maximum number of shares to be purchased, the Tender Offeror will sequentially reduce the number of shares to be purchased from each Tendering Shareholder, etc., by one unit, beginning with Tendering Shareholders, etc., with the most rounded-up shares, until a number of shares is reached that is not lower than the maximum number of shares to be purchased (the number of shares less than one unit if the number of shares to be purchased calculated by the pro rata method includes a portion that is less than one unit). However, when reducing the number of shares to be purchased from all of multiple Tendering Shareholders, etc., who hold equal numbers of shares after rounding up via this method, if it would be lower than the maximum number of shares to be purchased, the Tender Offeror will determine the shareholders from which it will reduce the number of shares to be purchased by lottery from among these Tendering Shareholders, etc., to the extent that the number of shares is not less than the maximum number of shares to be purchased.

(II) Conditions for Withdrawal, etc., of the Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal, etc.

The Tender Offeror may withdraw, etc., the Tender Offer if any circumstances arise as set forth in Article 14, paragraph (1), item (i) (a) through (j) and (m) through (s), item (iii) (a) through (h) and (j), item (iv), and Article 14, paragraph (2), items (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; including subsequent amendments; the "Order"). Furthermore, the "facts equivalent to those set forth in sub-items (a) through (i)" set forth in Article 14, paragraph (1), item (iii) (j) of the Order refer to (i) cases where it is found that a statutory disclosure document submitted by the Target Company in the past contains a false statement with respect to a material matter or omits a material statement that should be stated, and (ii) cases where any of the facts listed in (a) through (g) of the same item occur at a material subsidiary of the Target Company.

In addition, the Tender Offeror may withdraw, etc., the Tender Offer for not having obtained "permission, etc." as set forth in Article 14, paragraph (1), item (iv) of the Order if any of the following cases occur in relation to the advance notification submitted by the Tender Offeror to the Japan Fair Trade Commission as provided for in Article 10, paragraph (2) of the Antimonopoly Act

by the day prior to the expiration date of the Tender Offer Period (including any extensions thereof): (i) if the Tender Offeror receives advance notification of a cease and desist order from the Japan Fair Trade Commission ordering the disposal of all or part of the Target Company Shares, or the transfer or other equivalent disposal of its businesses; (ii) if the measures period has not expired; or (iii) if the Tender Offeror receives a petition for an emergency suspension order from a court as a party that is suspected of violating the provisions of Article 10, paragraph (1) of the Antimonopoly Act.

In the case of withdrawal, etc., electronic public notice will be made and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by a method stipulated in Article 20 of the Cabinet Office Order and give public notice immediately thereafter.

#### (III) Conditions for Lowering the Price for the Purchase, etc., Details Thereof, and Method of Disclosure of Lowering of the Price

Pursuant to Article 27-6, paragraph (1), item (i) of the Act, if the Target Company takes any of the actions set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the Tender Offeror may lower the price for the purchase, etc., in accordance with the standards set forth in the provisions of Article 19, paragraph (1) of the Cabinet Office Order.

In the case of lowering of the price for the purchase, etc., electronic public notice will be made and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by a method stipulated in Article 20 of the Cabinet Office Order and give public notice immediately thereafter.

If the price for the purchase, etc., is lowered, the Tender Offeror will also purchase, etc., any Tendered Share Certificates, etc., tendered on or before the date of such public notice at the lowered price for the purchase, etc.

#### (IV) Matters Concerning the Right of Tendering Shareholders, etc., to Cancel the Agreement

Tendering Shareholders, etc., may cancel agreements relating to the Tender Offer at any time during the Tender Offer Period.

The Tender Offeror requests that any shareholders that wish to cancel the agreement, complete the procedures by the method of delivery, sending, etc., written notice of the cancellation of the agreement pertaining to the Tender Offer (the "Cancellation Notice") to the party designated below by no later than 3:30 p.m. on the last day of the Tender Offer Period (however, business hours differ depending on the branch office; shareholders are requested to check the business hours, etc., of the branch they will use in advance before completing these procedures). However, when sending a Cancellation Notice, the Cancellation Notice must arrive at the party designated below by no later than 3:30 p.m. on the last day of the Tender Offer Period (however, business hours differ depending on the branch office; shareholders are requested to check the business hours, etc., of the branch they will use in advance before completing these procedures).

Furthermore, the Tender Offeror will not claim any compensation for damages or penalty payment from the Tendering Shareholders, etc., in connection with the cancellation of the agreement by the Tendering Shareholders, etc. In addition, expenses required to return the Tendered Share Certificates, etc., shall also be borne by the Tender Offeror. If cancellation is requested, the Tendered Share Certificates, etc., will be returned promptly after the completion of the procedures pertaining to the request for cancellation, via the method described in "(IV) Method of Return of Share Certificates, etc." in "(8) Method of Settlement" above.

#### (V) Method of Disclosure in the Event of a Change in the Conditions, etc., of the Purchase

The Tender Offeror may change the conditions, etc., of the purchase during the Tender Offer Period, except where prohibited by Article 27-6, paragraph (1) of the Act and Article 13 of the Order.

In the case of changes to the conditions, etc., of the purchase, etc., electronic public notice will be made concerning the details of the changes, etc., and notice thereof will be published in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by a method stipulated in Article 20 of the Cabinet Office Order and give public notice immediately thereafter.

If changes are made to the conditions, etc., of the purchase, the Tender Offeror will also purchase, etc., any Tendered Share Certificates, etc., tendered on or before the date of such public notice at the changed conditions for the purchase, etc.

(VI) Method of Disclosure in the Event of Submission of an Amended Statement

If the Tender Offeror submits an amended statement to the Director-General of the Kanto Finance Bureau (except for cases provided for in the proviso of Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately publicly announce the contents of the amended statement that relate to the contents of the public notice of the commencement of the Tender Offer via the methods provided for in Article 20 of the Cabinet Office Order. In addition, the Tender Offeror will also immediately amend the tender offer explanation and implement the amendment by delivering the amended tender offer explanation to the Tendering Shareholders, etc., to whom the tender offer explanation has already been delivered. However, if the scope of amendment is limited to a small range, the amendment shall be implemented by preparing a document stating the reason for the amendment, the amended matters, and the amended content, and delivering such document to the Tendering Shareholders, etc.

(VII) Method of Disclosure of the Results of the Tender Offer

The results of the Tender Offer will be announced publicly via a method provided for in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order on the day following the last day of the Tender Offer Period.

(VIII) Others

The Tender Offer will not be conducted directly or indirectly in or into the United States, or by the use of the U.S. postal service or any other method or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, electronic mail, and internet communications), nor through any securities exchange facility in the United States. Shares may not be tendered in the Tender Offer by any of the above methods or means, or through any of the above facilities, or from within the United States.

In addition, the tender offer statement or related purchase documents pertaining to the Tender Offer will not be sent or distributed in, to, or from the United States by mail or other method, and such sending or distribution is prohibited. The Tender Offeror will not accept any tender in the Tender Offer that directly or indirectly violates the above restrictions.

Each party tendering shares in the Tender Offer (or its standing proxy in the case of a foreign shareholder, etc.) is required to make the following representations and warranties

At either the time of the tendering party's tendering of shares or the time of sending the application to tender shares in the Tender Offer, the tendering party is not located in the United States; the tendering party has not received or sent any information or documents relating to the Tender Offer in, to, or from the United States; the tendering party has not, directly or indirectly, used the U.S. postal service or any other method or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, electronic mail, and internet communications) or used any securities exchange facility in the United States in connection with the purchase or the signing or delivery of the application to tender shares in the Tender Offer; and the tendering party is not acting as an agent, trustee, or delegatee without discretionary authority of any other person (unless such other person is giving all instructions with respect to the purchase from outside the United States).

(10) Date of Public Notice of Commencement of Tender Offer

Tuesday, August 13, 2024

(11) Tender Offer Agent

SMBC Nikko Securities Inc.  
3-3-1 Marunouchi, Chiyoda-ku, Tokyo

### 3. Policies, etc., After the Tender Offer and Future Outlook

#### (1) Policies of the Tender Offeror

For information concerning policies after the Tender Offer, please refer to "(III) Management Policy After the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process Resulting in the Decision to Execute the Tender Offer, and Management Policy after the Tender Offer" and "(4) Planned Acquisition of Additional Target Company Share Certificates, etc., After the Tender Offer" under "1. Purpose, etc., of the Purchase, etc." above.

#### (2) Future Outlook

The Tender Offeror is currently investigating the impact of the Tender Offer on the Tender Offeror's business performance, and will promptly announce any facts that should arise in the future that should be announced.

### 4. Other

#### (1) Existence and Details of Agreement Between the Tender Offeror and the Target Company or its Officers

##### (I) Support for the Tender Offer

According to the Target Company Press Release, the Target Company's Board of Directors, at a meeting held on the date of this notice, expressed an affirmative view toward the Tender Offer and resolved to adopt a neutral position and leave it to the judgment of the Target Company's shareholders as to whether or not they should tender their shares in the Tender Offer.

For details of the resolution by the Board of Directors of the Target Company, please refer to the Target Company Press Release and "(III) Approval of All Directors (Including Audit and Supervisory Committee Members) Without Special Interests in the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose, etc., of the Purchase, etc." above.

##### (II) Capital and Business Alliance Agreement

The Tender Offeror has executed the Capital and Business Alliance Agreement with the Target Company as of the date of this notice. For details of the Capital and Business Alliance Agreement, please refer to "(I) Capital and Business Alliance Agreement" under "(6) Material Agreements Regarding the Tender Offer" in "1. Purpose, etc., of the Purchase, etc." above.

##### (III) Agreement Between the Tender Offeror and the Officers of the Target Company

Not applicable.

#### (2) Other Information Deemed Necessary for Investors to Decide Whether or not to Tender Shares in the Purchase, etc.

##### (I) Publication of Target Company Third Quarter Financial Results

The Target Company has released the "Consolidated Financial Results for the Nine Months Ended June 30, 2024 [Japanese GAAP]" as of the date of this notice. A summary based on this announcement is as follows. The following summary of the announcement is a partial excerpt of the announcement made by the Target Company, and the Tender Offeror has not independently verified its accuracy and truthfulness. For details, please refer to the relevant announcement.

##### (i) Profit and Loss (Consolidated)

Accounting Period	For the nine months ended June 30, 2024
Net sales	18,519 million yen
Cost of sales	14,245 million yen
Selling, general and administrative expenses	3,576 million yen
Non-operating income	50 million yen
Non-operating expenses	44 million yen
Profit attributable to owners of parent	356 million yen



## (ii) Per Share Information (Consolidated)

Accounting Period	For the nine months ended June 30, 2024
Basic earnings per share	35.89 yen
Net assets per share	868.74 yen

## (II) Announcement of Notice Regarding Expected Recording of Extraordinary Income (Gain on Sale of Investment Securities) and Revision of Consolidated Earnings Forecast for the Full Year Ending September 30, 2024

On the date of this notice, the Target Company announced the “Notice of Expected Recording of Extraordinary Income (Gain on Sale of Investment Securities) and Revision of Consolidated Earnings Forecast for the Full Year Ending September 30, 2024.” A summary of the Target Company's earnings forecasts for the fiscal year ending September 30, 2024 based on this announcement is as follows. The following summary of the announcement is a partial excerpt of the announcement made by the Target Company, and the Tender Offeror has not independently verified its accuracy and truthfulness. For details, please refer to the relevant announcement.

## Revision of Consolidated Earnings Forecast for the Fiscal Year Ending September 30, 2024 (October 1, 2023 to September 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	million yen 26,300	million yen 1,510	million yen 1,550	million yen 880	yen 87.32
Revised forecast (B)	25,300	1,030	935	770	77.55
Change (B-A)	(1,000)	(480)	(615)	(110)	—
Percentage change (%)	(3.8)	(31.8)	(39.7)	(12.5)	—
(Reference) Previous fiscal year results (fiscal year ended September 30, 2023)	28,491	1,709	1,774	1,008	100.09

## (Reference) Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025) (Announced on May 13, 2024) and Results for the Previous Fiscal Year

(millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Forecasts of consolidated operating results for the current fiscal year (fiscal year ending March 31, 2025)	560,000	16,000	10,500	8,000
Previous fiscal year results (fiscal year ended March 31, 2024)	512,484	15,930	9,690	7,004