

[Translation for Reference Purpose Only]



January 10, 2025

To All Concerned Parties

Company Name: Pressance Corporation Co., Ltd.
Representative Name: President and Representative Director:
Masanori Harada
(Code Number: 3254 Standard Market of Tokyo Stock Exchange)
Contact: Director and General Manager of Management
Division
Yutaka Doi
(TEL: +81-6-4793-1650)

Notice Regarding Announcement of Opinion in Support of the Tender Offer by Open House Group Co., Ltd., the Controlling Shareholder, and Recommendation for our Shareholders to Tender their Shares

Pressance Corporation Co., Ltd. (hereinafter the “**Company**”) hereby announces that it has resolved as follows at the meeting of its Board of Directors held today that the Company expresses its opinion to support tender offer (the “**Tender Offer**”) for the common stock of the Company (the “**Company’s Stock**”) by Open House Group Co., Ltd. (the “**Tender Offeror**”) and the recommend that its shareholders tender the Company’s Stock in the Tender Offer.

The resolution of the Board of Directors stated above was adopted based on the assumption that the Tender Offeror intends to make the Company its wholly-owned subsidiary and that the Company’s Stock will be delisted through the Transaction (defined in “a. Outline of the Tender Offer” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” below; hereinafter the same) including the Tender Offer.

1. Overview of the Tender Offeror

| | |
|--------------------------------------|--|
| (1) Name | Open House Group Co., Ltd. |
| (2) Location | 2-7-2 Marunouchi, Chiyoda-ku, Tokyo |
| (3) Name and title of representative | President and Representative Director: Masaaki Arai |
| (4) Description of business | Single-family homes related business, condominiums business, income-producing real estate business, and other businesses |
| (5) Capital | 20,149 million yen (as of September 30, 2024) |
| (6) Date of incorporation | November 22, 1996 |

| | | |
|---|--|--------|
| (7) Major shareholders and shareholding ratios (as of September 30, 2024) | Masaaki Arai | 32.82% |
| | Ichigo Trust Pte. Ltd. (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) | 12.79% |
| | The Master Trust Bank of Japan, Ltd. (trust account) | 9.44% |
| | Custody Bank of Japan, Ltd. (trust account) | 3.16% |
| | SMBC Trust Bank, Ltd., a regulated securities trustee | 2.93% |
| | STATE STREET BANK AND TRUST COMPANY 510312 (Standing Proxy: Mizuho Bank, Ltd.) | 1.79% |
| | NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) | 1.50% |
| | STATE STREET BANK AND TRUST COMPANY 510311 (Standing Proxy: Mizuho Bank, Ltd.) | 1.47% |
| | Hitoshi Imamura | 1.46% |
| | JP MORGAN CHASE BANK 385864 (Standing Proxy: Mizuho Bank, Ltd.) | 1.13% |

(8) Relationship between the Company and the Tender Offeror

| | |
|-------------------------|--|
| Capital relationship | The Tender Offeror holds 44,011,372 shares of the Company's Stock (number of voting rights: 440,113, shareholding percentage (Note 1): 63.42%) and the Company is a consolidated subsidiary of the Tender Offeror. |
| Personnel relationship | Mr. Kotaro Wakatabi, who is a director of the Company, is concurrently serving as a Senior Managing Director and CFO of the Tender Offeror. Additionally, 5 employees of the Company also work for the Tender Offeror. |
| Business relationship | There are transactions between the Company and the Tender Offeror Group (defined in "b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" in "(2) Grounds and Reasons for the Opinion on the Tender Offer" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" below; hereinafter the same), including (i) transactions in which the Company purchases real estate, (ii) transactions in which the Company receives construction contracting services, and (iii) transactions in which the Company Group (defined in "b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" in "(2) Grounds and Reasons for the Opinion on the Tender Offer" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" below; hereinafter the same) receives real estate brokerage services. In addition, the Company pays (iv) customer introduction fees to the Tender Offeror Group and (v) dividends to the Tender Offeror. |
| Status as related party | Since the Company is a consolidated subsidiary of the Tender Offeror, it is a related party of the Company. |

(Note 1) "Shareholding percentage" means the percentage (rounded to the second decimal place; the same applies hereinafter in the calculation of the shareholding percentage) of the number of the shares owned by the relevant shareholder against 69,399,889 shares, which is the number of shares obtained by deducting (x) the number of treasury shares owned by the Company as of September 30, 2024 (493,107 shares), as stated in the Company's Securities Report for its 28th Fiscal Year, filed by the Company on December 23, 2024 (the "Company Securities Report"), from (y) the total number of its issued shares as of September 30, 2024 (69,892,996 shares), as stated in the Company Securities

Report. The same applies throughout this press release.

2. Tender Offer Price

2,390 yen per Company Share

3. Details of and Grounds and Reasons for the Opinion on the Tender Offer

(1) Details of the Opinion on the Tender Offer

The Company, at the meeting of its Board of Directors held today where eight of its nine directors (including three outside directors and excluding Mr. Kotaro Wakatabi who is concurrently a senior managing director and CFO of the Tender Offeror) participated in the deliberation and vote, adopted a resolution to express its opinion to support the Tender Offer and recommend that its shareholders tender the Company's Stock in the Tender Offer based on the grounds and reasons stated in "(2) Grounds and Reasons for the Opinion on the Tender Offer" below, with the unanimous affirmative vote of all directors (including directors who are audit and supervisory committee members) who participated in the vote.

The resolution of the Board of Directors stated above was adopted by the method stated in "e. Unanimous Approval by All of the Non-Interested Directors of the Company including Directors who are the members of Audit and Supervisory Committee" in "(6) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

Mr. Kotaro Wakatabi, a director of the Company, also serves as the Senior Managing Director, CFO of the Tender Offeror. Therefore, from the perspective of avoiding the appearance of a conflict of interests, he did not participate in the discussions and resolutions regarding the Tender Offer at the aforementioned meeting of the Company's Board of Directors, and he also did not participate in the discussions and negotiations with the Tender Offeror from the Company's perspective.

(2) Grounds and Reasons for the Opinion on the Tender Offer

Of the grounds and reasons for the Company's opinion on the Tender Offer, those related to the Tender Offeror are based on the explanations provided by the Tender Offeror.

a. Outline of the Tender Offer

As of today, the Tender Offeror holds 44,011,372 shares of the Company's Stock (shareholding percentage: 63.42%) which are listed on the Standard Market of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") and the Company is a consolidated subsidiary of the Tender Offeror. The Tender Offeror resolved at its Board of Directors meeting held on January 10, 2025, to conduct the Tender Offer as part of a transaction to acquire all of the Company's Stock (other than the Company's Stock owned by the Tender Offeror and treasury shares owned by the Company), through which the Company will become a wholly-owned subsidiary of the Tender Offeror (the "**Transaction**").

For the Tender Offer, the Tender Offeror has set 2,255,228 shares (shareholding percentage: 3.25%) as the minimum number of shares to be purchased, and in the event that the total number of the share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than such minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. On the other hand, as the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the acquisition of all of the Company's Stock (other than the Company's Stock held by the Tender Offeror and the treasury shares held by the Company), no maximum limit to the number of shares to be purchased has been set for the Tender Offer. Therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc. The minimum number of shares to be purchased (2,255,228 shares) is the number of shares obtained by deducting the number of the Company's Stock held by the Tender Offeror (44,011,372 shares) from 46,266,600 shares, which was calculated by multiplying the number of shares constituting one unit (100 shares) by the number of two-thirds (462,666; rounded up to the nearest whole number) of the voting rights (693,998 attaching to 69,399,889 shares, which is obtained by deducting (x) the number of treasury shares owned by the Company as of September 30, 2024 (493,107 shares) as stated in the Company Securities Report from (y) the total number of

issued shares as of September 30, 2024 (69,892,996 shares) as stated in the Company Securities Report. While the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer, a special resolution at a general meeting of the shareholders as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended, the “Companies Act”) is required to implement the share consolidation as described in “(5) Plan for Acquisition of Share Certificates, etc. of the Company’s Stock after Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below. In order to ensure the implementation of the Transaction, the Tender Offeror has set the minimum number of shares to be purchased so that the Tender Offeror can satisfy the above requirement by holding no less than two-thirds of the total voting rights of all shareholders of the Company after the Tender Offer.

As of today, the Tender Offeror owns 44,011,372 shares of the Company (shareholding percentage: 63.42%), and the Tender Offeror believes that setting a minimum number of shares to be purchased at a level reflecting the so-called “Majority of Minority” in the Tender Offer would destabilize the consummation of the Tender Offer, which in turn may not serve the interests of minority shareholders who wish to tender in the Tender Offer, and therefore, the Tender Offeror has not set a minimum number of shares to be purchased reflecting the so-called “Majority of Minority” in the Tender Offer. However, the Tender Offeror believes that due consideration has been given to the interests of the Company’s minority shareholders, given that the Tender Offeror and the Company have taken the measures set forth in “(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.

In the case where the Tender Offer is successfully completed but the Tender Offeror is unable to acquire all of the Company’s Stock (other than the Company’s Stock held by the Tender Offeror and the treasury shares held by the Company) through the Tender Offer, as stated in “(5) Plan for Acquisition of Share Certificates, etc. of the Company’s Stock after Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below, the Tender Offeror plans to take, after the completion of the Tender Offer, a series of procedures (the “**Squeeze-Out Procedure**”) necessary to acquire all of the Company’s Stock (other than the Company’s Stock held by the Tender Offeror and the treasury shares held by the Company) and to make the Company a wholly-owned subsidiary of the Tender Offeror.

The shares of the Company’s Stock are listed on the Standard Market of the TSE as of today; however, depending on the results of the Tender Offer, the Company’s Stock may be delisted after the procedures stated in “(4) Possibility of Delisting and Reasons Therefor” below are completed. In addition, if, after the completion of the Tender Offer, the Squeeze-Out Procedure set forth in “(5) Plan for Acquisition of Share Certificates, etc. of the Company’s Stock after Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below are to be implemented, the Company’s Stock will be delisted after such procedures are completed.

The Tender Offeror plans to procure the funds for the Transaction including the Tender Offer by its own funds and a loan up to 60,678,555,630 yen (the “**Bank Loan**”) from Sumitomo Mitsui Banking Corp. (“**SMBC**”). The Tender Offeror plans to get the Bank Loan by the business day before the settlement commencement date of the Tender Offer (Note1).

(Note 1) As evidence of the above amount, the Tender Offeror has obtained a loan certificate dated January 10, 2025 from SMBC stating that SMBC is prepared to provide a loan of up to 60,678,555,630 yen.

b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer

The Tender Offeror was founded in September 1997 under the trade name of Open House Co., Ltd., and began a trading brokerage business for new single-family homes. In September 2013, the Tender Offeror listed its shares on the First Section of the Tokyo Stock Exchange, and in April 2022, due to the revision of the market classifications of the Tokyo Stock Exchange, the shares of the Tender Offeror were moved from the First Section to the Prime Market. On January 1, 2022, the Tender Offeror transferred its single-family homes related business and other businesses to Open House Co., Ltd. (renamed from Open House Preparatory Company Co., Ltd.), a 100% owned subsidiary of the Tender Offeror through a company split. The Tender Offeror also changed its name to Open House Group Co., LTD. and its structure was shifted to a holding company structure. The Tender Offeror consists of a corporate group (the “**Tender Offeror Group**”) comprised of the Tender Offeror and 60 affiliated companies (as of today; consisting of 59 consolidated subsidiaries and 1 equity-method affiliate, excluding non-consolidated subsidiaries and non-equity method affiliated companies), and is engaged mainly in the single-family homes related business and other businesses such as condominiums business, income-producing real estate business and other related businesses, as well as, in Pressance Corporation (Note 2), a business segment operated by the Company, which is a consolidated subsidiary of the Tender Offeror.

In November 2023, the Tender Offeror Group formulated a “Three-Year Business Strategy (from the fiscal year ending September 30, 2024 to the fiscal year ending September 30, 2026)” with the fiscal year ending September 2026 as the final year. Under the strategy, the Tender Offeror aims to achieve a cumulative profit (net income) of 250 billion yen over the three-year period (this was revised upwards to 250-260 billion yen in November 2024), a shareholders' equity ratio of 35.0% or more, a net D/E ratio of 1.0 or less, and a cumulative investment of 500 billion yen over the three-year period. We plan to return 100 billion yen to shareholders over the three-year period, and will continue to pay stable dividends with a payout ratio of at least 20% and flexibly conduct share repurchase. In the fiscal year ending September 2024, in addition to real estate for actual demand (Note 3) consisting of detached houses and condominiums, there was continued high demand for investment real estate consisting of income-generating real estate (Note 4) and US real estate (Note 5), and the Company achieved record-high sales of 1,295.8 billion yen (an increase of 12.8% year-on-year) and record-high net income of 92.9 billion yen (an increase of 0.9% year-on-year), and its business performance is steadily progressing.

(Note 2) “Presence Corporation, a business segment” refers to the position of the Company within the Tender Offeror Group, where the Company is treated as an independent segment, rather than being incorporated into the Tender Offeror’s other segments.

(Note 3) “Real estate for actual demand” refers to real estate that is purchased for the purpose of actual residence.

(Note 4) “Income-generating real estate” refers to real estate that is purchased with the aim of earning rental income by leasing it to residents or tenants.

(Note 5) “US real estate” refers to pre-owned real estate located in the US that is purchased by Japanese investors with the aim of earning rental income by leasing it to residents or capital gains on sale.

In accordance with the changes of lifestyles in Japan, including women’s advancement in society since 2000 and an increase in the number of dual-income households, more people tend to seek reasonably priced houses in highly convenient urban areas. The Tender Offeror considers that even amid the declining population, the number of households in central Tokyo areas is expected to increase in the future. In light of this business environment surrounding the Tender Offeror Group, the Tender Offeror Group has, in order to continue to provide a stable and efficient supply of affordable single-family homes in central Tokyo, enhanced its product competitiveness by conducting business operations in a way that integrates production and sales through establishing a system that can complete all functions within the Tender Offeror Group from the purchase of land through to design and construction with respect to the single-family homes related business, which is the core business of the Tender Offeror Group, in addition to the brokerage function it has been offering from the time of its foundation. Furthermore, in terms of the Tender Offeror’s single-family homes related business, the Tender Offeror Group has steadily increased its single-family homes market share along with high profitability and high efficiency by thoroughly implementing an “aggressive” marketing strategy that takes a pinpoint approach to customers by focusing on specific areas and by developing a dominant strategy that intensively supplies single-family homes in major urban areas, such as the Tokyo metropolitan area, the Nagoya area, the Kansai area and the Fukuoka area.

The Tender Offeror Group considers that, new needs for housing arose from an increase in the number of hours families spend in their homes and the increase in teleworking opportunities triggered by a change in environment in 2020 due to the spread of COVID-19 and that the utility value of and demand for single-family homes has expanded. Thereafter, with the change in the environment from “Zero Covid” to “With Covid,” an extremely high demand for single-family homes showed a leveling-off trend, but the Tender Offeror considers that the demand for single-family homes conveniently located in central Tokyo remains strong. Even under the environment noted above, the business performance of the Tender Offeror Group have steadily progressed, driven by the single-family homes related business, which is the core business of the Tender Offeror Group. As a result, the Tender Offeror Group recorded the highest profit every fiscal year since the fiscal year ended September 2020. In the condominium business, the Offeror’s consolidated subsidiary Open House Development Co., Ltd. develops and sells newly built condominiums, and in some cases, the Offeror’s consolidated subsidiary Open House Architect Co., Ltd. (formerly Asakawa Home Co., Ltd.) (“OHA”) is responsible for the construction. In particular, the Company is developing and selling compact and family-type condominiums targeting single persons and two-person households with a strong preference for condominiums in valuable locations with high convenience, centering on the urban areas of the Tokyo, Nagoya and Fukuoka areas, and sales are progressing smoothly. In addition, by limiting the number of model rooms and sales promotion materials at each construction site to the minimum necessary, the Company is working to thoroughly manage costs and is also expecting to improve its gross profit margin.

The Tender Offeror Group has been actively engaged in M&A that can realize business synergies. For example, the Tender Offeror made OHA a wholly-owned subsidiary of the Tender Offeror in January 2015, and made Hawk

One Corporation (“Hawk One”) a wholly-owned subsidiary of the Tender Offeror in October 2018, respectively. Both OHA and Hawk One have been able to increase their revenues as a result of an increase in the number of houses ordered and other factors after becoming wholly-owned subsidiaries of the Tender Offeror. On April 6, 2020, the Tender Offeror entered into a capital and business alliance agreement (the “Capital and Business Alliance Agreement”) with the Company. In May 2020, the Tender Offeror acquired 31.91% of the total voting rights of the Company (as of March 31, 2020) through acquisition of shares from the shareholders of the Company and made the Company an equity-method affiliate of the Tender Offeror. In January 2021, the Tender Offeror acquired additional voting rights of the Company to increase its holding to 64.46% of total voting rights of the Company (as of March 31, 2021) by a capital increase through third party allotment and a tender offer, and made the Company a consolidated subsidiary of the Tender Offeror. In addition, in November 2023, the Tender Offeror made MELDIA Co., Ltd. (formerly, Sanei Architecture Planning Co., Ltd.) (“MELDIA”) the wholly-owned subsidiary of the Tender Offeror after making the company a consolidated subsidiary of the Tender Offeror in October 2023. As such, the Tender Offeror has worked to enhance the enterprise value of the entire Tender Offeror Group through M&A.

In addition, the Tender Offeror Group believes that the soundness, transparency, and objectivity of management are crucial to maximizing the enterprise value of the Tender Offeror Group, and accordingly, has positioned corporate governance as one of its key management issues, and is promoting “sustainability,” which aims to contribute to the realization of a sustainable society through business activities and to achieve sustainable growth of the company, such as by launching the solar power generation business with the goal of contributing to the popularization of renewable energy as the “Open House Decarbonization Project.”

On the other hand, the Company was established in October 1997 in Chuo-ku, Osaka City as Nikkei Prestige Co., Ltd. for the purpose of engaging in the real estate sales business, and began selling its own brand of condominiums in November 1998, and changed its trade name to Pressance Corporation in April 2002. After that, the Company listed its shares on the Second Section of the Tokyo Stock Exchange in December 2007, was designated as a First Section of the Tokyo Stock Exchange in October 2013, and, due to the revision of the market classifications of the Tokyo Stock Exchange, the shares of the Company were moved from the First Section to the Standard Market in April 2022.

The Company Group (Note 6) consists of the Company and its 12 subsidiaries and 2 equity-method affiliates (as of September 30, 2024). The Company’s main business is planning, developing, and selling one-room condominiums (i.e., condominiums for investment which are made available for rent mainly to single-person households) and family condominiums (i.e., condominiums intended for use by families) mainly in the Kansai, Tokai, Kanto and Okinawa areas. Since its foundation in October 1997, the Company has focused on the realization of a richer, more comfortable life for those who live in its condominiums, by consistently sticking to highly convenient locations and by providing condominiums with higher asset values. With its corporate philosophy of “Shine Light into a Corner” (Note 7) in mind, the Company aims to provide condominiums by making use of its unique development capabilities as an independent condominium developer handling a wide range of condominiums from urban to family-type condominiums, and has operated its business across extensive geographical areas from the Tokyo metropolitan area to Kyushu, having provided a large number of condominiums particularly in the Kinki region and the Tokai-Chukyo region.

(Note 6) “Company Group” means the Company, its 12 subsidiaries and 2 equity-method affiliates (as of September 30, 2024).

(Note 7) “Shine Light into a Corner” means a philosophy that each one of us should do our very best in our own environment and should shine a light around us by working for others as well, and that this will eventually shine a light on society as a whole and will lead to the realization of peace and happiness for people around the world

The Company Group believes that, while the population has been declining in recent years, the number of households in urban areas has been increasing as people prefer the convenience of city life. The Company believes that demand for sale of one-room condominiums for investment will remain strong, due to factors such as the increasing number of single-person households and the fact that real estate investment has become common in the market as a product for asset management. In addition, the Company believes that with regard to the sale of family condominiums, as the government’s housing acquisition support program for condominiums will continue to be implemented and the demand for the family condominiums in the city center and surrounding areas will remain strong, and it will strive to accurately respond to changing customer needs and expand its business scale in the future.

On April 6, 2020, the Tender Offeror has executed the Capital and Business Alliance Agreement with the Company, with the aim of establishing regional complementary and product complementary relationships, etc., and maximizing the benefits for both companies and their customers, shareholders, employees, business partners, and all related

parties by realizing business synergies through the integration of the management resources and management know-how of the Tender Offeror and the Company. In addition, in May 2020, the Tender Offeror acquired 31.91% of the total voting rights of the Company (as of March 31, 2020) by acquiring shares from the Company's shareholders, making the Company an equity-method affiliate of the Tender Offeror. The Tender Offeror and the Company have held numerous discussions in order to realize the synergies initially contemplated in the Capital and Business Alliance Agreement, by mutually providing management know-how. Subsequently, the Tender Offeror and the Company believe that ensuring the Company's credit enhancement and stabilization of financing by making the Company a consolidated subsidiary of the Tender Offeror, and at the same time, deepening the cooperation between both companies while respecting the independence of the Company's management, promote the capital and business alliance between both companies and contribute to the enhancement of the enterprise value of both companies, and on November 13, 2020, the Tender Offeror decided that it will (i) execute an agreement regarding amendments to the Capital and Business Alliance Agreement, and (ii) implement the Tender Offer of the Company's Stock for the purpose of ultimately making the Company a consolidated subsidiary of the Tender Offeror (minimum number of shares to be purchased: none, maximum number of shares to be purchased: 19,881,500 shares (Ownership percentage at the time (Note 8): 30.69%), period for purchase, etc.: from November 16, 2020 to January 14, 2021 (the "Previous Tender Offer")), and a third-party allotment of new shares to be allotted to the Tender Offeror (payment period: from January 15, 2021 to January 19, 2021 after the end of the tender offer period for the Previous Tender Offer, number of shares issued: 3,508,772 shares (number of voting rights: 35,087, Ownership percentage at the time: 5.42%), issue price: 1,425 yen per share, total issue price of shares to be issued: approximately 5,000 million yen) and to subscribe for all of the Company's Stock to be issued, subject to the satisfaction of certain conditions precedent including the completion of the Previous Tender Offer. For further information, please refer to the "Notice Concerning Execution of Agreement Concerning Amendments, etc. to Capital and Business Alliance Agreement with Pressance Corporation Co., Ltd., Commencement of Tender Offer against Pressance Corporation Co., Ltd. Shares (securities code: 3254) and Subscription of Capital Increase through Third-Party Allotment" announced by the Tender Offeror on November 13, 2020. The Previous Tender Offer was successfully completed with 32,634,299 shares tendered by the Company's shareholders, and the Tender Offeror subscribed for all shares issued in the third-party allotment and purchased 19,881,500 shares of the Company's Stock, the maximum number of shares to be purchased. As a result, the Tender Offeror came to own 44,011,372 shares of the Company's Stock (64.46% of the Company's total voting rights (as of March 31, 2021)) as of January 20, 2021, the settlement commencement date of the Previous Tender Offer, and the Tender Offeror made the Company a consolidated subsidiary of the Tender Offeror on the same date.

(Note 8) "Ownership percentage at the time" is the percentage (rounded to the third decimal place; the same applies hereinafter) of the number of shares (64,780,005 shares) obtained by deducting the number of treasury shares owned by the Company (556,734 shares) as of such date from the Company's total number of issued shares as of September 30, 2020 (65,336,739 shares).

In the Previous Tender Offer, the Tender Offeror acquired the Company's Stock in December 2019, following the unexpected arrest (Note 9) of a person who was the former representative director and president of the Company (the "Company's former President and Representative Director") on suspicion of embezzlement, and the fact that the Company, unlike the Tender Offeror, is mainly engaged in business development in the Kinki region and the condominium business, and is superior to the Tender Offeror in these areas and business fields, the Company believes that upon strengthening the capital relationship between both companies, it would be extremely important to maintain to a certain extent the unique corporate culture and management autonomy that the Company had thus far cultivated as an independent condominium developer and maintain an independent competitive relationship with the Tender Offeror and encourage healthy competition between the Tender Offeror and the Company in order to improve the motivation of the employees of the Company and continuously improve enterprise value and shareholder value through the sustainable development of the Company and it would be effective to allow both companies to deepen the cooperation between them while respecting the Company's autonomous management with respect to enhancing the enterprise value and the continuous improvement of shareholder value of the Tender Offeror and the Company, then the Company has maintained its listing as a consolidated subsidiary of the Offeror instead of making it a wholly-owned subsidiary of the Offeror. Since the Previous Tender Offer, the Company has been working to further restore the trust of its customers, business partners, financial institutions, etc., which had been recovering since the Company's former President and Representative Director was arrested on suspicion of embezzlement in December 2019, and both companies have been working to the extent possible on the various measures contemplated in the Capital and Business Alliance Agreement, such as regional complementarity, product complementarity, management and administration of lease properties and properties for sale, and cost reduction, etc., while certain tangible results were achieved through these initiatives, given that both companies are listed companies with minority shareholders, there was a need for careful consideration of the potential conflict of interest that could arise from the Tender Offeror's minority shareholders being harmed by the profits that should have been obtained by the Tender Offeror being diverted to the Company's minority shareholders, or the Company's minority shareholders being harmed by the

Tender Offeror obtaining profits that should have been obtained by the Company, and therefore, as described below, collaboration was limited in some areas.

(Note 9) The Company's former President and Representative Director was subsequently found not guilty in November 2021.

In the recent environment surrounding both companies, changing by the minute, driven by factors such as rising construction costs (including construction equipment, materials and labor costs), the Tender Offeror came to understand that there is room for the Company to aim for further sales growth and further improvement in enterprise value through measures such as strengthening its marketing capabilities to attract customers, and also came to recognize that the urgent management issue for the Company is to create a system that will enable it to respond in a timely and appropriate manner to changes in the external environment, including rising construction costs (including construction equipment, materials and labor costs). In the process of holding discussions on how the Tender Offeror Group should respond in a timely and appropriate manner to changes in the external environment, such as rising construction costs (including construction equipment, materials and labor costs), in mid-October 2024, from the perspective of maximizing the enterprise value of both companies, the Tender Offeror came to understand that it is essential to make the partnership between both companies even stronger, and in order to avoid conflicts of interest between the Company's minority shareholders and the Tender Offeror and to further promote the mutual use of management resources and the speeding up of decision-making as the Tender Offeror Group, it is difficult to execute it while maintaining the Company's listing, and that it is necessary to make the Company a wholly-owned subsidiary of the Tender Offeror. The Tender Offeror believes that the following specific synergies can be realized by making the Company a wholly-owned subsidiary.

(i) Active cross-selling by the sales teams of the Tender Offeror and the Company

According to the Tender Offeror, the Tender Offeror and the Company have mutually complementary product lineups, customer attributes and regional developments. In implementing mutual utilization and cross-selling of these, there were certain restrictions due to the existence of concerns that the interests of minority shareholders of the Tender Offeror would be harmed if a portion of increased profits of the Company were to accrue to minority shareholders of the Company, and that profits that should be attributable to minority shareholders of the Company would accrue to the Tender Offeror due to cooperation by the Company with the Tender Offeror. However, after the shares of the Company's Stock go private through the Transaction, it will be possible to make optimal proposals tailored to customer needs and circumstances by promoting mutual utilization of these resources and active cross-selling. Specifically, it is expected to achieve product complementarity between single-family homes and condominiums, customer attribute complementarity between products for real demand and products for wealthy customers, and regional complementarity between the Kanto and Kansai regions.

(ii) Strengthening customer-attracting marketing functions

With regard to the sharing and horizontal development of know-how that has been independently refined by both the Tender Offeror and the Company, as mentioned above, the current relationship with the Company, in which there are minority shareholders, limits the mutual utilization of such know-how by the Tender Offeror and the Company. However, the Tender Offeror and the Company will aim to raise the level of both companies' customer-attracting marketing functions by realizing a situation in which both companies can utilize each other's know-how to the maximum extent possible through the Transaction. In addition, from the perspective of the optimization of the Tender Offeror Group as a whole, the Tender Offeror will actively promote investment in strengthening the marketing functions.

(iii) Mutual utilization of condominium building functions

The Tender Offeror aims to expand the business options of the Tender Offeror and the Company and maximize profit opportunities by promoting mutual utilization of RC construction functions of two companies, MELDIA Development & Construction CO., LTD., a consolidated subsidiary of the Company owned by the Company in the Kansai region and OHA, a consolidated subsidiary of the Tender Offeror owned by the Company in the Kanto region, although there were certain restrictions on such mutual utilization due to the existence of potential conflicts of interest, which would harm the interests of the minority shareholders of the Company by allowing profits that should be attributable to the Company to accrue to the Tender Offeror.

(iv) Recruitment and development of human resources

Although the Company is a consolidated subsidiary of the Tender Offeror, it has recruited personnel individually on the premise that it is an independent listed company. However, with the elimination of the above conflict of interest, the Company will be able to strengthen its collaboration in terms of personnel recruitment, and even in the midst of an expected decline in the working population, it will be able to compete with other industries in the acquisition of personnel. In addition, the Tender Offeror and the Company will work together to provide diverse opportunities for a wide variety of human resources through active mutual exchange of human resources within the Tender Offeror Group.

(v) Promotion of information systems and SDGs-related investments

As described above, in the current relationship with the Company, in which there are minority shareholders, the utilization by the Company of the information systems owned by the Tender Offeror is necessarily limited. However, through the privatization of the Company's Stock, the horizontal development of the DX infrastructure, which has been actively promoted and developed by the Tender Offeror, will be possible, thereby achieving the improvement of the Company's productivity and the expansion of the Company's business opportunities. In addition, the Tender Offeror will actively promote information system and SDGs-related investments (Note 10) in the future, with a view to deploying them to the Company.

(Note 10) "SDG-related investments" means investments related to the promotion of initiatives aligned with the SDGs, with a focus on solar power generation.

(vi) Stabilization of financing

As mentioned above, due to the existence of potential conflicts of interest, the capital injection from the Tender Offeror to the Company required careful consideration. However, through the privatization of the Company's Stock, the Tender Offeror will stabilize further the Company's financing by strengthening its creditworthiness through capital injections based on flexible and prompt decision making, thereby aiming to achieve further development of the Company's business and ensure the sustainability of the Company's business in the recent environment of the condominium business, where the importance of financial strength for business expansion is increasing more than ever. The Tender Offeror will also seek to optimize financing from the perspective of group optimization, including financing through corporate bonds as an option.

(vii) Avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidary listing

While the Company is a consolidated subsidiary of the Tender Offeror as of today, as the Company is a listed company, a potential conflict of interest structure exists between the Tender Offeror and the minority shareholders of the Company. However, the Tender Offeror believes that the Transaction will eliminate such conflict of interest structure and enable collaboration within the Tender Offeror Group to maximize profits. In addition, as the Company is required to comply with the listing maintenance criteria for the recent new market classifications and the Corporate Governance Code, etc., the burden on the Company's systems and operations to maintain listing (holding and managing general meetings of shareholders, auditing, costs required for outsourcing administrative work to the shareholder register agent, continuous disclosure such as annual securities reports, etc.) is increasing year by year. However, the Tender Offeror believes that these costs and operations can be reduced by taking the Company's Stock private through the Transaction.

If the Transaction is completed, the shares of the Company will be delisted. In general, the disadvantages associated with delisting include the inability to raise funds from the capital markets and the inability to enjoy the benefits of being a listed company, such as obtaining and maintaining social credibility and name recognition from external parties, including business partners. However, if the Transaction is completed, the Company, as a wholly-owned subsidiary of the Tender Offeror, which is listed on the Prime Market of the Tokyo Stock Exchange and is considered to have a high degree of social credibility and recognition, will have its credit enhanced by the Offeror, thereby enabling the Company to raise stable funds by borrowing from financial institutions and corporate bonds, etc., and, as such, the impact on the Company's fundraising is considered to be limited. In addition, the relationship of trust between the Company and its business partners was adversely affected by the arrest of the Company's former president and representative director in December 2019 on charges of professional embezzlement, but the Company provided detailed explanations to the financial institutions in order to improve its relationship of trust with the

financial institutions, which are the most important business partners for the Company and also have a significant influence on the trust of other business partners. In addition, the Company has regained the trust of financial institutions and other business partners by providing sufficient explanations, after the Offeror first acquired the Company's shares in May 2020, including that the Tender Offeror had made the Company an equity affiliate, and the sufficient trust has already been established as a result of the acquittal of the former president and representative director of the Company in November 2021. Therefore, the Tender Offeror does not believe that the existing business relationships will be significantly affected by the delisting. Furthermore, the social credibility and name recognition that the Company has built up through its business operations to date will not be lost as a result of the delisting, and rather the Company's social credibility and name recognition will be further enhanced by becoming a wholly-owned subsidiary of the Tender Offeror, which is listed on the Prime Market of the Tokyo Stock Exchange. Thus, the Tender Offeror believes that the disadvantages associated with delisting will be minimal and will not outweigh the benefits of enhancing the Company's enterprise value expected from the realization of the above synergies.

In view of the fact that the above-mentioned synergies can be expected by deepening the cooperation with the Company, in order to begin full-scale consideration of the Transaction, in late October 2024, the Tender Offeror appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), a financial advisor, as its third-party valuation organization independent of the Tender Offeror Group and the Company Group, and Nagashima Ohno & Tsunematsu, as its legal advisor independent of the Tender Offeror Group and the Company Group, respectively. On October 24, 2024, the Tender Offeror made a request to the Company to commence consideration and discussion of the Transaction. Subsequently, on November 5, 2024, the Tender Offeror submitted to the Company a letter of intent (the "Letter of Intent") regarding the acquisition of all of the Company's Stock through the Tender Offer and the subsequent Squeeze-Out Procedures to make the Company a wholly-owned subsidiary. Subsequently, the Tender Offeror received a communication from the Company stating that it would consider the content of the proposal after establishing a necessary framework for the consideration.

In response to the submission of the above-mentioned Letter of Intent as of November 5, 2024 from the Tender Offeror to the Company, the Company, taking into account the impact on the minority shareholders of the Company, has started to establish a framework for the consideration in order to ensure a fair, transparent and objective decision-making process, which eliminates arbitrariness in the decision-making of the Company concerning the Transaction, including the Tender Offer. In particular, the Company has commenced preparations for the establishment of the Special Committee (defined in "d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" below; hereinafter the same) as described in "A. Organizing Examination Process" of "d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" below, and established the Special Committee on November 7, 2024. In addition, on the same day, the Company appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and third-party valuation organization independent of the Company and the Tender Offeror, and Anderson Mori & Tomotsune Gaikokuho-Kyodo-Jigyo ("Anderson Mori & Tomotsune") as its legal advisor independent of the Company and the Tender Offeror, respectively. Please note that, among the directors of the Company, Mr. Kotaro Wakatabi, who concurrently serves as a Senior Managing Director and CFO of the Tender Offeror, did not participate in any discussions or negotiations with the Tender Offeror on behalf of the Company since November 7, 2024, including establishing the Special Committee, in order to avoid any suspicion of conflict of interest, based on the legal advice received from Anderson Mori & Tomotsune, the Company's legal advisor.

After November 5, 2024, when the Tender Offeror submitted the Letter of Intent, the Tender Offeror began full-scale discussions with the Company with a view to implementing the Transaction. Specifically, the Tender Offeror conducted due diligence from mid-November 2024 to early December 2024 to examine the feasibility of the Transaction, and from early December 2024 began discussions regarding the various terms and conditions of the Transaction.

With respect to the offer price per share of the Company's Stock in the Tender Offer (the "Tender Offer Price"), on December 9, 2024, the Tender Offeror, taking into account the market trend of the share price of the Company's Stock, the business plan disclosed by the Company, the status of the due diligence being conducted on the Company, and other factors, as well as the comprehensive consideration of the calculations of the share value conducted by SMBC Nikko Securities, an independent third-party valuation organization, submitted to the Company and the Special Committee a proposal setting the Tender Offer Price at 2,075 yen (a price that represents the following: (i) a premium of 10.02% (round off to two decimal places; the same applies hereinafter in the calculation of a premium) on 1,886 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 6, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 11.20% on 1,866 yen (rounded off to the nearest whole number; the same applies hereinafter in the calculation of a simple average of closing prices), which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 9.15% on 1,901 yen, which is the simple average of the

closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 8.87% on 1,906 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 10, 2024, the Tender Offeror received from the Company a request to re-submit a higher tender offer price, based on the opinion of the Special Committee and the advice of the Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that its shareholders tender their shares from the perspective of protecting the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation organization as of the date of the proposal, the price range calculated using DCF analysis (the perpetuity method), which the Company places importance on, was not reached, and the level of premium in similar cases was not reached, etc.

In response to this request, on December 12, 2024, the Tender Offeror submitted to the Company and the Special Committee a second price proposal setting the Tender Offer Price at 2,200 yen (a price that represents the following: (i) a premium of 15.61% on 1,903 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 11, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 18.22% on 1,861 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 15.61% on 1,903 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 15.36% on 1,907 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 16, 2024, the Tender Offeror received from the Company a request to re-submit a higher tender offer price, based on the opinion of the Special Committee and the advice of the Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using DCF analysis (the perpetuity method), which the Company places importance on, was not reached by a large margin, that the level of premium in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to such request, on December 18, 2024, the Tender Offeror submitted to the Company and the Special Committee a third price proposal setting the Tender Offer Price at 2,270 yen (a price that represents the following: (i) a premium of 19.35% on 1,902 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 17, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.31% on 1,856 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 19.10% on 1,906 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 18.97% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Tender Offeror received from the Company a written request to set the Tender Offer Price at 2,600 yen on December 19, 2024, as it was necessary to give further consideration to the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on December 23, 2024, the Tender Offeror submitted to the Company and the Special Committee a fourth price proposal setting the Tender Offer Price at 2,320 yen (a price that represents the following: (i) a premium of 20.71% on 1,922 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 20, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 24.00% on 1,871 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Tender Offeror received from the Company a written request to set the Tender Offer Price at 2,550 yen to the Tender Offeror on December 24, 2024, as it was necessary to give further consideration to the interests of the Company's minority shareholders given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation organization as of

the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 6, 2025, the Tender Offeror submitted to the Company and the Special Committee a fifth price proposal setting the Tender Offer Price at 2,350 yen (a price that represents the following: (i) a premium of 17.56% on 1,999 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 30, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.59% on 1,917 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 22.91% on 1,912 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 23.04% on 1,910 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Tender Offeror received from the Company a written request to set the Tender Offer Price at 2,520 yen to the Tender Offeror on January 7, 2025, as the price still did not reach a price level allowing the Special Committee to recommend the shareholders to tender their shares in the Tender Offer given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 8, 2025, the Tender Offeror submitted to the Company and the Special Committee a sixth price proposal setting the Tender Offer Price at 2,370 yen (a price that represents the following: (i) a premium of 20.67% on 1,964 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 7, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.35% on 1,937 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.21% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.15% on 1,909 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Tender Offeror received from the Company a written request to set the Tender Offer Price at 2,435 yen to the Tender Offeror on January 8, 2025, as it was necessary to give further consideration to the interests of the Company's minority shareholders given that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 9, 2025, the Tender Offeror submitted to the Company and the Special Committee a seventh price proposal setting the Tender Offer Price at 2,380 yen (a price that represents the following: (i) a premium of 20.87% on 1,969 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.81% on 1,938 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.74% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.67% on 1,909 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Tender Offeror received from the Company a written request to raise the Tender Offer Price again on January 9, 2025, as it was necessary to give consideration to the interests of the Company's minority shareholders as much as possible.

In response to this request, on January 9, 2025, the Tender Offeror and the Special Committee held discussions, and after those discussions, the Tender Offeror submitted to the Company and the Special Committee an eighth price proposal setting the Tender Offer Price at 2,390 yen (a price that represents the following: (i) a premium of 21.38% on 1,969 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 23.32% on 1,938 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 25.26% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 25.20% on 1,909 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the

same date, respectively). As a result, the Tender Offeror received a response from the Company and the Special Committee to the effect that they accepted the Tender Offeror's proposal and set the Tender Offer Price at 2,390 yen, subject to the final decision being made by resolution at a meeting of the Company's Board of Directors to be held on January 10, 2025, and reached an agreement.

After these examinations and negotiations, the Tender Offeror resolved at a meeting of its Board of Directors held on January 10, 2025, to conduct the Tender Offer with the Tender Offer Price of 2,390 yen as part of the Transaction.

c. Management Policy After the Tender Offer

As of today, Mr. Kotaro Wakatabi, a director of the Tender Offeror, concurrently serves as a director of the Company, but no decisions have been made regarding the management framework of the Company after the Tender Offer is completed, which will be discussed in good faith with the Company after the settlement of the Tender Offer. Regarding the management policy after the completion of the Tender Offer, the Tender Offeror intends to take measures to realize the various synergies largely described in "b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" above, as concrete measures of the management strategy to enhance the Company's enterprise value. However, the Tender Offeror plans to determine the details and methods of such measures in consultation with the Company.

The Tender Offeror's basic policy is to maintain the employment of the Company's employees after the Transaction and not to change their employment conditions to their disadvantage.

d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor

A. Organizing Examination Process

On October 24, 2024, the Company received an offer from the Tender Offeror to commence consideration and discussion of the Transaction. Subsequently on November 5, 2024, the Company received a preliminary letter of intent from the Tender Offeror regarding the Transaction.

In response, taking into account the impact on the Company's minority shareholders, in order to eliminate the arbitrariness of the Company's decision-making concerning the Transaction, including the Tender Offer, and to establish a fair, transparent and objective decision-making process, on November 7, 2024, the Company established a special committee consisting of Mr. Yoshihiro Sakatani (Independent External Director and member of the Audit and Supervisory Committee, Certified Public Accountant), Ms. Keiko Nishioka (Independent External Director and member of the Audit and Supervisory Committee), and Mr. Toshihiro Abiko (Independent External Director and member of the Audit and Supervisory Committee) (the "Special Committee". For details on the activities etc. of the Special Committee, please refer to "a. the Company's Establishment of an Independent Special Committee and Obtaining of its Report" in "(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below). Also, on the same day, the Company appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and third-party valuation organization independent from the Company and the Tender Offeror, and Anderson Mori & Tomotsune as its legal advisor independent from the Company and the Tender Offeror.

Please note that, among the directors of the Company, Mr. Kotaro Wakatabi, who concurrently serves as a Senior Managing Director and CFO of the Tender Offeror, did not participate in any discussions or negotiations with the Tender Offeror on behalf of the Company since November 7, 2024, including the establishment of the Special Committee, in order to avoid any suspicion of conflict of interest, based on the legal advice received from Anderson Mori & Tomotsune, the Company's legal advisor.

B. Background of Examination and Negotiations

The Company has received reports from Mizuho Securities regarding the results of the valuation of the Company's Stock, advice regarding its negotiation policy with the Tender Offeror, and other advice from financial perspectives, and, from Anderson Mori & Tomotsune, guidance regarding measures to ensure the fairness of the procedures for the Transaction and other legal advice, and has carefully considered the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction based on these inputs.

The Company received a request from the Tender Offeror on October 24, 2024 to commence consideration and discussion of the Transaction, and subsequently received the LOI on November 5, 2024.

After receiving the LOI, the Company and the Special Committee proceeded with their examination of the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction, and received a first price proposal letter from the Tender Offeror on December 9, 2024, setting the Tender Offer Price at 2,075 yen (a price that represents the following: (i) a premium of 10.02% on 1,886 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 6, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 11.20% on 1,866 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 9.15% on 1,901 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 8.86% on 1,906 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively), taking into account the market trend of the share price of the Company's Stock, the business plan disclosed by the Company, the status of the due diligence being conducted by the Tender Offeror on the Company, and other factors, as well as the comprehensive consideration of the calculations of the share value conducted by SMBC Nikko Securities, the Tender Offeror's independent third-party valuation institution. In response, on December 10, 2024, based on the opinion of the Special Committee and the advice of the Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation institution as of the date of the proposal, the price range calculated using DCF analysis (the perpetuity method), which the Company places importance on, was not reached, and the level of premium in similar cases was not reached, etc, the Company submitted a request to re-submit a higher tender offer price.

In response to this request, the Company and the Special Committee received a second price proposal from the Tender Offeror on December 12, 2024, setting the Tender Offer Price at 2,200 yen (a price that represents the following: (i) a premium of 15.61% on 1,903 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 11, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 18.22% on 1,861 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 15.61% on 1,903 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 15.36% on 1,907 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 16, 2024, the Company submitted a request to re-submit a higher tender offer price to the Tender Offeror based on the opinion of the Special Committee and the advice of the Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using DCF analysis (the perpetuity method), which the Company places importance on, was not reached by a large margin, that the level of premium in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to such request, the Company and the Special Committee received a third price proposal from the Tender Offeror on December 18, 2024, setting the Tender Offer Price at 2,270 yen (a price that represents the following: (i) a premium of 19.35% on 1,902 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 17, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.31% on 1,856 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 19.10% on 1,906 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 18.97% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Company returned a written request to set the Tender Offer Price at 2,600 yen to the Tender Offeror on December 19, 2024, as it was necessary to give further consideration to the interests of the Company's minority shareholders, given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method),

which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Company and the Special Committee received a fourth price proposal from the Tender Offeror on December 23, 2024, setting the Tender Offer Price at 2,320 yen (a price that represents the following: (i) a premium of 20.71% on 1,922 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 20, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 24.00% on 1,871 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Company submitted a written request to set the Tender Offer Price at 2,550 yen to the Tender Offeror on December 24, 2024, as it was necessary to give further consideration to the interests of the Company's minority shareholders given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Company and the Special Committee received a fifth price proposal from the Tender Offeror on January 6, 2025, setting the Tender Offer Price at 2,350 yen (a price that represents the following: (i) a premium of 17.56% on 1,999 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 30, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.59% on 1,917 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 22.91% on 1,912 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 23.04% on 1,910 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Company submitted a written request to set the Tender Offer Price at 2,520 yen to the Tender Offeror on January 7, 2025, as the price still did not reach a price level allowing the Special Committee to recommend the shareholders to tender their shares in the Tender Offer given that, among the results of the calculations of the value of the Company's Stock by the Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Company and the Special Committee received a sixth price proposal from the Tender Offeror on January 8, 2025, setting the Tender Offer Price at 2,370 yen (a price that represents the following: (i) a premium of 20.67% on 1,964 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 7, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.35% on 1,937 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.21% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.15% on 1,909 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively).

In response, taking into account the opinions of the Special Committee and the advice of the Company's advisors, the Company submitted a written request to set the Tender Offer Price at 2,435 yen to the Tender Offeror on January 8, 2025, as it was necessary to give further consideration to the interests of the Company's minority shareholders given that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In respect to this request, on January 9, 2024, the Company and the Special Committee received a seventh price

proposal setting the Tender Offer Price at 2,380 yen (a price that represents the following: (i) a premium of 20.87% on 1,969 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.81% on 1,938 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.74% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.67% on 1,909 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, on January 9, 2024, the Company submitted a request to re-submit a higher tender offer price, based on the opinion of the Special Committee and the advice of the Company's advisors as it was needed to consider the interests of the Company's minority shareholders as much as possible.

In response to this request, on January 9, 2025, the Tender Offeror and the Special Committee held negotiations, and after these negotiations, the Company and the Special Committee received a eighth price proposal setting the Tender Offer Price at 2,390 yen (a price that represents the following: (i) a premium of 21.38% on 1,969 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 23.32% on 1,938 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 25.26% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 25.20% on 1,909 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively).

After careful discussion including with the members of the Special Committee, following the final proposal from the Tender Offeror, the Company responded on January 9, 2025 that it would accept the Tender Offeror's final proposal and set the Tender Offer Price at 2,390 yen on t the premise that the final decision would be made by a resolution of the Company's Board of Directors to be held on January 10, 2025, and thus an agreement was reached with the Tender Offeror regarding the Tender Offer Price.

C. Details of decision-making

Based on the process described above, in light of the advice from financial perspectives from Mizuho Securities and the stock valuation report submitted on January 9, 2025 (the "Valuation Report (Mizuho Securities)"), and the legal advice obtained from Anderson Mori & Tomotsune, and fully respecting the content of the report submitted on January 9, 2025 from the Special Committee (the "Report"), the Company conducted careful discussion and deliberations at the Board of Directors meeting of the Company held on January 10, 2025 from viewpoints such as whether the enterprise value of the Company will be increased through the Tender Offer and whether the interests which the minority shareholders should receive are ensured through fair procedures in the Tender Offer.

As a result, the Company came to recognize that the realization of synergies such as (i) active cross-selling by the sales teams, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidiary listing described in "b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" can be expected by consolidating the management resources of the Tender Offeror and the Company and by utilizing their business know-how, etc., in which the Tender Offeror and Target Company have strengths, and that the integration of the Tender Offeror and the Company by the Transaction including the Tender Offer and pursuing the realization of the synergies through implementation of business operations as early as possible with a sense of speed will contribute to increasing the enterprise value of the Company.

According to the Company, in general, the disadvantages of privatization of a company includes forfeiting the ability to raise funds by equity financing in capital markets as well as such benefits the company has been able to enjoy as a listed company including enhancing its popularity and social credibility. However, the Company believes such disadvantages of the delisting of the Company's Stock are limited since in light of the current financial standings of the Company and the recent low interest rate environment in indirect finance, etc., it is possible to procure funds by the Company's own funds and loan from financial institutions, and regarding the enhancement of popularity and social credibility, the Tender Offeror and the Company have already established a

certain level of popularity in the industry.

In addition, in light of various factors such as the following points, the Company determined that the Tender Offer Price of 2,390 yen per share is an appropriate price to secure the interests the minority shareholders of the Company should receive and the Tender Offer provides the minority shareholders of the Company with an opportunity to sell the Company's Stock at a reasonable price with appropriate premium.

- (a) The Tender Offer Price was determined after the Company took sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, and was agreed upon as a result of the Company and the Tender Offeror negotiating sufficiently with each other, as stated in “(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.
- (b) The Tender Offer Price is determined to be appropriate based on the Report, which was obtained from the Special Committee, as stated in “A. Target Company's Establishment of an Independent Special Committee and Obtaining of its Report” in “(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.
- (c) The Tender Offer Price represents a 21.81% premium over the closing price of the Company Shares on the Standard Market of the TSE on January 9, 2025, the business day immediately preceding the publication date of the implementation of the Tender Offer, a 23.13% premium over the simple average closing prices for the one (1) month preceding such date (1,962 yen), a 25.26% premium over the simple average closing prices for the three (3) months preceding such date (1,941 yen), and a 25.20% premium over the simple average closing prices for the six (6) months preceding such date (1,909yen), and is above the highest share price of the Company marked since its initial listing.
- (d) Based on the calculation results in the Valuation Report (Mizuho Securities), the Tender Offer Price is higher than the upper limit of the range based on the average market price method and is higher than the medians of the comparable company method and DCF method, as stated in “(4) Target Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution” in “Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” of “Background of Calculation” in “(2) Price for Purchase, Etc.” of “4. Period for Purchase, Etc., Price for Purchase, Etc. and Number of Share Certificates, Etc. to be Purchased” below.
- (e) After such measures have been taken, the price has been raised from the initial proposal price of 2,075 yen by the Tender Offeror through sincere negotiations with the Tender Offeror with the substantial, and, when necessary, direct, involvement of the Special Committee, which is independent of the Company and the Tender Offeror.
- (f) Although the Tender Offer Price is below (representing a 14.83% discount) the Company's net asset value per share (2,806 yen), calculated by dividing the consolidated book value of the Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Company's issued stock other than treasury shares as of such date (69,399,889 shares), the consolidated book value of the net assets is only an indication of the theoretical liquidation value and does not reflect the future profitability of the Company, and therefore, it is not reasonable to place importance on it in the calculation of the share value of the Company as a going concern. In addition, it is difficult to adopt the idea that the consolidated book value per share is the minimum fair value of the shares of the Target Company's Stock because, if the Target Company were to liquidate, the amount available for distribution to the shareholders of the Target Company would be considerably impaired from the consolidated book value of net assets (as liquidation is not planned by the Target Company, the Target Company has not confirmed any estimate of liquidation costs and losses through specific studies) because the consolidated book value of net assets would not be converted at the same amount due to the possible significant depreciation of the sale price of real estate for sale and real estate for sale in progress that is expected to be sold immediately or in the near future (specifically, 23,867 million yen and 162,215 million yen, respectively, are recorded as real estate for sale and real estate for sale in progress on the Company's balance sheet as of September 30, 2024), which will be disposed of in bulk or sold to other companies, the possible difficulties in selling assets, especially illiquid assets held by the Target Company and various expenses (e.g., expenses related to the sale of land and buildings, extra retirement payments to employees, real estate appraisal fees, building demolition fees, attorney fees and other professionals for business liquidation).

Based on the above, the Company has determined that the Transaction, including the Tender Offer, will contribute to the enhancement of the Company's enterprise value, and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable. The Tender Offeror resolved at its Board of Directors meeting held on January 10, 2025, to express its opinion to support the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

As stated in "(1) Details of the Opinion on the Tender Offer" above, Kotaro Wakatabi, a director of the Company, also serves as the Senior Managing Director, CFO of the Tender Offeror. Therefore, from the perspective of avoiding the appearance of a conflict of interests, he did not participate in the discussions and resolutions regarding the Tender Offer at the aforementioned meeting of the Company's Board of Directors, and he also did not participate in the discussions and negotiations with the Tender Offeror from the Company's perspective.

For details of the resolution of the Company's Board of Directors, please refer to "e. Unanimous Approval by All of the Non-Interested Directors of the Company including Directors who are the members of Audit and Supervisory Committee" in "(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

(3) Matters Related to the Valuation

a. The Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution

A. Name of Valuation Institution; Its Relationship with the Company and Tender Offeror

In forming its opinion regarding the Transaction, including the Tender Offer, the Company requested Mizuho Securities, a third-party valuation institution independent of the Company and the Tender Offeror, to calculate the value of the Company's shares in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Tender Offeror. Then, on January 9, 2025, the Company obtained the Valuation Report (Mizuho Securities).

Mizuho Securities does not fall under the category of a related party of the Company or the Tender Offeror, and does not have any material interests in the Transaction, including the Tender Offer. Furthermore, Mizuho Bank, Ltd. ("Mizuho Bank"), an affiliate of Mizuho Securities, conducts financing transactions, etc. with the Company and the Tender Offeror as part of its ordinary banking transactions, but has no material interests in the Transaction, including the Tender Offer, relating to any conflicts of interest with the Company or the Tender Offeror. According to Mizuho Securities, Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures between Mizuho Securities and Mizuho Bank, in accordance with applicable laws and regulations - namely, the Act (Article 36, Paragraph 2 of the Financial Instruments and Exchange Act) and the Cabinet Office Ordinance on Financial Instruments Business, etc. (Cabinet Office Ordinance No. 52 of 2007, as amended) (Article 70-4). Mizuho Securities has calculated the equity value of the Company in a capacity independent of Mizuho Bank's status as a lender. In light of various factors such as Mizuho Securities' track record as a valuation institution and the fact that appropriate harm prevention measures have been taken between Mizuho Securities and Mizuho Bank, the Company has determined that Mizuho Securities has sufficient independence to act as financial advisor and third-party valuation institution for the Transaction, and that there is no particular issue with the Company's request to Mizuho Securities to perform the share price valuation of the Company's Stock. According to the Company, the compensation to Mizuho Securities for the Transaction includes a contingency fee payable on the condition that the Transaction is consummated. The Company has appointed Mizuho Securities as its financial advisor and third-party valuation institution in accordance with the aforementioned compensation structure under its judgment that the adoption of such fee structure contingent upon the successful completion of the Tender Offer does not in itself defeat the independence of the advisor taking into consideration the general practices in similar transactions and the merits of a compensation structure that would impose a reasonable monetary burden on the Company in the event the Transaction is unsuccessful. The Special Committee also confirmed at its first meeting held on November 13, 2024, that there were no particular issues with the independence and expertise of Mizuho Securities, and approved the appointment of Mizuho Securities as the Company's financial advisor and third-party valuation institution.

The Company has not obtained a fairness opinion from Mizuho Securities in light of the fact that various measures to ensure the fairness of the Tender Offer as described in this section titled "Measures to Ensure Fairness

of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” are taken by the Tender Offeror and the Company in consideration of the interest of the Company’s minority shareholders.

B. Outline of Valuation

After examining which methods of valuation analysis to be adopted for the Tender Offer, Mizuho Securities conducted the valuation of the share value of the Company’s Stock using the following methods of analysis: (i) the market share price analysis, because the Company’s Stock is listed on the Tokyo Stock Exchange Standard Market, and the market prices are available for the Company’s Stock; (ii) the comparable listed company analysis, because there are several comparable listed companies conducting business similar to the Company and an analogical inference of the share value of the Company’s Stock is possible through the comparison with listed companies similar to the Company; and (iii) the DCF analysis, so as to reflect the future business activities in the evaluation. The Target received the Valuation Report (Mizuho Securities) from Mizuho Securities on January 9, 2025.

The share value of the Company’s Stock in the Valuation Report (Mizuho Securities) was calculated using each of the methods of analysis above. The ranges of the share value per share of the Company’s Stock calculated by each analysis method are as follows:

| | |
|-------------------------------------|------------------------|
| Market share price analysis: | 1,908 yen to 1,962 yen |
| Comparable listed company analysis: | 2,130 yen to 2,501 yen |
| DCF analysis: | 2,057 yen to 2,642 yen |

Under the market price method, using January 9, 2025 as the valuation reference date, the value per share of the Company’s Stock was evaluated to range from 1,908 yen to 1,962 yen, based on the simple average closing prices for the most recent one (1) month (1,941 yen), the simple average closing prices for the most recent three (3) months (1,908 yen) and the simple average closing prices for the most recent six (6) months (1,909 yen) of the Company’s Stock on the Tokyo Stock Exchange.

Under the comparable listed company analysis, Goodcom Asset Co., Ltd., Kosei RE Co., Ltd., Dear Life Co., Ltd., and S-Lead Co., Ltd., were selected as comparable listed companies that are considered to be similar to the Company, and the value per share of the Company’s Stock was calculated using multiples of EBITDA to enterprise value and was evaluated to range from 2,130 yen to 2,501 yen.

Under the DCF analysis, the value per share of the Company’s Stock was evaluated to range from 2,057 yen to 2,642 yen, after analyzing the enterprise value and the share value of the Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Company is expected to generate from the first quarter of fiscal year ending September 30, 2025 based on the Company’s estimated future earnings and investment plan in the business plan from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2027 (the “**Business Plan**”) prepared by the Company, publicly disclosed information, and other information.

The discount rate used was 6.03% to 7.03%, and perpetuity growth rate method were adopted for the calculation of continuous value. The perpetuity growth rate of -0.5% to 0.5% is adopted. The Company’s future financial forecasts on which the DCF analysis is based are as follows, and they include fiscal years where a large increase or decrease in the free cash flow is expected. Namely, in the fiscal years between FY September 2025 and FY September 2026, and FY September 2026 and FY September 2027, the free cash flows are expected to increase materially from minus 11,789 million yen to minus 6,334 million, and from minus 6,334 million to 11,786 million, respectively, because of the increase in working capital due to acquisition of real estate and land along with revenue growth.

Since it is difficult at this point in time to specifically estimate the impact on earnings of the synergies that are expected to be realized through the implementation of the Transaction, such synergies are not reflected in the

financial forecasts below and calculation by Mizuho Securities based on the financial forecasts.

In addition, the Special Committee was given an explanation from the Company on matters such as the assumptions and figures based on these assumptions that were set when formulating the financial forecasts and conditions precedent that form the basis for the calculations in the Business Plan and held a Q&A session on those matters, and the Special Committee confirmed that there were no particularly unreasonable points, and the method and results of the valuation were reasonable, as described in “A. Target Company’s Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee” in “(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.

The figures for the Company’s future financial forecasts on which the DCF analysis is based are as follows.

(Unit: JPY in million)

| | FY ending September 30,2025 | FY ending September 30,2026 | FY ending September 30,2027 |
|------------------|--------------------------------|--------------------------------|--------------------------------|
| Sales Revenue | 218,624 | 232,786 | 247,337 |
| Operating Profit | 21,046 | 22,357 | 23,222 |
| EBITDA | 21,762 | 23,293 | 24,234 |
| Free Cash Flow | minus 11,789 | minus 6,334 | 11,786 |

In calculating the equity value of the Company’s Stock, Mizuho Securities, in principle, used the information provided by the Company and publicly available information as is, and assumed that all such materials and information were accurate and complete, and did not independently verify their accuracy and completeness.

In addition, it is assumed that the information regarding the Company and its affiliates’ financial forecasts and other information about the future (including projections regarding future earnings and expenses, and the Business Plan) has been reasonably prepared or created based on the best and sincere forecasts and judgment of the Company’s management available at the time of calculation.

Furthermore, Mizuho Securities has not conducted any independent evaluation or appraisal, including analysis and evaluation of individual assets and liabilities, of the Company and its affiliates’ assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities and other contingent liabilities) or mortgage, nor have they requested any third-party institution to appraise or assess them.

The calculation by Mizuho Securities reflected information and economic conditions obtained by Mizuho Securities by January 9, 2025 (or, by September 30, 2024 for financial information).

The sole purpose of Mizuho Securities’ calculation is to serve as a reference for the Board of Directors of the Company in its consideration of the Tender Offer Price.

Mizuho Securities is not a related party to the Company or the Tender Offeror and does not have any material interest in the Transaction including the Tender Offer.

Remuneration for Mizuho Securities pertaining to the Transaction includes contingency fees to be paid subject to conditions such as the completion of the Transaction, but the Company appointed Mizuho Securities as its financial advisor and third-party valuation agent based on this remuneration system under the judgement that the fact that the contingency fees, which are paid on the condition that the Tender Offer is completed, are included does not negate Mizuho Securities’ independence, after taking into consideration customary practices in similar kinds of transactions and the appropriateness of a compensation structure in which the Company would bear considerable monetary burden in the event that the Transaction is not successfully completed.

In addition, the Special Committee confirmed at the first Special Committee meeting that there are no issues with the independence and professionalism of Mizuho Securities.

b. Obtaining of the Share Valuation Report from an Independent Third-party Valuation Institution by Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested SMBC Nikko Securities, the financial

advisor to the Tender Offeror, as a third-party valuation institution independent of the Tender Offeror Group and the Company group, to calculate the equity value of the Company Stock. SMBC Nikko Securities is not a related party of either the Tender Offeror or the Company and does not have any material interest in the Tender Offer.

Although SMBC Nikko Securities is a member of the Sumitomo Mitsui Financial Group companies including Sumitomo Mitsui Banking Corporation, which plans to provide the Tender Offeror with a loan to fund the Tender Offer, the Tender Offeror, in consideration of SMBC Nikko Securities' track record as a third-party valuation institution and in light of the facts that (i) according to SMBC Nikko Securities, as a measure to prevent harmful effects, information screening measures under the internal policies have been taken between the department in SMBC Nikko Securities that conducts the calculation of the share value of the Company Stock and the other departments and SMBC; (ii) independence of SMBC Nikko Securities as financial advisors and third-party valuation institution is ensured because the Tender Offeror and SMBC Nikko Securities conduct transactions under the same terms and conditions generally applied to transactions with other counterparties; and (iii) SMBC Nikko Securities is not a related party of either the Tender Offeror or the Company, and there should be no particular problem with the Tender Offeror requesting SMBC Nikko Securities to calculate the equity value of the Company Stock, the Tender Offeror has appointed SMBC Nikko Securities as its financial advisor and third-party valuation institution.

After examining which methods of valuation analysis to be adopted for the valuation of the share value of the Company's Stock from among several methods of valuation analysis of share value, SMBC Nikko Securities conducted the valuation of the share value of the Company's Stock using the following methods of analysis: (i) the market share price analysis, because the Company's Stock is listed on the Tokyo Stock Exchange Standard Market, and the market prices are available for the Company's Stock, (ii) the comparable listed company analysis, because an analogical inference of the share value of the Company's Stock is possible through the comparison with listed companies similar to the Company, and (iii) the DCF analysis, so as to reflect the future business activities in the evaluation. The Tender Offeror received a share valuation report from SMBC Nikko Securities (the "**Valuation Report (SMBC Nikko Securities)**") on January 9, 2025 regarding the value of the Company Stock.

The Tender Offeror has not obtained an opinion regarding the appropriateness of the Tender Offer Price (i.e., a fairness opinion) from SMBC Nikko Securities, as the Tender Offeror believes that the interests of minority shareholders of the Company have been adequately considered with each of the measures set forth in "(6) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" in "Background of Calculation" below.

The results of the valuation of the share value per share of the Company's Stock calculated by SMBC Nikko Securities are as follows:

| | |
|-------------------------------------|------------------------|
| Market share price analysis: | 1,908 yen to 1,941 yen |
| Comparable listed company analysis: | 2,189 yen to 2,754 yen |
| DCF analysis: | 1,962 yen to 3,410 yen |

Under the market share price analysis, with January 9, 2025, set as the record date for the valuation, the range of the share value per share of the Company's Stock was calculated to be from 1,908 yen to 1,941 yen, based on the simple average of the closing price for the most recent one (1) month period up to the record date for valuation of the Company's Stock on the Tokyo Stock Exchange Standard Market which was 1,941 yen, the simple average of the closing price for the most recent three (3) month period which was 1,908 yen and the simple average of the closing price for the most recent six (6) month period which was 1,909 yen.

Under the comparable listed company analysis, the share value of the Company's Stock was assessed by comparing the market share prices and financial indicators showing the profitability of certain listed companies engaged in businesses similar to those conducted by the Company, and the share value per share of the Company's Stock was calculated to be in the range of 2,189 yen to 2,754 yen.

The DCF analysis is based on a number of factors, including the Company's business plan for fiscal years ending in September 2025 through 2027, its recent performance trends, the results of due diligence conducted by the Tender Offeror on the Company from mid-November 2024 to early December 2024, and public information. Taking these into account, the Company's enterprise value and equity value were evaluated by discounting to present value, at a certain discount rate, the Company's free cash flows expected to be generated in the future by the Company after

the first quarter of the fiscal year ending September 30, 2025. As a result, the per share value of the Company's stock was calculated to be in the range from 1,962 yen to 3,410 yen.

No material increase or decrease in profit is anticipated in the Company's financial projection used in the DCF analysis. Further, no synergies expected to be realized from the implementation of the Transaction are reflected because it is difficult to estimate the specific impact on earnings at this time.

The Tender Offeror comprehensively reviewed the valuation results in the Share Valuation Report (SMBC Nikko Securities) provided by SMBC Nikko Securities, and several factors, such as the results of the due diligence on the Company conducted by the Tender Offeror, whether or not the Company's Board of Directors would support the Tender Offer, the trends in the market share price of the Company's Stock and the prospect of shares being tendered in the Tender Offer, and also took into consideration other factors such as the result of the discussions and negotiations with the Company. As a result, the Tender Offeror finally set the Tender Offer Price at 2,390 yen per share at the Board of Directors meeting held on January 10, 2025.

The Tender Offer Price of 2,390 yen represents the following: (a) a premium of 21.81% on 1,962 yen, which is the closing price of the Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 9, 2025, the business day immediately preceding the announcement date of the implementation of the Tender Offer; (b) a premium of 23.13% on 1,941 yen, which is the simple average of the closing prices of the Company's Stock for the past one (1) month up to the same date; (c) a premium of 25.26% on 1,908 yen, which is the simple average of the closing prices of the Company's Stock for the past three (3) months up to the same date; or (d) a premium of 25.20% on 1,909 yen, which is the simple average of the closing prices of the Company's Stock for the past six (6) months up to the same date, respectively.

(4) Possibility of Delisting and Reasons Therefor

As of today, the Company's Stock is listed on the Standard Market of the Tokyo Stock Exchange, but the Tender Offeror has not set a maximum number of shares to be purchased through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the Company's Stock may be delisted after the prescribed procedures are completed, in accordance with the delisting criteria set out by the Tokyo Stock Exchange. Even if the requirements of the delisting criteria are not met as of the time of completion of the Tender Offer, in the event the Squeeze-Out Procedure described in "(5) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer" below is implemented after the successful completion of the Tender Offer, the delisting criteria set out by the Tokyo Stock Exchange will be met and the Company's Stock will be delisted through the prescribed procedures. The Company's Stock cannot be traded on the Standard Market of the Tokyo Stock Exchange after the Company's Stock is delisted.

Regarding the reasons for the purpose of delisting and the impact on minority shareholders and the Company's position with respect to such delisting, please refer to "d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" in "Grounds and Reasons for the Opinion on the Tender Offer" above.

(5) Plan for Acquisition of Share Certificates, etc. of the Company's Stock after Tender Offer

As stated in "A. Overview of Tender Offer" in "(2) Grounds and Reasons for the Opinion on the Tender Offer" above, if the Tender Offeror is unable to acquire all of the Company's Stock (other than the Company's Stock owned by the Tender Offeror and the treasury shares owned by the Company) through the Tender Offer, the Tender Offeror will implement the Squeeze-Out Procedure with the aim of making the Tender Offeror the only shareholder of the Company and making the Company a wholly-owned subsidiary of the Tender Offeror in the following manner after the successful completion of the Tender Offer.

a. Demand for Share Cash-Out

If, after the successful completion of the Tender Offer, the Tender Offeror acquires 90% or more of the total voting rights of the Company, and the Tender Offeror becomes a special controlling shareholder as set forth in Paragraph 1 of Article 179 of the Companies Act, the Tender Offeror plans to, promptly following the conclusion of the settlement of the Tender Offer, pursuant to Part II, Chapter II, Section 4-2 of the Companies Act, demand all of the Company's shareholders (other than the Tender Offeror and the Company, the "Selling Shareholders") to cash-out all of the Company's Stock owned by such shareholders (the "Demand for Share Cash-Out"). With respect to

the Demand for Share Cash-Out, the Tender Offeror plans to provide the Selling Shareholders with a cash amount equivalent to the Tender Offer Price in consideration for each share of the Company's Stock. In such event, the Tender Offeror will provide the Company with notice to such effect and will seek approval from the Company for the Demand for Share Cash-Out. If the Company approves the Demand for Share Cash-Out via resolution of the Company's Board of Directors, in accordance with the procedures prescribed by the relevant laws and regulations, without need for the individual approvals of the Company's shareholders, the Tender Offeror will acquire, as of the acquisition date designated with respect to the Demand for Share Cash-Out, all of the Company's Stock owned by Selling Shareholders. In such event, the Tender Offeror plans to pay the Selling Shareholders a cash amount equivalent to the Tender Offer Price in consideration for the Company's Stock owned by such shareholders.

The Company plans to approve the Demand for Share Cash-Out at the Company's Board of Directors once the Company receives notice from the Tender Offeror that the Tender Offeror intends to make a Demand for Share Cash-Out and the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act.

There are provisions of the Companies Act, which aim to protect the rights of minority shareholders in relation to the Demand for Share Cash-Out, and it is set forth that the Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Company) may file a petition for the court to determine the sale price of the Company's Stock owned by such shareholders in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations.

b. Share Consolidation

If, following the successful completion of the Tender Offer, the total voting rights of the Company owned by the Tender Offeror does not reach 90% or more of all of the voting rights of the Company, the Tender Offeror will, promptly after the completion of settlement of the Tender Offer, request the Company to hold an extraordinary general meeting of shareholders (the "**Extraordinary Shareholders' Meeting**") that will include among its agenda (i) consolidation of the Company's Stock in accordance with Article 180 of the Companies Act (the "**Share Consolidation**"), and, (ii) conditioned on the implementation of the Share Consolidation, changes to portions of the Company's articles of incorporation that will eliminate provisions on share unit numbers. If the Extraordinary Shareholders' Meeting is to be held, such meeting will be held around late April 2025 and the specific procedures and timing of such meeting, etc. will be announced promptly by the Company once they have been determined upon consultation with the Company. The Tender Offeror plans to support each of the proposals described above at the Extraordinary Shareholders' Meeting.

If the proposals for the Share Consolidation are approved at the Extraordinary Shareholders' Meeting, as of the date the Share Consolidation is to take effect, the Company's shareholders will each own a number of the Company's Stock corresponding to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares constituting less than one (1) full share arising, then, in accordance with the provisions of Article 235 of the Companies Act and other relevant laws or regulations, the shareholders for whom such fractional shareholding arises shall receive the consideration to be paid by the Company or the Tender Offeror through such party's purchase of such number of shares equivalent to the total number of such fractional shares (where the total of the fractional shares contains a portion that is less than one (1) full share, the fractional portion will be discarded). With respect to the sale price of the shares corresponding to the total number of such fractional shares of the Company, the Tender Offeror plans to request the Company to file a petition to the court for permission for voluntary sale, where the price of the shares sold shall be determined so as to ensure that as a result of such sale of fractional shares, the cash amount provided to the Company's shareholders (other than the Tender Offeror and the Company) who did not tender their shares in the Tender Offer will be the same as the value obtained when the number of the shares of the Company's Stock owned by such shareholders is multiplied by the Tender Offer Price. Furthermore, although the ratio of Share Consolidation is still undetermined as of the date of this Statement, the Tender Offeror plans to request the Company to decide upon a ratio that will result in shares owned by each shareholder of the Company who did not apply to the Tender Offer (other than the Tender Offeror and the Company) acquiring less than one (1) full share so that the Tender Offeror will retain all of the Company's Stock (other than the treasury shares owned by the Company). According to the Company Press Release, in the event of the successful completion of the Tender Offer, the Company plans to respond to these requests by the Tender Offeror.

If the Share Consolidation is implemented, and such Share Consolidation results in fractional shares that constitute less than one (1) full share, the Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Company) may demand that the Company purchase any fractional shares constituting less than one (1) full share in their possession at a fair price and may file a petition to the court for a decision regarding the price of the shares of the Company's Stock, all in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, which aim to protect the rights of minority

shareholders in relation to the Share Consolidation.

In the event that such petition is filed, a sale price for the shares owned by the petitioning shareholder will be determined by the competent court.

With respect to the procedures described in Paragraphs a. and b. above, the implementation may take time and the method for the implementation may change based on the status of amendments to, implementation of, and interpretation by relevant authorities of the relevant laws and regulations. However, even in such event, in the event of the successful completion of the Tender Offer, the Tender Offeror plans to utilize a method whereby cash consideration is ultimately provided to the Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Company), and the cash amount provided will be the price obtained when the number of the shares of the Company's Stock owned by the relevant shareholders is multiplied by the Tender Offer Price.

The Company plans to promptly announce the specifics of the procedures and implementation terms for each of the situations described above, once they are determined following consultation between and decision-making by the Tender Offeror and the Company.

With regard to the restricted stock of the Company granted to directors of the Company or the directors of the Company's subsidiaries as restricted stock compensation (the "**Restricted Stock**"), the relevant allotment agreement provides that (a) during the restricted transfer period, if the matters concerning the share consolidation as provided for in Article 180 of the Companies Act are approved at a general meeting of shareholders of the Company or the matters concerning the demand for share cash-out as provided for in Article 179 of the Companies Act are approved at a board of directors of the Company (provided, however, that this shall be limited to cases where the effective date of the share consolidation set forth in Article 180, Paragraph 2, Item 2 of the Companies Act or the date on which the special controlling shareholder acquires the shares to be sold as provided for in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the "**Squeeze-Out Effective Date**") falls before the expiration of the restricted transfer period), the Company's board of directors may, by its resolution, determine that as of the time immediately preceding the business day before the Squeeze-Out Effective Date, the transfer restriction shall be cancelled with respect to the Restricted Stock in the number obtained by multiplying the number obtained by dividing the number of months from the month including the payment date stipulated in the allocation agreement to the month including the Squeeze-Out Effective Date by 12 (if the number exceeds 1, it shall be deemed to be 1) by the number of the Restricted Stock allotted to each director (if the calculation results in an number of shares less than 1 share, it shall be rounded down) and (b) in the case specified in (a) above, the Company shall automatically and without compensation acquire all of the Restricted Stock that have not had the transfer restrictions lifted as of the business day prior to the Squeeze-Out Effective Date. In the Squeeze-Out Procedure, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Stock for which the transfer restriction has been lifted immediately before the business day immediately preceding the Squeeze-Out Effective Date will be subject to the Demand for Share Cash-Out or the Share Consolidation, and in accordance with the provisions of (b) of the above allotment agreement, the Company plans to acquire without consideration the Restricted Stock for which the transfer restriction has not been lifted as of the business day immediately preceding the Squeeze-Out Effective Date.

Note that the Tender Offer is not intended as a solicitation for the approval of the shareholders of the Company at the Extraordinary Shareholders' Meeting. Note also that the shareholders of the Company are each personally responsible for consulting tax experts such as tax accountants regarding the tax treatments relating to the tendering for the Tender Offer and each of the procedures described above.

(6) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest

In consideration of the fact that the Company is the Tender Offeror's consolidated subsidiary and the Transaction including the Tender Offer is a significant Transaction, etc. with a controlling shareholder, and the Transaction falls under a transaction that typically involves structural conflict of interests with minority shareholders and asymmetry of information, the Tender Offeror and the Company have implemented the following measures as "Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest."

As of the date of this Statement, the Tender Offeror holds 44,011,372 shares of the Company's Stock (shareholding Percentage: 63.42%) as described in "A. Outline of Tender Offer" in "(2) Grounds and Reasons for the Opinion on the Tender Offer" above. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called "Majority of Minority" ("MoM") through the Tender Offer given the possibility that

setting such number would make the successful completion of the Tender Offer become uncertain and that, in practice, would not contribute to the interests of minority shareholders who wish to tender their shares in the Tender Offer. However, since the Tender Offeror and the Company have implemented the following measures A. to H., according to the Tender Offeror of the view that the interests of the Company's minority shareholders have been fully considered.

a. the Company's Establishment of an Independent Special Committee and Obtaining of its Report

As stated in "A. Organizing Examination Process" in "d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" above, on November 7, 2024, the Company established the Special Committee with respect to the Transaction including the Tender Offer. The Special Committee was established for the purpose of eliminating arbitrariness in the Company's decision-making and establishing a decision-making process that is fair, transparent, and objective, from the perspective of enhancing enterprise value and the interests of minority shareholders. The Special Committee consists of Mr. Yoshihiro Sakatani (Independent External Director and member of the Audit and Supervisory Committee, Certified Public Accountant), Ms. Keiko Nishioka (Independent External Director and member of the Audit and Supervisory Committee), and Mr. Toshihiro Abiko (Independent External Director and member of the Audit and Supervisory Committee), who are independent of the Company and the Tender Offeror-related parties. The members of the Special Committee have not changed since the formation of the committee. Mr. Yoshihiro Sakatani was selected as the chair of the Special Committee by mutual election of the members of the Special Committee. The remuneration for the members of the Special Committee for their services is calculated based on the number of meetings they attend, regardless of the content of their report, and does not include any bonus contingent upon the results of their activities.

The Company's Board of Directors consulted the Special Committee on November 13, 2024 regarding the contents of the opinions to be expressed by the Company, with respect to each of the following items (hereinafter the "Consultation Matters"): (i) whether the purpose of the Transaction is legitimate (including whether the Transaction contributes to the enhancement of the Company's enterprise value); (ii) whether the fairness and appropriateness of the terms of the Transaction (including the Tender Offer Price) have been ensured; (iii) whether sufficient consideration has been given to the interests of the Company's shareholders through fair procedures in the Transaction; (iv) whether, in addition to the above (i) through (iii), the Transaction is not disadvantageous to the Company's minority shareholders; and (v) whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares.

In addition, the Company's Board of Directors resolved the following matters when consulting with the Special Committee: (a) in addition to the Special Committee itself being able to negotiate with the Tender Offeror, even if negotiations with the Tender Offeror are conducted by officers and employees of the Company, or its financial advisors, legal advisors, or other experts (the "Advisors"), the Special Committee can substantially influence the negotiation process regarding the terms of the Transaction by receiving reports on the progress in a timely manner, expressing opinions at important junctures, and providing instructions and requests, etc.; (b) the Special Committee may appoint its own Advisors as necessary (in which case the Company shall bear the costs) or may utilize the Advisors appointed by the Company (which Advisors must have been nominated or approved (including by an ex-post facto approval) by the Special Committee) if it determines that the Company can rely on and seek expert advice from such Advisors; and (c) the Special Committee is authorized to request the officers and employees of the Company and its Advisors to collect any and all information necessary to prepare the Report.

The Special Committee met a total of 12 times for a total of approximately 14.5 hours between November 13, 2024 and January 9, 2025. In addition, between the dates of each meeting, the Special Committee received reports, shared information, deliberated and made decisions as necessary via email, etc., and discussed and examined the Consultation Matters.

The Special Committee has confirmed that Mizuho Securities, the Company's financial advisor and third-party valuation institution, has no issues with its independence or expertise, and has approved its appointment. The Special Committee also confirmed that Anderson Mori & Tomotsune, the legal advisor to the Company, does not constitute a related party of the Company or any Tender Offeror-related parties, and does not have any material interest in the Transaction, including the Tender Offer, and thereupon approved its appointment.

In addition, after confirming that it maintains the ability to receive its own external advisors' advice if it becomes necessary, the Special Committee decided not to appoint its own external advisors, and, as described in "d. Establishment of Independent Review Structures within the Company" below, confirmed that there were no issues with the independence and fairness of the structure for reviewing the Transaction that the Company had established within the company.

Subsequently, the Special Committee (i) presented questions to the Company, and conducted Q&A sessions in an interview format with the Company regarding the purpose and background of the Transaction, management policies after the Transaction, etc., and (ii) presented questions to the Tender Offeror at a separate meeting, and conducted a Q&A session in an interview format with the Tender Offeror regarding the purpose and background of the Transaction, management policies after the Transaction, etc.

The Special Committee collected and examined various materials submitted by the Tender Offeror and the Company, as well as other necessary information and materials, and received explanations regarding overview of the process of selecting the Tender Offeror, confirmation of the selection method and selection procedures, background, content, significance and purpose of the Transaction including the Tender Offer, impact on the Company's enterprise value, relationship between the Tender Offeror related parties, independence of each advisor, reasonableness of the Tender Offer Price valuation methods, the appropriateness of the underlying assumptions of the analyses, the absence of any undue interference from interested parties, the Company's situation, the appropriateness of the Company's process by which it reached its decision-making and the preceding deliberation process, the appropriateness of relevant disclosures and such other matters relating to the Transaction from the Company, Mizuho Securities (the Company's financial advisor), and Anderson Mori & Tomotsune (the Company's legal advisor), and held Q&A sessions.

In addition, the Special Committee received an explanation of the Company's business plan from the Company's officers and employees, and after asking questions and receiving responses to such questions, it confirmed the rationality of the business plan.

The Special Committee deliberated and discussed the Company's negotiation policy, including conducting sufficient negotiations in line with the general negotiation process that takes place in M&A transactions between mutually independent third parties, in order to obtain a higher price from the Tender Offeror, based on the financial advice received from Mizuho Securities. Since December 9, 2024, when the Special Committee received the Tender Offeror's first proposal to set the tender offer price at 2,075 yen per share, each time the Special Committee received a proposal from the Tender Offeror regarding the tender offer price, it deliberated and examined its negotiation policy with the Tender Offeror, taking into account the financial advice received from Mizuho Securities, and then communicated directly with the Tender Offeror in writing, and as a result of such process, on January 9, 2025, received a final proposal from the Tender Offeror to set the tender offer price at 2,390 yen per share.

The Special Committee, after deliberating on the Consultation Matters, submitted a report to the Company's Board of Directors on January 9, 2025, the summary of which is as set forth below.

A. Content of the Report

- (a) The Transaction contributes to the enhancement of enterprise value, and its purpose is legitimate.
- (b) The fairness and appropriateness of the terms and conditions of the Transaction (including the tender offer price) are confirmed to be ensured.
- (c) It is confirmed that, in the Transaction, sufficient consideration has been given to the interests of the minority shareholders of the Company through a fair procedure.
- (d) In addition to (a) through (c) above, the Transaction (including any decision by the Company's Board of Directors in connection with the Transaction) is not disadvantageous to the minority shareholders of the Company.
- (e) It is appropriate and is not disadvantageous to the minority shareholders for the Company's Board of Directors to express an opinion in support of the Tender Offer and recommending that the Company's

shareholders tender their shares in the Tender Offer.

B. Reasons for Reaching the Above Conclusions

- (a) Opinion on the First Consultation Matter (whether the purpose of the Transaction is legitimate (including whether the Transaction contributes to the enhancement of the Company's enterprise value))

Based on the following points, the synergy expected from the Transaction is reasonable, there is no contradiction or inconsistency between the Tender Offeror's assumptions and the Company's assumptions, and the execution of the Transaction will contribute to solving the business challenges recognized by the Company.

In addition, the reasons given as to why the Transaction should be executed instead of other methods, such as a business alliance, were also reasonable, and therefore the Transaction is an appropriate measure to take.

Further, there are no circumstance that would be a significant obstacle to the improvement of the Company's enterprise value by the Transaction. Therefore, the Transaction contributes to the improvement of enterprise value, and the purpose of the Transaction is legitimate.

- (A) In recent years, while the population has been declining, the number of households living in urban areas has been increasing as they seek the convenience of urban living, etc. Demand for investment-type studio apartments for sale is expected to remain strong, as the number of single households has been increasing and real estate investment has taken root in the market as an asset management product. In addition, the government's ongoing home acquisition support program for family condominium sales is continuing, and demand for family condominiums in urban and its surrounding areas is expected to remain strong. Under these circumstances, the Company Group is striving to expand the scale of its business by accurately responding to changing customer needs. However, the market environment remains challenging due to rising land prices and soaring construction costs. On the other hand, the Company Group is facing a declining supply of properties in the business areas where it operates, including those of its competitors. As a result, the supply-demand balance has remained at a favorable level, and the Company has been able to pass on the increasing costs to selling prices. The Company Group's procurement and sales capabilities have allowed it to maintain a relatively strong position in the area. The Company Group recognizes that one of its most urgent management issues is the improvement of information security, and it also recognizes that one of the business challenges it expects to face in the future is the improvement of profitability. Information security is an issue not only for the industry but also for the society as a whole. The Company, which handles a large amount of personal information, recognizes the need for appropriate and effective measures to prevent information leaks, especially from within the company. With regard to improving profit margins, the industry as a whole has seen a marked rise in land prices, construction costs, and labor costs, and we recognize that measures to improve profit margins are required. There is nothing inconsistent or clearly contrary to objective facts in the above recognition of the business environment and business challenges by the Company. Therefore, taking measures (including but not limited to an M&A transaction) that contribute to resolving the above business environment and business challenges should, in general, contribute to improving the enterprise value of the Company, although it is necessary to consider the risks and disadvantages associated with such measures individually.
- (B) According to the Tender Offeror, the synergies of the Transaction that the Tender Offeror envisages are (i) active cross-selling by the Tender Offeror and the Company sales teams, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidary listing. On the other hand, the synergies of the Transaction envisaged by the Company are (i) active cross-selling by the Tender Offeror and the Company sales teams, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidary listing. The above-

mentioned synergies are considered to be reasonable, as there are no points of contradiction or points that are clearly contrary to objective facts. In addition, the synergies envisioned by the Tender Offeror and the Company are consistent, and there are no points of contradiction or discrepancy.

- (C) According to the Tender Offeror, based on the current capital relationship, it has worked with the Company to the extent possible on regional complementarity, product complementarity, management of rental and condominium properties, cost reduction, etc. While these initiatives have achieved certain tangible results, it has been explained that, as both companies are listed companies with minority shareholders, collaboration has been limited in some areas due to the need to give careful consideration of potential conflicts of interest such as the risk that the Tender Offeror's minority shareholders will be harmed by the profits that should have been obtained by the Tender Offeror being diverted to the minority shareholders of the Company and/or the risk that minority shareholders of the Company will be harmed by the Tender Offeror obtaining profits that should have been obtained by the Company. In addition, in the views of the Tender Offeror, in order for the Tender Offeror Group to respond in a timely and appropriate manner to changes in the external environment, such as increases in construction costs including construction equipment, materials and labor costs, it is essential to further strengthen the cooperation between the Tender Offeror and the Company from the perspective of maximizing the corporate value of both companies, and in order to avoid conflicts of interest between the minority shareholders of the Company and the Tender Offeror, and to further promote mutual utilization of management resources and to speed up decision-making as the Tender Offeror Group, it is difficult to achieve these goals while maintaining the Company's listing, and it is essential to make the Company a wholly-owned subsidiary of the Tender Offeror. In addition, a "share exchange" can be considered to be a "reorganization structure with share consideration." However, for the following reasons, the Tender Offeror believes that cash consideration is preferable from the perspective of taking into account the interests of the Company's minority shareholders and the Tender Offeror's shareholders: (i) A share exchange, in which shares are used as consideration, is a transaction in which the economic terms per share are difficult for minority shareholders to understand, because the economic terms are expressed in terms of the share exchange ratio and the market share price of the Tender Offeror, which is the consideration to be delivered, also differs from day to day. In addition, depending on the subsequent share price performance of the shares of the Tender Offeror delivered to the shareholders of the Company, the shareholders of the Company may not be able to enjoy the benefits of the share exchange. Furthermore, the share exchange will result in a dilution of the voting rights of the shares held by the shareholders of the Tender Offeror. (ii) In addition to the ease of understanding that comes from the fact that the economic terms of a tender offer are presented as a fixed amount rather than a ratio, the fact that the Company is obliged to express its opinion on the Tender Offer also provides minority shareholders with an opportunity to properly consider and decide on the economic terms of the Transaction, including the Tender Offer, and thereby ensures the fairness of the transaction.

In light of the above, the decision to seek solutions to management issues through the Transaction, rather than through other methods, is reasonable.

- (D) The disadvantages of the Transaction for the Company include the inability to raise capital through equity financing from the capital markets and the inability to enjoy the benefits of being a publicly traded company, such as increased popularity and social credibility. However, considering the Company's current financial condition and the recent low interest rate environment for indirect financing, the Company believes that it will be able to secure financing through its own funds and borrowings from financial institutions, and that the impact on its financing will be limited. In addition, the Tender Offeror and the Company have already established a certain degree of trust between the Company and its business partners, and it is unlikely that the delisting will cause a significant loss of existing business relationships. The Tender Offeror and the Company have already established a certain level of social credibility and popularity within the industry, and it is not expected that these will be lost as a result of the delisting. The Company believes that the disadvantages of delisting will be minimal and will not outweigh the advantages of the Company's increased enterprise value expected from the realization of the above synergies, given that the Company's social credibility and popularity are expected to be further enhanced by becoming a wholly owned subsidiary of the Tender Offeror, which is listed on the Tokyo Stock Exchange Prime Market and by realizing the above synergies.
- (E) It should also be considered whether any of the following is anticipated with respect to the Company: (i) whether or not there will be any reorganization, disposal or acquisition of material assets (including any M&A transaction) or dissolution of subsidiaries or discontinuation of business after the Transaction; (ii) whether or not there will be any workforce reduction after the Transaction and any adverse effect on

existing employees; (iii) whether or not there will be any adverse effect on financing and hiring of personnel as a result of the Transaction; and (iv) whether any conduct is contemplated that may reduce the enterprise value of the Company, such as adverse effects on the relationships between the Company and its customers, suppliers, and other business partners after the Transaction. The following items have been confirmed with respect to each of these points, and there are no circumstances that we recognize as significant obstacles to the Transaction's enhancement of the Company's enterprise value.

- (i) There is no specific plan of reorganization or disposal or transfer of material assets after the Transaction, and there is no decided policy for reorganization of the Company Group companies.
 - (ii) After the Transaction, it is expected that the Company will continue to maintain the treatment of its employees. After the Transaction, the Company and the Tender Offeror plan to discuss and consider specific personnel policies through PMI and other means.
 - (iii) The Offeror expects to use its own funds and a loan from SMBC as the necessary funds for the Transaction. In addition, the Tender Offeror and the Company will also strengthen their cooperation in recruiting human resources, and even with the expected decline in the labor force population, the Tender Offeror expects to achieve a recruiting capability that will enable it to compete with other industries in the market for human resources.
 - (iv) No actions that may reduce the Company's enterprise value, such as adverse effects on the Company's relationships with its customers, suppliers, and other business partners after the Transaction, are contemplated.
- (b) Opinion on the Second Consultation Matter (whether the fairness and appropriateness of the terms of the Transaction (including the tender offer price) have been ensured)

For the following reasons, and subject to the fairness and appropriateness of the negotiation status and structure, etc. of the Transaction, the Tender Offer Price is fair and reasonable. Further, in the Transaction, it is ensured that the minority shareholders will receive consideration equal to the Tender Offer Price per share of the Company's Stock regardless of whether they receive the consideration through the Tender Offer or the Squeeze-Out Process. Therefore, the fairness and appropriateness of the terms of the Transaction, including the Tender Offer, are ensured.

- (A) With respect to the actual negotiation of the Tender Offer Price, starting from the Tender Offeror's initial offer price (2,075 yen per share), the Company, being advised by Mizuho Securities and based on the preliminary share valuation results obtained from Mizuho Securities and the Special Committee's request to increase the Tender Offer Price based on the deliberations and discussions at the Special Committee, negotiated with the Tender Offeror. In addition, the Special Committee directly requested a raise in the price to the Tender Offeror. Through such negotiation, the Company received revised offers to increase the tender offer price for 7 times, and ultimately reached an agreement on the Tender Offer Price (2,390 yen per share). In the course of such series of negotiations, Mizuho Securities shared and explained the progress to the Special Committee in a timely manner at the committee meetings or by e-mail, and the Company conducted such negotiations with the substantial involvement of the Special Committee while obtaining confirmation of the negotiation policy by the Special Committee and hearing the opinions of the Special Committee from time to time and the Special Committee also directly engaged in the negotiation when necessary. As a result, the final Tender Offer Price is a reasonable increase from the price originally proposed by the Tender Offeror, and it is confirmed that negotiations were conducted with the aim of making the Transaction as favorable as possible to the minority shareholders as the Company. In light of the above, it can be inferred that the agreement on the Tender Offer Price in the Transaction was reached as a result of negotiations between the Company and the Tender Offeror, based on objective and consistent discussions that are substantially equivalent to arm's length discussions. There is no circumstance that raises doubts about the transparency or fairness of the agreement process.
- (B) The Business Plan has been prepared as a financial forecast of the Company for the period September 2025 through September 2027 on a stand-alone basis without assuming the Transaction. According to the hearings conducted by the Special Committee and other interviews and Q&As, it does not appear that the Tender Offeror or their related parties were involved in or influenced the creation of the Tender Offeror. In addition, although the Company has made certain explanations to the Tender Offeror regarding the Business Plan in its negotiations with the Tender Offeror, there is no indication that the

Business Plan was formulated or revised at the direction of or with the intent of the Tender Offeror. In light of the above, there is no evidence that pressure from the Tender Offeror intervened in the process of formulating the Business Plan, nor is there any unreasonable expectation in its content.

- (C) The valuation methods used by Mizuho Securities are corporate valuation methods that assume the company is a going concern. Specifically, Mizuho Securities used the market share price analysis, the comparable company method, and the DCF method. The combination of valuation methodologies, which is based on the market share price combined with the DCF method, which incorporates the present value of future cash flows into the valuation to ascertain the valuation upper limit, is appropriate and in line with the standard approach to corporate valuation. Among the valuation methods adopted by Mizuho Securities, the market share price analysis uses the business day before the announcement date of the Transaction as the base date, and calculates the share price based on the closing price on the base date and the simple average of the closing prices for the most recent one-month, three-month and six-month periods. With regard to the share price trend of the Company, there were no significant fluctuations that should be attributed to special factors, and there were no particularly abnormal movements. Therefore, the share price valuation period used in Mizuho Securities' calculation was appropriate, and the price range calculated using the average market share price method was sufficiently reasonable. With regard to the comparable company analysis, the following four companies were selected as comparable companies of the Company: Goodcom Asset Co., Ltd., Kosei RE Co., Ltd., Dear Life Co., Ltd., and S-Lead Co., Ltd. The share value of the Company was calculated based on the EBITDA multiples of the corporate values of these four companies. With regard to the selection of the comparable companies, Mizuho Securities explained that it had comprehensively verified the similarities between the candidate companies and the Company, mainly from the perspectives of scale, business content, earnings situation, and characteristics. There was nothing particularly unreasonable about these explanations, and the price range calculated based on the multiples of the four companies, Goodcom Asset Co., Ltd., Kosei RE Co., Ltd., Dear Life Co., Ltd., and S-Lead Co., Ltd., was sufficiently reasonable. Next, with regard to the DCF method, if arbitrary numerical manipulation or unreasonable preconditions are set for each calculation factor, the final calculation result may fluctuate greatly. From this perspective, the Special Committee asked Mizuho Securities questions and confirmed the calculation process in the hearings, interviews, and Q&A sessions, etc. conducted by the Special Committee, and found no particular indications of arbitrary manipulation of numerical values or the setting of unreasonable preconditions in the various calculation bases adopted in the DCF method. In addition, the Special Committee did not find anything unreasonable in the selection of the market share price analysis, the comparable company analysis method, and the DCF method, as well as the calculation method and basis for each of them. The Special Committee concluded that it is possible to rely on the Valuation Report (Mizuho Securities) when considering the value of the Company's Stock.
- (D) The Tender Offer Price of 2,390 yen per share is: (i) above the upper limit of the range of per share values of the Company's Stock calculated by Mizuho Securities using the market share price analysis, (ii) above the median of, and is within, the range of per share values of the Company's Stock calculated by Mizuho Securities using the comparable company analysis method, and (iii) above the median of, and within, the range of the per share value of the Company's Stock calculated by Mizuho Securities using the DCF method. Based on the above, the Tender Offer Price is considered to have reached a level that is not disadvantageous to the minority shareholders in terms of comparison with the value of the Company's Stock calculated by Mizuho Securities.
- (E) Furthermore, the Tender Offer Price represents a premium of 21.81% on 1,962 yen, which is the closing price of the Company's Stock on the Tokyo Stock Exchange on January 9, 2025, a premium of 23.13%, on 1,941 yen, which is the average of the closing prices of the Company's Stock for the past (1) month up to same date, a premium of 25.26% on 1,908 yen, which is the average of the closing prices of the Company's Stock for the past (3) months up to the same date, and a premium of 25.20% the average closing prices of the Company's Stock for the past(6) months up to the same date. In addition, it is above the highest share price of 2,171 yen since the Company's initial listing (the intraday high recorded in January 13, 2023).
- (F) Although the Tender Offer Price is below (representing a 14.83% discount) the Company's net asset value per share (2,806 yen), calculated by dividing the consolidated book value of the Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Company's issued stock other than treasury shares as of such date (69,399,889 shares), the consolidated book value of the net assets is only an indication of the theoretical liquidation value and does not reflect the future profitability of the Company, and therefore, it is not reasonable to place

importance on it in the calculation of the share value of the Company as a going concern. In addition, it is difficult to adopt the idea that the consolidated book value per share is the minimum fair value of the shares of the Target Company's Stock because, if the Target Company were to liquidate, the amount available for distribution to the shareholders of the Target Company would be considerably impaired from the consolidated book value of net assets (as liquidation is not planned by the Target Company, the Target Company has not confirmed any estimate of liquidation costs and losses through specific studies) because the consolidated book value of net assets would not be converted at the same amount due to the possible significant depreciation of the sale price of real estate for sale and real estate for sale in progress that is expected to be sold immediately or in the near future (specifically, 23,867 million yen and 162,215 million yen, respectively, are recorded as real estate for sale and real estate for sale in progress on the Company's balance sheet as of September 30, 2024), which will be disposed of in bulk or sold to other companies, the possible difficulties in selling assets, especially illiquid assets held by the Target Company and various expenses (e.g., expenses related to the sale of land and buildings, extra retirement payments to employees, real estate appraisal fees, building demolition fees, attorney fees and other professionals for business liquidation). Therefore, although the Tender Offer Price is below (representing a 14.83% discount) the Company's net asset value per share (2,806 yen), calculated by dividing the consolidated book value of the Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Company's issued stock other than treasury shares as of such date (69,399,889 shares), such fact itself does lead to the conclusion that the Tender Offer Price is not appropriate.

- (G) In the Transaction, it is planned that a tender offer will be made in the first step and a demand for sale of shares or share consolidation will be made in the second step, and a reorganization such as a share exchange is not expected. Such structure of the Transaction is a commonly employed method in this type of going-private transaction, and in either of the second-step procedures, it is possible to file a petition to the court for a determination of the sales price or for a determination of the price after the share purchase request. The structure of the Transaction is also desirable because the consideration received by the shareholder is in cash, which is easy to understand, and the value is stable and objective. The fact that the consideration is in cash is preferable to a share exchange or other reorganization in which the consideration is in the form of shares, etc., from the perspective of both the requirement to make the Company a wholly owned subsidiary quickly and securing the opportunity and time for minority shareholders to make an appropriate decision based on sufficient information. The Tender Offer Registration Statement also states that the amount of money to be delivered to the Company's shareholders as consideration in the event of a demand for sale of shares or a share consolidation will be calculated to equal the Tender Offer Price multiplied by the number of the Company's Stock held by each shareholder. Furthermore, the Tender Offer does not set an upper limit to the number of shares to be purchased, and the concern of coercion is remote. Based on the above, it is reasonable to adopt the method of two-step acquisition with tender offer as the transaction structure and to set the consideration for the acquisition as cash.
- (c) Opinion on the Third Consultation Matter (whether sufficient consideration has been given to the interests of the Company's shareholders through fair procedures in the Transaction)

As described in (A) through (H) below, the Transaction (i) ensures that the transaction can be considered substantially an arm's length transaction in terms of the process of forming the transaction terms, and (ii) employs measures to ensure fairness that are robust from the perspective of ensuring that minority shareholders have an opportunity to make an appropriate decision based on sufficient information. Therefore, in conclusion, the fairness of the procedures pertaining to the Transaction, including the Tender Offer, is ensured.

- (A) The Special Committee is consulted by the Company on the Consultation Matters, and in considering such matters, the Special Committee performed the role that the M&A Guidelines require it to perform (specifically, (i) reviewing and judging the merits of the M&A from the perspective of whether or not it will contribute to the enhancement of the Company's enterprise value, and (ii) reviewing and judging (x) the appropriateness of the transaction terms and (y) the fairness of the procedures from the perspective of serving the interests of minority shareholders).

- (B) The Special Committee is functioning effectively as a measure to ensure fairness in light of such facts that the Special Committee is composed of three independent outside directors, each of whom has been confirmed to be independent of the Tender Offeror and the success or failure of the Transaction, and the Company's Board of Directors has resolved that the decisions of the Company's Board of Directors regarding the Transaction, including whether to support or reject the Tender Offer, shall be made with the utmost respect for the decisions of the Special Committee, and that if the Special Committee determines that the terms of the Transaction, including the Tender Offer, are not appropriate, it shall not support the Transaction, including the Tender Offer.
- (C) In order to ensure transparency and reasonableness in the decision-making process regarding the Transaction, the Company has been advised by Anderson Mori & Tomotsune, a legal advisor independent of the Company and the Tender Offeror, regarding the establishment of a special committee, the selection of its members, and other measures to ensure fairness. In addition, the Special Committee, after confirming at its first meeting that there are no problems with the high level of expertise and independence of the Company's legal advisor, Anderson Mori & Tomotsune, confirmed that the Special Committee will seek professional advice from Anderson Mori & Tomotsune as necessary, and since then the Special Committee has received such advice.
- (D) In order to ensure the fairness of the Tender Offer Price, the Company obtained the Valuation Report (Mizuho Securities) from Mizuho Securities, a third-party valuation institution independent of the Company and the Tender Offeror, as a reference material regarding the value of the Company's Stock. The Valuation Report (Mizuho Securities) employs multiple calculation methods to ensure that prices are not calculated arbitrarily. In addition, there is no evidence of arbitrary actions by the Tender Offeror or the Company's officers or employees in preparing the Business Plan, which is the premise for the calculation, and there are no circumstances that raise doubts about the fairness of the calculation. Based on the above, the Valuation Report (Mizuho Securities) is deemed to be a valuation report by an independent third-party appraiser.
- (E) The tender offer period is expected to be 30 business days, whereas the minimum period required by law is 20 business days. By setting the tender offer period longer than the minimum period stipulated by law, it is considered to ensure that the Company's shareholders have an appropriate opportunity to make a decision on whether to tender their shares in the Tender Offer and to ensure that any competing takeover bidder has an opportunity to make a takeover proposal. In addition, there will be no agreement between the Company and the Tender Offeror that would unduly restrict the Company's contact with any competing bidder. Thus, in this case, the so-called indirect market check is being implemented by conducting the M&A after creating an environment in which other potential acquirers could make counter-proposals after the announcement.
- (F) Although the Tender Offer does not adopt a "Majority of Minority" as the minimum number of shares to be purchased in the Tender Offer, the Company's minority shareholders are given considerable consideration, given that other fairness measures are also in place.
- (G) It is expected that the Transaction provides robust disclosure in the tender offer registration statement and the Company's Opinion Press Release outlining the authority granted to the Special Committee, the Special Committee's review process and involvement in the process of negotiating the terms of the transaction with the Tender Offeror, the contents of the Report and the compensation structure for the Special Committee members, a summary of the Valuation Report (Mizuho Securities), and the process and negotiations leading up to the Transaction. Such disclosure will provide the Company's shareholders with important information to assist them in their decision-making regarding the appropriateness of the terms of the transaction.
- (H) According to the tender offer registration statement, the Tender Offeror intends to request the Company to hold a special meeting of shareholders, which will include a proposal that, if the Tender Offeror cannot acquire all of the Company's Stock in the Tender Offer, the Tender Offeror will make a demand for sale of all of the Company's Stock or a share consolidation promptly after the settlement of the Tender Offer promptly after the completion of the settlement of the Tender Offer. In addition, it is planned to calculate the amount of money to be delivered to the Company's shareholders as consideration in the event of a demand for sale of shares, etc. or a share consolidation so that the amount of money to be delivered to the Company's shareholders is equal to the Tender Offer Price multiplied by the number of the Company's Stock owned by each shareholder. Furthermore, care has been given to avoid coercion considering that, in the case of a demand for sale of shares, etc., shareholders of the Company have the right to petition the court to determine the price, and in the case of a share

consolidation, shareholders of the Company have the right to demand the purchase of their shares and to petition the court to determine the price in connection with such purchase.

- (d) Opinion on the Fourth Consultation Matter (in addition to the first to third Consultation Matters, can the Transaction be considered not to be disadvantageous to the minority shareholders of the Company)

With regard to the fourth Consultation Matter, there are no problems with any of the Consultation Matters in (a) through (c) above. Based on the above, the Transaction (including any decision by the Company's Board of Directors in connection with the Transaction) is not disadvantageous to the minority shareholders of the Company.

- (e) Opinion on the Fifth Consultation Matter (whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer)

With regard to the fifth Consultation Matter, there are no problems with any of the Consultation Matters in (a) through (d) above. Based on the above, it is appropriate and is not disadvantageous to the minority shareholders for the Company's Board of Directors to express its opinion in support of the Tender Offer and to pass a resolution recommending that the Company's shareholders tender their shares in the Tender Offer.

b. Advice from an Independent Legal Advisor Received by the Company

As stated in "a. the Company's Establishment of an Independent Special Committee and Obtaining of its Report" above, to ensure the fairness of the procedure of the Transaction, the Company has retained Anderson Mori & Tomotsune as an external legal advisor independent from any of the Company and related parties of the Tender Offeror, and has received legal advice regarding the matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters by the Company.

Anderson Mori & Tomotsune is not a related party to the Company or the Tender Offeror and does not have any material interest in the Transaction including the Tender Offer. Remuneration for Anderson Mori & Tomotsune will be calculated by multiplying the working hours by an hourly rate regardless of whether the Transaction succeeds, and no contingency fees, which are payable subject to the completion of the Transaction, will be paid and thus the Company considers that there are no particular issues with the Anderson Mori & Tomotsune's independence from whether the Transaction succeeds.

In addition, the Special Committee confirmed at the first Special Committee meeting that there are no issues with the independence and professionalism of Anderson Mori & Tomotsune.

c. the Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution

As stated in "a. the Company's Establishment of an Independent Special Committee and Obtaining of its Report" in "(3) Matters Related to the Valuation" above, The Company appointed Mizuho Securities as its financial advisor and third-party valuation institution independent of the Company and the Tender Offeror-Related Parties, and received advice and assistance from Mizuho Securities from a financial perspective, including advice on the valuation of the Company's Stock and the negotiation policy with the Tender Offeror. The Company also received the Valuation Report (Mizuho Securities) on January 9, 2025.

Mizuho Securities is not a related party to the Company or the Tender Offeror and does not have any material interest in the Transaction including the Tender Offer.

Remuneration for Mizuho Securities pertaining to the Transaction includes contingency fees to be paid subject to conditions such as the completion of the Transaction, but the Company appointed Mizuho Securities as its financial advisor and third-party valuation agent based on this remuneration system under the judgement that the fact that the contingency fees, which are paid on the condition that the Tender Offer is completed, are included does not negate Mizuho Securities' independence, after taking into consideration customary practices in similar kinds of transactions and the appropriateness of a compensation structure in which the Company would bear considerable monetary burden in the event that the Transaction is not successfully completed.

In addition, the Special Committee confirmed at the first Special Committee meeting that there are no issues with the independence and professionalism of Mizuho Securities.

d. Establishment of Independent Review Structures within the Company

As described in “(1) Details of the Opinion on the Tender Offer” above, since Mr. Kotaro Wakatabi, director of the Company, also serves as a senior managing director and CFO of the Tender Offeror, he did not participate in the deliberation and resolution in the Board of Directors meeting of the Company from the perspectives of avoiding suspicion of conflicts of interest, and did not participate in the discussion and negotiation with the Tender Offeror from the Company's position.

The Company has obtained approval from the Special Committee that there are no issues regarding the review system of the Company including the above, from the perspectives of independence.

e. Unanimous Approval by All of the Non-Interested Directors of the Company including Directors who are the members of Audit and Supervisory Committee

As described in “d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” above, the Board of Directors of the Company, while taking into consideration the legal advice from Anderson Mori & Tomotsune, financial advice from Mizuho Securities and the Valuation Report (Mizuho Securities) as well as by respecting, to the maximum extent, the contents of the Special Committee's judgment as presented in the Report, carefully discussed and considered whether or not the Transaction, including the Tender Offer, will contribute to the enhancement of the Company's enterprise value and the terms and conditions of the Transaction, including the Tender Offer Price, is appropriate.

As a result, the Company, at its Board of Directors meeting held on January 10, 2025 where eight of its nine directors (including three outside directors and excluding Mr. Kotaro Wakatabi who is concurrently a senior managing director and CFO of the Tender Offeror) participated in the deliberation and vote, adopted a resolution to express its opinion to support the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer for the reasons described in “d. The Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor” in “(2) Grounds and Reasons for the Opinion on the Tender Offer ” above, with the unanimous affirmative vote of all directors (including directors who are audit and supervisory committee members) who participated in the vote.

f. Tender Offeror's Obtaining of Share Valuation Report from Third-Party Valuation Institution

In determining the Tender Offer Price, the Tender Offeror requested SMBC Nikko Securities, the financial advisor to the Tender Offeror, as a third-party valuation institution independent of the Tender Offeror Group and the Company group, to calculate the equity value of the Company Stock, and the Tender Offeror received the Share Valuation Report (SMBC Nikko Securities) on January 9, 2025.

For details, please refer to “b. Obtaining of the Share Valuation Report from an Independent Third-party Valuation Institution by Tender Offeror” in “(3) Matters Related to the Valuation”.

g. Absence of Deal Protection Clause

In addition, the Tender Offeror and the Company have not entered into any agreement that would restrict contact or other activities between any Competing Tender Offeror and the Company, including any agreement containing deal protection clauses that would prohibit the Company from contacting any competing Tender Offeror. Thus, the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by refraining from hindering any opportunity for a competing tender offer etc.

h. Measures to Ensure that Shareholders of the Company Have an Appropriate Opportunity to Decide Whether or Not to Tender Their Shares in the Tender Offer

As described in “(5) Plan for Acquisition of Share Certificates, etc. of Target Company’s Stock after Tender Offer” above, in the Squeeze-Out Procedure, the Tender Offeror intends to take a measure to eventually pay cash to shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company). In such case, the amount of cash to be paid to the respective shareholders of the Company is planned to be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Company’s Stock each shareholder of the Company holds. Thus, the Tender Offeror has ensured that the shareholders of the Company will have an opportunity to make an appropriate decision as to whether to tender their shares in the Tender Offer, and that there will be no coercion as a result of the Tender Offer. Also, the Tender Offeror sets the Tender Offer Period at 30 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror secures an opportunity for the shareholders of the Company to make an appropriate decision as to whether to tender their shares in the Tender Offer after carefully considering the pros and cons of the Transaction and the appropriateness of the Tender Offer Price.

4. Matters Concerning Material Agreements Related to Tender Offer

Not applicable.

5. Details of Benefits Received from the Tender Offeror or Any of Its Specially Related Parties

Not applicable.

6. Response Policy with Respect to Basic Policies Relating to the Control of the Company

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Requests for Extension of the Tender Offer Period

Not applicable.

9. Future Prospects

Please refer to “c. Management Policy After the Tender Offer” in “b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer”, “(4) Possibility of Delisting and Reasons Therefor”, and “(5) Plan for Acquisition of Share Certificates, etc. of the Company’s Stock after Tender Offer”, under “3. Grounds and Reasons for the Opinion on the Tender Offer” above.

10. Matters related to the Transactions, etc. with Controlling Shareholder

(1) Applicability of Transactions with Controlling Shareholders, etc. and Compliance with Guidelines Concerning Minority Shareholders Protection Policy

The Tender Offeror is the controlling shareholder (parent company) of the Company, and the opinion regarding the Tender Offer constitutes a transaction with controlling shareholder. In the Corporate Governance Report disclosed on December 23, 2024, the Company stated that “The Company shall determine the terms and conditions of transactions with Open House Group Co., Ltd., which is the parent company (controlling shareholder) of the Company, in the same manner as those for transactions with third parties, taking into consideration market prices. In addition, for transactions for which market prices cannot be referenced, depending on the importance of the transaction, the Company will ensure the appropriateness of the transaction by, for example, deliberating its appropriateness at the Board of Directors attended by outside directors and directors who are members of the Audit Committee, and will take appropriate measures to ensure that minority shareholders will not be disadvantaged.” as the “Guideline Concerning Minority Shareholders Protection Policy in Transactions with Controlling Shareholder, etc.”.

With respect to the Transaction, including the Tender Offer, as stated in “(6) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above, the Company has taken measures to address the issue of structural conflicts of interest and to ensure the fairness of the terms and conditions of the Transaction, including Tender Offer Price, and believes that such measures are in compliance with the above guideline.

(2) Matters Concerning Measures to Ensure Fairness and to Avoid Conflicts of Interest

As stated in “(1) Applicability of Transactions with Controlling Shareholders, etc. and Compliance with Guidelines Concerning Minority Shareholders Protection Policy” above, the Transactions, including the Tender Offer, constitute transactions with the Company’s controlling shareholder. Therefore, the Company has determined that measures to ensure fairness and measures to avoid conflicts of interest are necessary, the Company has taken the measures described in “(6) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” to ensure fairness and avoid conflicts of interest.

(3) Summary of the Opinion Obtained from an Organization Without a Conflict of Interest with the Controlling Shareholder regarding the Fact that the Relevant Transactions are not Disadvantageous to Minority Shareholders

On January 9, 2025, the Company obtained a written report from the Special Committee to the effect that the Transaction (including the decision by the Company’s Board of Directors on the Transaction) is deemed to be not disadvantageous to the Company’s minority shareholders and that it is appropriate for the Company’s Board of Directors to support the Tender Offer and recommend that the Company’s shareholders tender Company’s Stock in the Tender Offer and that this is not disadvantageous to the minority shareholders. For details, please refer to “a. The Company’s Establishment of an Independent Special Committee and Obtaining of its Report” in “(6) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above. The report also includes the opinion that the delisting of the Company by the Tender Offeror after the Tender Offer, as stated in “(5) Plan for Acquisition of Share Certificates, etc. of the Company’s Stock after Tender Offer (Matters

Concerning So-Called Two-Step Acquisition)” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above, is not disadvantageous to the Company’s minority shareholders.

11. Others

The Company has resolved at the Board of Directors meeting held on January 10, 2025, that, subject to the successful completion of the Tender Offer, it will revise its dividends forecasts for FY September 2025 as announced on November 14, 2024, and that it will not make any interim dividend payment for FY September 2025. For details, please refer to the press release “Notice Regarding Dividends of Surplus (Non-Payment of Interim Dividend)” announced by the Company on January 10, 2025.

end

(Reference) Outline of the Tender Offer, etc.

Please refer to the attached document “Notice Concerning Commencement of Tender Offer against Pressance Corporation Co., Ltd. (Securities Code: 3254)” by the Tender Offeror on January 10, 2025.

Restrictions on Solicitation

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

Future Prospects

This press release, including the descriptions regarding the future business of the Company, other companies, may contain expressions indicating future prospects such as the words “expect,” “forecast,” “intend,” “plans,” “believe,” and “assume.” These expressions are based on the Company’s current expectations as to the businesses, and may change depending on the future circumstances. The Company assumes no obligation update the statements regarding future prospects in order to reflect the actual business performance, circumstances, and changes in conditions, or the like.

US Regulations

The Tender Offer will be implemented in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not necessarily the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) nor the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not implemented in accordance with those procedures or standards. Unless otherwise specified, all procedures relating to the Tender Offer are to be implemented entirely in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English. However, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail. This press release and the reference documents for this press release include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results might be substantially different from the express or implied predictions set forth herein as “forward-looking statements” due to known or unknown risks, uncertainties, or any other factors. None of the Tender Offeror and the Company or their affiliates assures that such express or implied predictions included as “forward-looking statements” will be correct in the end. The “forward-looking statements” contained in this press release or the reference documents for this press release have been prepared based on the information held by the Tender Offeror and the Company as of the date hereof, and unless otherwise required under applicable laws and regulations, none of the Tender Offeror and the Company or their affiliates assumes any obligation to update or revise those documents to reflect any future events or circumstances. The financial information contained in this press release and the reference documents for this press release have been prepared in accordance with Japanese accounting standards, and such accounting standards may be substantially different from GAAP of U.S. or other countries. It may be difficult to exercise any rights or claims under the U.S. securities laws because the Tender Offeror and the Company are incorporated outside the United States and all or some of their officers are non-U.S. residents. It may not be possible to commence legal proceedings against any non-U.S. corporation or its officers in a non-U.S. court for violations of the U.S. securities laws. In addition, it may not be possible for a U.S. court to subject any non-U.S. corporation or such

corporation's subsidiaries or affiliates to its jurisdiction.

The Tender Offeror, the financial advisors of the Tender Offeror and the Company and the tender offer agent (including their respective affiliates) may, in the ordinary course of its business, engage in the purchase or any trade relating to the purchase of the shares of the Company outside the Tender Offer for its own or its customer's account before commencement of, or during the Tender Offer Period for purchases, etc. in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 (as amended) and to the extent permitted under Japanese financial instruments transaction-related laws and regulations. Such purchase may be conducted by way of market transaction at market price, or by off-market transactions at negotiated prices. If any information regarding such purchases is disclosed in Japan, such information will also be disclosed in English on a website of such person who has conducted such purchase (or by other means of disclosure).

Other Countries

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