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Securities Code: 8141
September 24, 2026
(Commencement date of electronic provision measures: September 11, 2026)

To our shareholders:

Tatsuya Ogawa
President and CEO
Shinko Shoji Co., Ltd.
1-2-2 Osaki, Shinagawa-ku, Tokyo, Japan

NOTICE OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING

This notice is to inform you of the Extraordinary General Shareholders Meeting of Shinko Shoji Co., Ltd. (the "Company"), which will be held as described below.
In convening this Extraordinary General Shareholders Meeting, the Company has taken electronic provision measures for the information contained in the reference documents for the General Meeting of Shareholders, etc. ("matters subject to electronic provision measures"). Please access the following websites to view the information.

Company website	https://www.shinko-sj.co.jp/en/ Please access the Company's website → Select "IR Information" then "Information on General Meeting of Shareholders" to view the information.
Tokyo Stock Exchange website (Search for a listed company)	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show Please access the above Tokyo Stock Exchange website (Search for a listed company) → Enter "Shinko Shoji" in the "Issue name (company name)" field or "8141" in the securities "Code" field to run a search → Select "Basic information" and then "Documents for public inspection/PR information" to view the information.
Website dedicated to notices of general meetings of shareholders	https://www.smi.shinko-sj.co.jp/ir/ (available only in Japanese)

If you are not attending the meeting in person, you may exercise your voting rights via the Internet or in writing (by post). Please review the matters subject to electronic provision measures and the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights ahead of this Extraordinary General Shareholders Meeting according to the "Guide to Exercising Your Voting Rights" (available only in Japanese) no later than 5:20 p.m., Thursday, October 8, 2026 (JST).

1 Date and Time: Friday, October 9, 2026 at 10:00 a.m. (Opening at 9:00 a.m.) (JST)

2 Venue: Headquarters Conference Room, Shinko Shoji Co., Ltd.
13th Floor, Art Village Osaki Central Tower
1-2-2 Osaki, Shinagawa-ku, Tokyo
(As the venue is different from that of the Annual General Meeting of Shareholders usually held each year, please refer to the "Guide to the venue of the Extraordinary General Shareholders Meeting" (available only in Japanese) at the end of the document and ensure that you visit the right venue.)

3 Purposes:

Items to be resolved:

Proposal 1: Share Consolidation

Proposal 2: Partial Amendment to the Articles of Incorporation

4 Matters Decided in Connection with this Convocation:

- If you exercise your voting rights both via the Internet and in writing (by post), the exercise of voting rights via the Internet shall be deemed valid. In addition, if you exercise your voting rights via the Internet multiple times, the final exercise of voting rights shall be deemed valid.
- If you do not indicate your approval or disapproval of a proposal in the returned voting form, it will be treated as if you have indicated your approval.

<To Our Shareholders>

- When attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk at the venue.
- If any revisions are made to the matters subject to electronic provision measures, the details of such revisions will be posted on the Company's website (including the dedicated website) and the Tokyo Stock Exchange website indicated on page 1.
- The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc.
- A designated space will be available at the venue for shareholders attending in wheelchairs, etc. In addition, if you require assistance in attending the meeting, please contact us by telephone in advance.

  Shinko Shoji Co., Ltd. Tel: 03-6361-8111 (main line) (9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and public holidays)
- The Company's officers and staff attending the meeting will not be wearing neckties.
- If any important changes arise in the operation of the General Meeting of Shareholders, such changes will be announced on the Company's website.

Company Website (https://www.shinko-sj.co.jp/en/)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Share Consolidation

This proposal requests your approval for the consolidation of the Company's common shares (the "Company Shares") at a ratio of 7,894,651 shares to one share, with an effective date of November 2, 2026 (the "Share Consolidation"), in order to make the Company Shares private, in light of the results of the tender offer for the Company Shares conducted by Kaga Electronics Co., Ltd. (the "Offeror") (the "Tender Offer").

1. Reasons for the Share Consolidation

As announced in the "Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd." announced by the Company on May 15, 2026 (including the amendments made by the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced on June 26, 2026, the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced on July 14, 2026, and the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced on July 17, 2026; hereinafter the "Company's Press Release"), the Offeror implemented the Tender Offer from May 18, 2026 to June 26, 2026, with the period of purchase, etc. in the Tender Offer (the "Tender Offer Period") set at 30 business days, as part of a series of transactions for the purpose of acquiring all of the Company Shares (excluding the Company Shares owned by the Offeror and the treasury shares owned by the Company) and making the Company a wholly-owned subsidiary of the Offeror (the "Transaction").

Thereafter, as announced in the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced by the Company on June 26, 2026, after comprehensively considering such factors as the status of tenders by the Company's shareholders in the Tender Offer and the outlook for future tenders, the Offeror extended the Tender Offer Period to a total of 42 business days through July 14, 2026, in order to provide shareholders of the Company with a further opportunity to make a decision regarding tendering their shares in the Tender Offer.

Furthermore, as announced in the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced by the Company on July 14, 2026, after comprehensively considering such factors as the status of tenders by the Company's shareholders in the Tender Offer and the outlook for future tenders, the Offeror extended the Tender Offer Period to a total of 52 business days through July 29, 2026, in order to provide shareholders of the Company with a further opportunity to make a decision regarding tendering their shares in the Tender Offer.

Thereafter, as announced in the "(Amendment) Notice concerning the partial amendment to 'Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.'" announced by the Company on July 17, 2026, in light of the fact that the market price of the Company Shares had remained above the Tender Offer Price (as defined below; the same applies hereinafter) during certain periods after the announcement of the Tender Offer, the Offeror, by a resolution of its board of directors dated July 17, 2026, made a change in the tender offer conditions to change the minimum number of shares planned for purchase in the Tender Offer from 19,226,700 shares (Ownership Ratio (Note 1): 64.93%) to 15,988,500 shares (Ownership Ratio: 53.99%) (the "Change in Tender Offer Conditions"), to the extent that doing so would not interfere with the privatization of the Company Shares, for the purpose of increasing the certainty of the completion of the Tender Offer. In addition, in connection with the filing of an amendment statement to the Tender Offer Registration Statement relating to the Change in Tender Offer Conditions, the Offeror, pursuant to applicable laws and regulations, extended the Tender Offer Period to a total of 55 business days through August 3, 2026, which falls on the day on which 10 business days had elapsed from July 17, 2026, the filing date of the amendment statement.

Then, as announced in the "Notice Concerning Results of the Tender Offer for the Company Shares by Kaga Electronics Co., Ltd. and Changes in Parent Company and Largest Shareholder as a Major

Shareholder" announced by the Company on August 4, 2026, the Tender Offer was successfully completed because the total number of the Company Shares tendered in the Tender Offer (20,938,007 shares) reached and exceeded the minimum number of shares planned for purchase (15,988,500 shares).

(Note 1) "Ownership Ratio" means the ratio to the number of voting rights (296,125) pertaining to the number of the Company Shares (i.e. 29,612,599 shares; the "Reference Share Number"), obtained by deducting the number of treasury shares owned by the Company as of March 31, 2026, as stated in the 73rd Annual Securities Report (the "Company's Annual Securities Report") (1,397,967 shares; such number of treasury shares does not include the Company Shares owned by Custody Bank of Japan, Ltd. (Trust Account E), which serves as the trustee for the trust assets of the Company's "Employee Stock Benefit Trust (J-ESOP)" and "Board Benefit Trust (BBT)" (1,062,700 shares)) from the total number of issued shares of the Company as of March 31, 2026 (i.e. 31,010,566 shares) set forth in the Company's Annual Securities Report, as filed by the Company on June 29, 2026, which is rounded to the second decimal place. The same applies hereinafter with respect to the description of the Ownership Ratio.

As a result of the Tender Offer, the Offeror acquired 20,938,007 Company Shares through the Tender Offer as of August 10, 2026, the commencement date of settlement of the Tender Offer, and, together with the 515,000 Company Shares that the Offeror had owned prior to the commencement of the Tender Offer, came to own 21,453,007 Company Shares (Ownership Ratio: 72.45%).

As announced in the Company's Press Release, details of the purpose of, and the process leading to, the Transaction, including the Share Consolidation (as defined below; the same applies hereinafter), have already been disclosed; an outline thereof is provided again below. The descriptions relating to the Offeror set forth below are based on the explanations received from the Offeror.

(1) Background of the Establishment of the Consideration System

As announced in the Company's Press Release, the Company has consistently considered and promoted various initiatives to enhance its corporate value; however, amid changes in the competitive environment of the semiconductor and electronic components trading industry in Japan and overseas, the Company recognizes that developing a framework capable of responding to diversifying customer needs, including expanding its product lineup, strengthening its global expansion and broadening new service areas, remains an important management issue.

Against this background, in late August 2025, the Company received from the Offeror, with which it had previously had contact as a fellow semiconductor and electronic components trading company, an indication of interest in a meeting for the purpose of generally exchanging information regarding the business environment and other matters, and subsequently held such meeting in mid-September 2025. In light of the fact that, since March 2024, the Offeror had acquired the Company's shares in the market as a pure investment (number of shares held: 515,000 shares; Ownership Ratio: 1.74%), at that meeting, the Company inquired with the Offeror as to whether it had any interest in collaboration with the Company, including a capital alliance with the Company.

Thereafter, the Company received a communication from the Offeror expressing its intention to give positive consideration to collaboration with the Company, including a capital alliance with the Company, and held another meeting with the Offeror in late September 2025. Following initial discussions at that meeting regarding the post-collaboration business segment portfolio and the extent of overlap in product lineups as envisioned by the Offeror, as well as the anticipated framework of the alliance, the Company began considering how to proceed in order to advance collaboration with the Offeror and an alliance relationship including a capital alliance, while receiving advice as appropriate from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), which had long been engaged in discussions concerning the enhancement of the Company's corporate value. Thereafter, in mid-October 2025, the Company engaged in initial discussions with the Offeror regarding the transaction method that would be contemplated if an alliance including a capital alliance were to be implemented, and in light of the need to minimize the impact on factors such as licenses and permits and suppliers, the need to prioritize the establishment of a management structure that would enable more prompt and agile decision-making, and the time required to complete the transaction, the Company confirmed the Offeror's view that, on a preliminary basis, it considered it desirable to make the Company a wholly-owned subsidiary through a tender offer by the Offeror.

Thereafter, in mid-November 2025, the Offeror provided the Company, and in early December 2025, the Company provided the Offeror, with explanations of the details of their respective businesses and potential business collaboration proposals, and the parties exchanged views thereon, deepening their understanding that the products handled by the Offeror and the Company and their assembly (EMS) businesses were potentially complementary, as well as of their respective competitive advantages in business, and shared the recognition that it would be important to maintain the trade flows relating to competing suppliers by taking appropriate measures and to minimize the impact on customers and suppliers.

Thereafter, upon receipt of the Letter of Intent including a letter of intent to conduct the financial, tax and legal due diligence on the Company Group (the "Due Diligence") (the "Letter of Intent") from the Offeror on December 18, 2025, the Company commenced specific consideration of the Transaction and the Due Diligence. Although the Offeror and the Company had held discussions multiple times prior to the receipt of the Letter of Intent, no specific negotiations regarding the Transaction had taken place.

As described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act" below, in light of the fact that the Tender Offer is being conducted as part of the Transaction for the purpose of making the Company a wholly-owned subsidiary of the Offeror, the Company, from the perspective of protecting the interests of its shareholders and in order to ensure the fairness, transparency and objectivity of the Tender Offer, appointed in late December 2025 Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agency, independent of the Offeror Group and the Company Group, and Anderson Mori & Tomotsune as its legal advisor, independent of the Offeror Group (meaning the corporate group consisting of the Offeror, 67 consolidated subsidiaries (21 domestic and 46 overseas), three equity-method affiliates (one domestic and two overseas), and one company to which the equity method is not applied (one domestic), for a total of 72 companies, as of May 15, 2026; the same applies hereinafter) and the Company Group (meaning the corporate group consisting of the Company, 12 consolidated subsidiaries, one equity-method affiliate, and two non-consolidated subsidiaries, as of May 15, 2026; the same applies hereinafter), and based on advice received from such advisors, began establishing an internal review system to consider, negotiate and make decisions regarding the Transaction from a standpoint independent of the Offeror Group, the Company Group and the success or failure of the Transaction, from the perspective of enhancing the corporate value of the Company and ensuring the interests of the Company's general shareholders (which has the same meaning as "minority shareholders" under Rule 441-2 of the Securities Listing Regulations of the TSE; the same applies hereinafter.).

Furthermore, for the purpose of protecting the Company's general shareholders, as one of the measures to ensure the fairness of the Transaction from the perspective of ensuring fairness in the Transaction, eliminating arbitrariness in the decision-making process leading to the decision to implement the Transaction, and avoiding conflicts of interest, the Company resolved at its Board of Directors held on January 16, 2026 to establish the Special Committee (the "Special Committee") (for the composition of the members of the Special Committee, the authority of the Special Committee, and its specific activities, please refer to "(IV) Establishment of an independent special committee at the Company and procurement of a report" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act" below). On January 16, 2026, after confirming that there were no issues with their independence from the Offeror Group, the Company Group and the success or failure of the Transaction, as well as with their expertise, the Special Committee approved the appointment of Mitsubishi UFJ Morgan Stanley Securities as the Company's financial advisor and third-party valuation agency, and the appointment of Anderson Mori & Tomotsune as its legal advisor. Pursuant to the aforementioned framework, the Company received the results of negotiations with the Offeror from the Special Committee regarding the terms and conditions and other aspects of the Transaction, including the Tender Offer Price, which were conducted through the Company's financial advisor with a high level of expertise, and received advice from Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, and engaged in repeated discussions and considerations with the Offeror as described in "(2) Background of Consideration and Negotiation" below, based on the overview of the Tender Offer (including the purposes of the Transaction) as stated in the Letter of Intent, the impact of the Transaction on the Company Group, the details of management policies after the Transaction, and recent share price trends.

(2) Background of Consideration and Negotiation

With respect to the price of purchase, etc. per Company Share in the Tender Offer (the “Tender Offer Price”), on April 7, 2026, the Company received the first proposal from the Offeror, assuming that the Company would distribute the year-end dividend (JPY 6.50 per share) for the fiscal year ended March 2026, setting the Tender Offer Price at JPY 1,420 per share (representing a premium of 9.06% (rounded to the second decimal place, with the third decimal place rounded off; the same shall apply hereinafter in the calculation of premium rates) over the closing price of JPY 1,302 for the Company Shares on the Prime Market of the TSE on April 6, 2026, which was the business day immediately preceding the proposal date, 22.10% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,163 (rounded to the nearest whole yen; the same shall apply hereinafter in the calculation of simple averages of closing prices), 28.74% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,103, and 32.96% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,068).

In response, after earnest discussions and consideration and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee requested on April 9, 2026, that the Offeror reconsider the Tender Offer Price in order to obtain broad understanding and support from the Company’s stakeholders, including its general shareholders.

Subsequently, on April 14, 2026, the Company received the Second Proposal from the Offeror setting the Tender Offer Price at JPY 1,490 per share (representing a premium of 2.97% over the closing price of JPY 1,447 for the Company Shares on the Prime Market of the TSE on April 13, 2026, which was the business day immediately preceding the proposal date, 19.87% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,243, 31.74% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,131, and 37.45% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,084), assuming that the Company will distribute the year-end dividend (JPY 6.50 per share) for the fiscal year ended March 2026.

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee assessed that the proposed Tender Offer Price deviated significantly from the price level that the Company and the Special Committee had anticipated for expressing support for and recommending the tender of shares in the Tender Offer, and accordingly again requested, on April 15, 2026, that the Offeror reconsider the Tender Offer Price.

Subsequently, on April 21, 2026, the Company received the Third Proposal from the Offeror setting the Tender Offer Price at JPY 1,510 per share (representing a discount of 1.88% to the closing price of JPY 1,539 for the Company Shares on the Prime Market of the TSE on April 20, 2026, which was the business day immediately preceding the proposal date, and a premium of 14.31% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,321, 29.95% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,162, and 37.15% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,101), assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026.

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee assessed that the proposed Tender Offer Price continued to deviate significantly from the price level that the Company and the Special Committee had anticipated for expressing support for and recommending the tender of shares in the Tender Offer, and accordingly again requested, on April 22, 2026, that the Offeror reconsider the Tender Offer Price.

Subsequently, on April 28, 2026, the Company received the Fourth Proposal from the Offeror setting the Tender Offer Price at JPY 1,530 per share (representing a discount of 0.65% to the closing price of JPY 1,540 for the Company Shares on the Prime Market of the TSE on April 27, 2026, which was the business day immediately preceding the proposal date, and a premium of 8.43% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,411, 27.39% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,201, and 36.36% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,122), assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026.

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee assessed that the proposed Tender Offer Price continued to deviate significantly from the price level that the Company and the Special Committee had anticipated for expressing support for and recommending the tender of shares in the Tender Offer, and accordingly again requested, on April 30, 2026, that the Offeror reconsider the Tender Offer Price.

Subsequently, on May 8, 2026, the Company received the Fifth Proposal from the Offeror setting the Tender Offer Price at JPY 1,550 per share (representing a discount of 10.92% to the closing price of JPY 1,740 for the Company Shares on the Prime Market of the TSE on May 7, 2026, which was the business day immediately preceding the proposal date, and a premium of 2.31% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,515, 23.70% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,253, and 35.02% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,148), assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026.

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee assessed that the proposed Tender Offer Price deviated significantly from the price level that the Company and the Special Committee had anticipated for expressing support for and recommending the tender of shares in the Tender Offer, and accordingly again requested, on May 8, 2026, that the Offeror reconsider the Tender Offer Price.

Subsequently, on May 11, 2026, the Company received the final proposal from the Offeror setting the Tender Offer Price at JPY 1,580 per share (representing a discount of 7.82% to the closing price of JPY 1,714 for the Company Shares on the Prime Market of the TSE on May 8, 2026, which was the business day immediately preceding the proposal date, and a premium of 3.07% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,533, 25.30% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,261, and 37.03% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,153), assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026.

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee requested, on May 12, 2026, that the Offeror consider a further increase in the Tender Offer Price, in view of the price level anticipated by the Company and the Special Committee.

Subsequently, on May 13, 2026, the Company received from the Offeror a final proposal stating that the final proposal dated May 11 represented the maximum price it could offer and, on the assumption that the Company will distribute the year-end dividend for the fiscal year ended March 2026 (JPY 12.50 per share), again proposing to set the Tender Offer Price at JPY 1,580 (representing a premium of 0.32% over the closing price of JPY 1,575 for the Company Shares on the Prime Market of the TSE on May 13, 2026, 0.70% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,569, 22.29% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,292, and 35.16% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,169).

In response, after earnest discussions and consideration, and taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, the Company and the Special Committee reached the conclusion that, while expressing an opinion in support of the Tender Offer in the sense that the Transaction is expected to enhance the medium- to long-term corporate value of the Company Group, although the Offeror's final proposal to set the Tender Offer Price at JPY 1,580 is considered to represent a certain level of premium over the simple averages of the closing prices for the past three months and for the past six months up to May 14, 2026, the business day immediately preceding the public announcement date (the "Business Day Preceding the Announcement"), and has a certain degree of reasonableness and cannot be considered inappropriate from the perspective of providing the Company's general shareholders with an opportunity to recover their investment, it cannot be considered, in light of the market price and other factors as of the Business Day Preceding the Announcement, to provide a sufficient premium.

Accordingly, because it cannot be concluded that the Tender Offer Price has reached a level at which the Company can actively recommend that its general shareholders tender their shares in the Tender Offer, on May 14, 2026, the Company has responded to the Offeror that it decided to leave the decision on whether to tender shares in the Tender Offer to the discretion of the Company's shareholders.

(3) Details of the Company's Decision-Making

Based on the foregoing circumstances, at the meeting of the board of directors held on May 15, 2026, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to the enhancement of the corporate value of the Company and whether the conditions of the Transaction, including the Tender Offer Price, are reasonable, taking into account the legal advice received from Anderson Mori & Tomotsune, the financial advice received from Mitsubishi UFJ Morgan Stanley Securities, and the content of the stock valuation report on the results of the calculation of the value of the Company Shares received on May 14, 2026 ("Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)"), and with the utmost respect for the deliberations of the Special Committee and the judgment of the Special Committee set forth in the written report dated May 15, 2026, submitted by the Special Committee ("Written Report"; for a summary of the Written Report, please see "(IV) Establishment of an independent special committee at the Company and procurement of a report" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act" below). As a result, the Company has determined, as described below, that the Transaction contributes to the enhancement of the corporate value of the Company Group.

First, as announced in the Company's Press Release, in an increasingly competitive environment, the Company believes that the best approach to maximize the corporate value of the Company Group is to have the Offeror as the Company's sole shareholder and, through the mutual utilization of management resources with the Offeror, realize the synergies described in (A) through (E) below and accelerate its growth, rather than relying solely on the Company Group's own capabilities.

(A) Expanding Product Lineups through Mutual Complementation of Suppliers

Since announcing in April 2024 the termination of its distribution agreement with Renesas Electronics Corporation ("Renesas"), one of its major suppliers, the Company Group has been implementing measures to develop and expand new core products, and has entered into new agency agreements with multiple suppliers with the aim of securing new electronic components that serve as the core of electronic devices and other products. At the same time, the Company recognizes that in order to respond flexibly to increasingly sophisticated and diverse customer needs, it is necessary to expand its business relationships with leading manufacturers supplying electronic components that serve as the core of electronic devices and other products and further enhance its product lineup to cover a wide range of device categories. Specifically, by realizing the mutual complementation of suppliers between the Offeror, which has over 8,000 suppliers in Japan and overseas, and the Company Group in areas such as discrete semiconductors (Note 2), analog semiconductors (Note 3), and electronic components, where there is limited overlap, the Company believes it can create new added value by offering products that it has not previously been able to offer and making proposals that combine the products of both parties, thereby further enhancing its ability to respond to customer needs and make proposals.

(Note 2) "Discrete semiconductors" refer to semiconductor devices, such as diodes and transistors, that function independently as individual semiconductor elements.

(Note 3) "Analog semiconductors" refer to semiconductor devices capable of processing analog signals that represent physical quantities such as voltage and current.

(B) Expansion of End Markets and Overseas Sales Channels by Leveraging the Offeror's Customer Base and Global Network

While the Company Group currently has an excellent customer base primarily in Japan, over 80% of its sales come from the Industrial Equipment and Automotive Equipment fields, and the Company believes there is room to expand its sales channels to other fields. In addition, in its overseas business, the Company believes there is potential to further expand its overseas customer base as there is a possibility of customer expansion through initiatives such as developing sales channels to local companies and establishing new bases. Under such circumstances, out of the Offeror's extensive customer base of over 10,000 companies, by promoting the Company Group's product offerings to customers in the telecommunications equipment, consumer equipment, and amusement equipment fields, which account for approximately 40% of the Offeror's total sales, the Company believes it will be possible to acquire new customers and expand sales outside the Industrial Equipment and Automotive Equipment fields, where the Company Group has strengths, thereby diversifying and expanding its end markets. Furthermore, given that the Offeror has extensive sales bases worldwide, the Company believes that leveraging the Offeror's global network, particularly in regions such as Southeast Asia, Europe, and the United States, where the Company Group is seeking to expand its business, will accelerate the expansion of the Company's overseas business through acquiring new customers and securing new transactions, thereby contributing to the growth of its revenue base.

(C) Strengthening Assembly (EMS) Business by Leveraging the Offeror's Global Manufacturing Network

The Company Group has established a tailored customer support system capable of handling high-mix, low-volume production in Japan, China, and ASEAN by leveraging its experience in handling semiconductors and electronic components since its founding, its know-how in manufacturing support, and the relationships of trust it has built with its long-standing domestic and international partner companies. However, the Company recognizes that there is room for further enhancement in terms of securing price competitiveness by leveraging economies of scale and expanding its geographic coverage overseas. Through the Transaction, by leveraging the manufacturing facilities that the Offeror, which has one of the largest operations in the domestic EMS industry, operates globally in areas such as China, ASEAN, Europe, and the Americas, the Company believes that it will be possible to expand manufacturing and development capabilities, broaden overseas geographic coverage, and enhance price competitiveness. This would enable the Company Group to engage in even more extensive and flexible proposals and sales activities for its customers, mainly in the Industrial Equipment and Automotive Equipment fields, which would contribute to the strengthening of the Company Group's assembly (EMS) business.

(D) Business Expansion in High-Value-Added Fields Such as Software, AI, and Digital Transformation (DX)

The Company Group currently provides system development support services that involve deeper engagement from the planning and design phase in response to customers' system development needs by leveraging its experienced engineering resources, primarily through its subsidiary, Shinko Shoji LSI Design Center Co., Ltd. However, as its orders primarily come from customers in the Automotive Equipment field, the Company recognizes that there is room for business expansion through diversification into other fields. The Company believes that, through the Transaction, by expanding such services to the Offeror's customers in the telecommunications equipment, consumer equipment, and amusement fields, it will be possible to build strong business relationships with a wide range of customers, thereby contributing to the strengthening of the Company Group's competitiveness. Furthermore, by combining the development capabilities in embedded systems and related areas of Kyoei Sangyo Co., Ltd., a subsidiary of the Offeror, with the solution development know-how for realizing smart factories leveraging AI and DX of the Company's subsidiary, SHIMIZUSYNTEC Corporation ("SHIMIZUSYNTEC"), the Company believes that it will be possible to enhance its ability to provide solutions in the AI and DX fields, which are expected to grow, and expand its business areas.

(E) Strengthening the Organizational Structure through Recruitment Activities Conducted in Collaboration with the Offeror and Personnel Exchanges within the Group

As the competitive environment surrounding the Company Group intensifies, the Company recognizes that securing talented sales and engineering personnel who are well versed in semiconductors and electronic components, which are the Company Group's core products, is essential to maintaining and enhancing the Company Group's competitiveness.

Through the Transaction, the Company believes that by collaborating with the Offeror to conduct large-scale, proactive recruitment efforts and raise its profile, it will be possible to strengthen its ability to attract talent in terms of both quality and quantity. In addition, the Company believes that expanding the geographic scope of recruitment and personnel assignments will also lead to broader geographic coverage of the Company's sales and technical operations. Furthermore, the Company believes that personnel exchanges with the Offeror will make it possible to enhance skills by the sharing of know-how relating to both parties' products and solutions and to optimize resource allocation by the mutual utilization of personnel, thereby leading to sustainable growth and stronger competitiveness through the reinforcement of the Company Group's organizational structure, while also contributing to the enhancement of corporate value over the medium to long term.

It should be noted that, if the Company remains listed, there is a concern that conflicts of interest may arise between the Offeror and the Company's general shareholders, which could impose certain constraints on decision-making and the execution of business strategies within the group. The Company recognizes that, as a result, it may become difficult to fully realize or maximize the synergies described in (A) through (E) above. For this reason, in order to maximize the synergies described in (A) through (E) above, the Company has concluded that the optimal course of action is for the Offeror to make the Company its wholly-owned subsidiary, as this will enable seamless collaboration under flexible and swift decision-making, from the perspective of the overall optimization of both the Offeror Group and the Company Group.

In addition, with respect to business disadvantages or dis-synergies that may arise from becoming part of the Offeror Group, in cases where the Company Group and the Offeror Group handle competing products sourced from different suppliers, such a situation may adversely affect relationships or transactions with such suppliers from the perspective of managing technical information and other such information. However, since the Company intends to maintain business relationships with suppliers even after becoming part of the Offeror Group through the development and operation of appropriate measures, including the separation of legal entities and the establishment of firewalls to enhance information management within the group, the Company believes that any adverse impact on the existing businesses of both companies will be limited.

Moreover, from the perspective that, in order to enhance the Company's corporate value through the Transaction, it is necessary to maximize the synergies expected from the Transaction as described in (A) through (E) above, the Company has terminated the capital and business alliance with Restar Corporation ("Restar") based on the capital and business alliance agreement concluded on October 31, 2024. For further details, please refer to the "Notice Regarding the Termination of the Capital and Business Alliance with Restar Corporation" that the Company announced on May 15, 2026. The Company anticipates that the termination of such capital and business alliance will have only a minor impact on the Company's performance and other results, and believes that the synergies expected from the Transaction will result in an enhancement in corporate value that will outweigh any such impact on its performance and other results. In addition, with respect to the common shares of Restar held by the Company (an aggregate of 550,000 shares), the Company has transferred such shares to a third party after separate consultation with Restar.

Furthermore, although delisting may potentially have disadvantages, such as impacts on the name recognition and credibility the Company has enjoyed as a listed company, as well as on its ability to attract talent, taking into account the brand strength and name recognition the Company Group has built through its long-standing business activities to date, and the synergies in the talent strategy described in (E) above, in addition to leveraging the Offeror's credibility, the Company does not believe that the maintenance of relationships of trust with numerous stakeholders, including business partners, would be hindered, and recognizes that such disadvantages will be limited.

Based on the above considerations, the Company has concluded that, as changes in the competitive landscape and the business environment are expected to accelerate going forward, promptly establishing a framework capable of responding to such changes would contribute most to the enhancement of its corporate value, and that making a decision at an early stage would be beneficial.

As stated above, the Company believes that the Transaction, including the Tender Offer, contributes to the enhancement of the Company Group's corporate value, and has determined that the terms and conditions of the Transaction, including the Tender Offer Price, are not regarded as lacking appropriateness based on the following reasons (A), (B), and (C).

(A) The Tender Offer Price exceeds the upper end of the valuation range derived from the market price analysis and comparable company analysis, in each case among the valuation results for the value of the Company Shares set forth in the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) as described below in "(II) Obtaining of the Stock Valuation Report from the Company's Independent Financial Advisor and Third-party Valuation Agency" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act", and is at a level near the median of the valuation range derived from the discounted cash flow analysis (the "DCF Analysis").

(B) The Tender Offer Price (i) represents a premium of 6.40% over the closing price of JPY 1,485 for the Company Shares on the Prime Market of the TSE on May 14, 2026, the Business Day Preceding the Announcement, 0.25% over the simple average of the closing prices for the one-month period up to and including the same date, which was JPY 1,576, 21.91% over the simple average of the closing prices for the three-month period up to and including the same date, which was JPY 1,296, and 34.81% over the simple average of the closing prices for the six-month period up to and including the same date, which was JPY 1,172, and (ii) in comparison with the premium levels (the median premium of 41.85% over the closing price on the Business Day Preceding the Announcement, the median premium of 43.24% over the simple average of the closing prices for the one-month period up to and including the same date, the median premium of 44.69% over the simple average of the closing prices for the three-month period up to and including the same date, and the median premium of 43.85% over the simple average of the closing prices for the six-month period up to and including the same date) observed in 156 precedent transactions, completed by May 2, 2026, that involved similar tender offers conducted for the purpose of taking a company private, which were announced on or after August 31, 2023, the date on which the Ministry of Economy, Trade and Industry published the "Guidelines for Corporate Takeovers" (the "Guidelines for Corporate Takeovers"), and where the target company expressed its support for the tender offer and recommended that shareholders tender their shares (excluding MBO transactions), the premium level represented by the Tender Offer Price is below each of those median levels; however, the market price of the Company Shares generally continued to rise from March 24, 2026 to May 7, 2026, and on May 7, 2026, the closing price reached JPY 1,740, the highest level in the past ten years; during such period, the market price rose sharply, increasing by 57.75% from JPY 1,103 to JPY 1,740, while the cause of such market price movements is not clear, price fluctuations that are difficult to explain on a rational basis have been observed even in light of the historical market price movements of the Company Shares, and it cannot be ruled out that speculative purchases reflecting expectations of the possible implementation of a going-private tender offer or other business reorganization, integration, and the like may have occurred. Taking these circumstances into consideration, it cannot be ruled out that, for approximately the one-month period prior to the announcement date (from March 24, 2026 onward), the market price of the Company Shares was temporarily formed under the influence of stock market developments that are difficult to explain on a rational basis, and therefore it is considered that undue emphasis should not be placed on comparisons of the Tender Offer Price with the closing price of the Company Shares on the Business Day Preceding the Announcement or the average closing price for the one-month period up to and including such day. Furthermore, given that the Tender Offer Price represents a price that adds a premium of 21.91% over the average closing price of the Company Shares of JPY 1,296 for the most recent three-month period up to and including the Business Day Preceding the Announcement and a premium of 34.81% over the average closing price of the Company Shares of JPY 1,172 for the most recent six-month period up to and including the Business Day Preceding the Announcement, the Tender Offer Price is considered to have a certain degree of reasonableness from the perspective of providing the Company's general shareholders with an opportunity to recover their investment.

(C) Although the Tender Offer Price is approximately 11.14% (rounded to two decimal places) below the per-share net asset amount (JPY 1,778) calculated from the Company's consolidated book-value net assets as of March 31, 2026 (excluding non-controlling interests), such net asset amount represents a theoretical liquidation value of a company and does not reflect future profitability; accordingly, it is not considered reasonable to place emphasis on it in valuing the corporate value of the Company as a going concern. In addition, taking into account that a liquidation would be expected to give rise to additional costs, including expenses and losses associated with the early collection of trade receivables, premium severance pay to employees, and professional fees (such as attorneys' fees) for liquidating a business, including overseas subsidiaries, the Company's liquidation value would, in practical terms, not be converted at an amount equal to its consolidated book-value net assets and would be expected to be materially impaired (noting that, because the Company does not contemplate liquidation, it has not obtained estimates or performed specific calculations or other actions premised on liquidation). Accordingly, the Company considers it difficult to adopt the view that the consolidated book-value net assets per share constitute the minimum fair value of the Company Shares, nor does it consider it reasonable, in valuing the Company Shares as a going concern, to place emphasis on valuation methodologies premised on liquidation.

On the other hand, the Company concluded that the Tender Offer Price cannot be regarded as having reached a level at which the Company can actively recommend that shareholders tender their shares in the Tender Offer, because the Tender Offer Price cannot be considered to provide a sufficient premium as compared with the premium levels observed in the 156 going-private precedent transactions referenced above.

Based on the above, at the meeting of the board of directors held on May 15, 2026, the Company passed a resolution to express an opinion in support of the Tender Offer and leave the decision on whether to tender shares in the Tender Offer to the discretion of the Company's shareholders.

Thereafter, because the Company and the Special Committee received a proposal from the Offeror on July 14, 2026 regarding the Change in Tender Offer Conditions to change the minimum number of shares planned for purchase in the Tender Offer from 19,226,700 shares (Ownership Ratio: 64.93%) to 15,988,500 shares (Ownership Ratio: 53.99%), they carefully discussed and considered the appropriateness of such proposal and whether there would be any change in the contents of the Special Committee's response regarding the Transaction as stated in the Written Report submitted by the Special Committee to the Company's Board of Directors, taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, at the meeting of the Special Committee held on July 16, 2026 and through email correspondence. Thereafter, as a result of such consideration, the Company received from the Special Committee an "additional written report" dated July 17, 2026 (the "Additional Written Report"), stating that, even taking into account the Change in Tender Offer Conditions, there was no change in any respect to the contents of the response set forth in the Written Report, namely, that it is considered reasonable for the Company's Board of Directors to express an opinion in support of the Tender Offer, while it is also reasonable to express an opinion that the decision on whether to tender shares in the Tender Offer should be left to the judgment of the shareholders of the Company. The contents of the Additional Written Report are outlined below.

1. There is no need to change the opinion that "The Transaction contributes to the enhancement of the corporate value of the Company, and its purpose is deemed to be legitimate and reasonable."
   - Since the submission of the Written Report, there has been no material change in the significance or purpose of the Transaction, or in its advantages and disadvantages.

2. There is no need to change the opinion that "The terms and conditions of the Transaction (including the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other terms and conditions of the Transaction) are not considered to lack reasonableness; however, it is not recognized that the Tender Offer Price has reached a level at which tendering shares in the Tender Offer can be actively recommended, and therefore it cannot be said that the Company's shareholders should be recommended to tender their shares in the Tender Offer."
   - There has been no change in the Tender Offer Price, and it still cannot be recognized that the Tender Offer Price has reached a level at which tendering in the Tender Offer can be actively recommended.

3. There is no need to change the opinion that "The fairness of the procedures for the Transaction is deemed to have been ensured."
   - With respect to ensuring the fairness of the negotiation process and the procedures leading to the decision-making relating to the Transaction, including the Tender Offer, among the matters identified by the Special Committee in the Written Report, namely, (1) Establishment of a special committee and procurement of a report, (2) Decision-making process, (3) Receipt of advice from an independent legal advisor, (4) Obtaining of a stock valuation report from an independent third-party valuation agency, (5) Ensuring objective conditions to guarantee the fairness of the Tender Offer, (6) Market check, and (8) Enhancement of information disclosure to general shareholders and improvement of

process transparency, none of those matters has changed and all continue to be maintained as of July 17, 2026, the date of preparation of this Additional Written Report, except that, with respect to (5) and (6), there has been a change in circumstances contributing to fairness in that the Tender Offer Period is scheduled to be extended to 55 business days.

- On the other hand, first, with respect to item (7), Majority of Minority, the minimum number of shares planned for purchase in the Tender Offer after the Change in Tender Offer Conditions, 15,988,500 shares, does not satisfy the Majority of Minority condition.
- Nevertheless, under Section 3.5.2 of the "Fair M&A Guidelines" issued by the Ministry of Economy, Trade and Industry on June 28, 2019 (the "M&A Guidelines"), in light of concerns such as the possibility of impeding the transaction, setting a Majority of Minority condition is not required, and it is stated that it is desirable for the target company's board of directors and special committee to "comprehensively determine, in light of the specific circumstances of the relevant M&A, the effectiveness of setting a Majority of Minority condition and whether there are any disadvantages in doing so, and to consider whether such a condition is necessary."
- According to the Offeror, setting a minimum number of shares planned for purchase in the Tender Offer at the Majority of Minority level in the Tender Offer could make the completion of the Tender Offer unstable and could instead fail to serve the interests of the Company's general shareholders who wish to tender in the Tender Offer.
- In light of the fact that the interests of the Company's minority shareholders are being given sufficient consideration through the other fairness-enhancing measures, the fact that no Majority of Minority condition has been set does not impair the fairness of the procedures for the Transaction.
- From the perspective of item (9) Elimination of coerciveness, it is necessary to consider the possibility that coerciveness may arise because the minimum number of shares planned for purchase after the Change in Tender Offer Conditions is not set at a number of shares that would enable the Share Consolidation to be carried out with certainty after the completion of the Tender Offer.
- However, according to the explanation from the Offeror, although the actual number of voting rights to be exercised at the Extraordinary General Shareholders Meeting that includes, as agenda items, proposals for the Share Consolidation and a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit, subject to the effectuation of the Share Consolidation, is unknown, when attention is paid to the voting ratio at the Company's annual general shareholders meetings during the past five years, the average voting ratio was 78.11% (rounded to the second decimal place; the same applies hereinafter unless otherwise specified with respect to the calculation of voting ratios), and the maximum voting ratio was 84.95%; and, even when conservatively using the maximum value of 84.95% rather than the average value, if the Offeror could secure the number of voting rights corresponding to 56.63%, which is obtained by multiplying such percentage by two-thirds, the threshold required for a special resolution at a general shareholders meeting, it would be possible to increase the certainty of the completion of the Tender Offer while reasonably preventing a situation in which the proposal relating to the Share Consolidation would not be approved at the Extraordinary General Shareholders Meeting, and accordingly, the Offeror made a proposal that the minimum number of shares planned for purchase be set at 15,988,500 shares (Ownership Ratio: 53.99%) obtained by deducting the number of Company Shares owned by the Offeror (515,000 shares) from the number of shares (16,503,500 shares) calculated by multiplying 100, the number of shares in one share unit of the Company, by the number of voting rights (165,035) (rounded up to the nearest whole number), which is obtained by multiplying the number of voting rights (247,552) by two-thirds, which is the voting rights ratio required for approval of a special resolution at a general shareholders meeting, and the number of voting rights (247,552) is obtained by multiplying 84.95%, the maximum voting ratio at the Company's annual general shareholders meetings during the past five years, by the number of voting rights (291,410) pertaining to the number of shares (29,141,099 shares) obtained by deducting the Company Shares owned by Custody Bank of Japan, Ltd. (Trust Account E), which serves as the trustee for the trust assets of the Company's "Board Benefit Trust (BBT)" (the "BBT-owned Shares") (471,500 shares) from the Reference Share Number (29,612,599 shares).
- In addition, according to the Offeror, even if, after the completion of the Tender Offer, the number of voting rights pertaining to the Company Shares substantially owned by the Offeror is less than two-thirds of the total number of voting rights of all shareholders of the Company, the Offeror intends to request that the Extraordinary General Shareholders Meeting be convened. Even if the proposal

relating to the Share Consolidation is not approved at the Extraordinary General Shareholders Meeting after the completion of the Tender Offer, the Offeror also intends to acquire all of the Company Shares (excluding the Company Shares owned by the Offeror and the treasury shares owned by the Company) and privatize the Company Shares in any event, and therefore plans to aim for the privatization of the Company Shares by additionally acquiring Company Shares, through a new tender offer, purchases in the market, or off-market negotiated acquisitions, until the level at which the proposal relating to the Share Consolidation would realistically be approved at a general shareholders meeting of the Company is reached, taking into account the status of tenders in the Tender Offer, the ownership structure and attributes of the shareholders of the Company as of such time, trends in the market price of the Company Shares, and the voting ratio at the Extraordinary General Shareholders Meeting. With respect to such additional acquisitions, unless the Company undertakes any action requiring adjustment of the consideration to be paid, such as a share consolidation or share split, the Offeror intends to acquire the Company Shares, in the case of a new tender offer, without setting the maximum or minimum number of shares planned for purchase and at the same price as the Tender Offer Price, at the market price in the case of market transactions, and at the same price as the Tender Offer Price in the case of acquisitions by means other than market transactions. If the Offeror determines, as a result of such additional acquisitions, that approval of the proposal relating to the Share Consolidation can reasonably be expected, it intends to request that the Company convene another extraordinary general shareholders meeting that includes, as agenda items, proposals for the Share Consolidation and a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit, subject to the effectuation of the Share Consolidation.

- Since no unreasonable point is found in the Offeror's explanation above, and taking into account that in estimating the number of Company Shares necessary for the approval of the proposal relating to the Share Consolidation, the maximum voting ratio of 84.95%, which is considerably higher than the average voting ratio of 78.11% at the Company's annual general shareholders meetings during the past five years, has been conservatively used instead of that average, it is recognized that the possibility that the privatization of the Company Shares will not be realized if the Tender Offer is completed is considerably low, and furthermore, in light of the fact that the Company's shareholders are scheduled to be provided with detailed disclosure concerning the certainty of the Share Consolidation after the completion of the Tender Offer and the policy regarding additional acquisitions if the proposal relating to the Share Consolidation is rejected at the Extraordinary General Shareholders Meeting after the completion of the Tender Offer, it is considered that coerciveness continues to be eliminated or sufficiently mitigated even after the Change in Tender Offer Conditions.

4. There is no need to change the opinion that "Based on 1 through 3 above, the Transaction is deemed not to be prejudicial to the Company's general shareholders (which are synonymous with "minority shareholders" under Article 441-2 of the TSE's Securities Listing Regulations)."
   - In light of the fact that, with respect to each of the 1 through 3 above, there is considered to be no need to change the opinions expressed in the Written Report, there is no need to change the opinion that "Based on 1 through 3 above, the Transaction is deemed not to be prejudicial to the Company's general shareholders (which are synonymous with "minority shareholders" under Article 441-2 of the TSE's Securities Listing Regulations)."

5. There is no need to change the opinion that "It is deemed appropriate for the Company's Board of Directors to express its opinion in favor of the Tender Offer. However, it is also deemed appropriate for the Company's Board of Directors to take a neutral position as to whether the Company's shareholders should tender their shares in the Tender Offer and to leave such decision to the discretion of the shareholders."
   - In light of the fact that, with respect to each of the 1 through 4 above, there is considered to be no need to change the opinions expressed in the Written Report, there is no need to change the opinion that "It is deemed appropriate for the Company's Board of Directors to express its opinion in favor of the Tender Offer. However, it is also deemed appropriate for the Company's Board of Directors to take a neutral position as to whether the Company's shareholders should tender their shares in the Tender Offer and to leave such decision to the discretion of the shareholders."

Based on the contents of the above Additional Written Report, the Company resolved, by a resolution of the board of directors dated July 17, 2026, to continue to express its opinion in support of the Tender Offer and to maintain its opinion that the decision on whether to tender shares in the Tender Offer should be left to the judgment of the shareholders of the Company.

For details of such resolution of the board of directors, please refer to the section "(V) Unanimous approval of all disinterested directors (including directors who are members of audit and supervisory committee) of the Company," under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act" below.

Thereafter, as described above, the Tender Offer was successfully completed; however, because the Offeror was unable to acquire all of the Company Shares through the Tender Offer (excluding the Company Shares owned by the Offeror and the treasury shares owned by the Company), and because the number of voting rights in the Company held by the Offeror is less than 90% of the total number of voting rights of all shareholders of the Company, the Company, at the request of the Offeror, resolved at the meeting of its board of directors dated September 7, 2026, subject to obtaining the approval of the shareholders at the Extraordinary General Shareholders Meeting, to effect a consolidation of the Company Shares at a ratio of 7,894,651 shares to one share (the "Share Consolidation"), as described in "(1) Consolidation Ratio" under "2. Details of the Matters Set Forth in Article 180, Paragraph 2 of the Companies Act" below, for the purpose of making the Offeror the sole shareholder of the Company and making the Company a wholly-owned subsidiary of the Offeror, and further resolved to submit the Share Consolidation to the Extraordinary General Shareholders Meeting.

2. Details of the Matters Set Forth in Article 180, Paragraph 2 of the Companies Act

(1) Consolidation Ratio

7,894,651 Company Shares will be consolidated into one share.

(2) Date on which the Share Consolidation Becomes Effective (Effective Date)

November 2, 2026

(3) Total Number of Authorized Shares on the Effective Date

12 shares

3. Matters Concerning the Reasonableness of the Matters Set Forth in Article 180, Paragraph 2, Item 1 of the Companies Act

The consolidation ratio in the Share Consolidation is that 7,894,651 Company Shares will be consolidated into one share. As described in "1. Reasons for the Share Consolidation" above, the Share Consolidation is to be carried out for the purpose of making the Offeror the sole shareholder of the Company, and the Company has determined that the consolidation ratio in the Share Consolidation is reasonable in light of the fact that the Tender Offer, which was conducted as part of the Transaction after the process described in "1. Reasons for the Share Consolidation" above, was successfully completed, as well as each of the matters set forth below.

(1) Method of Handling Fractions of Less than One Share and the Amount of Money Expected to Be Delivered to Shareholders as a Result of Such Handling

(I) Whether the Company intends to handle such fractions pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof, and the reason therefor

As described in "1. Reasons for the Share Consolidation" above, as a result of the Share Consolidation, the number of Company Shares held by the shareholders other than the Offeror is expected to result in fractions of less than one share.

With respect to any fractions of less than one share resulting from the Share Consolidation, the Company will sell the number of shares corresponding to the aggregate number of such fractions (with any fraction of less than one share in such aggregate number being rounded down) in accordance with Article 235 of the Companies Act (Act No. 86 of 2005; as amended; "Companies Act") and other applicable laws and regulations, and will deliver the proceeds from such sale to the shareholders who hold such fractions in proportion to their respective fractions.

With respect to such sale, the Company intends, pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof, to sell to the Offeror the Company Shares corresponding to the aggregate number of such fractions, after obtaining permission from the court, in light of the facts that the Company Shares are scheduled to be delisted as of October 29, 2026 and will become unlisted shares with no market price, making it unlikely that a purchaser would appear through an auction, and that the Share Consolidation is to be implemented as part of the Transaction for the purpose of making the Offeror the sole shareholder of the Company, in relation to which purpose it is consistent for the Offeror to become the purchaser of the shares corresponding to such fractions.

The sale price in such case is expected to be set at a price such that, if the above court permission is obtained as planned, money in an amount equivalent to the number of Company Shares held by the shareholders recorded in the final shareholders register of the Company as of October 30, 2026, the business day immediately preceding the effective date of the Share Consolidation, multiplied by JPY 1,580, which is the same amount as the Tender Offer Price, will be delivered to such shareholders. However, the actual amount to be delivered may differ from the above amount in cases where court permission cannot be obtained, where adjustment of fractional amounts in the calculation is necessary, or in other similar circumstances.

(II) Name of the Person Expected to Purchase the Shares to Be Sold

Kaga Electronics Co., Ltd.

(III) Method by Which the Person Expected to Purchase the Shares to Be Sold Will Secure Funds for Payment of the Purchase Price for Such Sale, and the Reasonableness of Such Method

The Offeror plans to finance the funds required for the acquisition of the Company Shares corresponding to the aggregate number of fractions of less than one share resulting from the Share Consolidation through a loan from MUFG Bank, Ltd. (“MUFG Bank”) (the “Bank Loan”), the Company has confirmed the method by which the Offeror will secure funds by reviewing the loan commitment letter dated May 15, 2026 relating to the Bank Loan, which was submitted as an attachment to the Tender Offer Registration Statement relating to the Tender Offer, and the loan commitment letters relating to the Bank Loan, which were subsequently submitted as attachments to the amended Tender Offer Registration Statements. In addition, according to the Offeror, no event has occurred that would adversely affect the Offeror’s ability to pay the purchase price for the Company Shares corresponding to the aggregate number of fractions of less than one share resulting from the Share Consolidation, and the Offeror is not aware of any event that may occur in the future that would have such effect. Based on the above, the Company has determined that the method by which the Offeror will secure funds for payment of the purchase price for the sale of the Company Shares corresponding to the aggregate number of fractions of less than one share is reasonable.

(IV) Expected Timing of the Sale and the Timing of Delivery of the Proceeds of the Sale to Shareholders

The Company plans to file a petition with the court around mid-November 2026, pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof, seeking permission to sell to the Offeror the Company Shares corresponding to the aggregate number of fractions of less than one share resulting from the Share Consolidation. The Company expects to sell such Company Shares to the Offeror around mid-December 2026 after obtaining permission from the court, and thereafter, upon making the preparations necessary to deliver the proceeds from such sale to the shareholders, to deliver such proceeds to the shareholders around late March 2027. Taking into account the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, the Company has determined that, as described above, the sale of the Company Shares corresponding to the aggregate number of fractions of less than one share resulting from the Share Consolidation will be carried out, and that the proceeds from such sale will be delivered to the shareholders, at the respective times set forth above.

(2) Basis for and Related Matters Concerning the Amount of Money Expected to Be Delivered to

Shareholders as a Result of the Handling of Fractions in Connection with the Share Consolidation

(I) Matters Considered in Order Not to Harm the Interests of Shareholders Other than the Parent Company, etc., in Cases Where There Is a Parent Company, etc.

Although the Share Consolidation is to be carried out as the second-step procedure in the so-called two-step acquisition following the Tender Offer, as of May 15, 2026, when the Offeror decided to commence the Tender Offer, the Company is not a subsidiary and affiliate of the Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder and a tender offer by a other affiliated company. In addition, it is not contemplated that all or any part of the management of the Company will directly or indirectly invest in the Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) (Note).

Nevertheless, in light of the fact that the Tender Offer was conducted as part of the Transaction for the purpose of making the Company a wholly-owned subsidiary of the Offeror, the Offeror and the Company have taken the measures described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, in order to ensure the fairness, transparency and objectivity of the Tender Offer from the perspective of protecting the interests of the shareholders of the Company.

In addition, although the Offeror did not set the minimum number of shares planned for purchase corresponding to the so-called "Majority of Minority" in the Tender Offer after the Change in Tender Offer Conditions, according to the Offeror, it considered that setting such minimum number of shares planned for purchase could make the completion of the Tender Offer uncertain and, conversely, might not serve the interests of the Company's general shareholders who wished to tender their shares in the Tender Offer.

Furthermore, since each of the measures described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below has been taken, the Offeror and the Company believe that sufficient consideration has been given to the interests of the Company's general shareholders.

(Note) "Management buyout (MBO)" means a transaction in which the Offeror conducts a tender offer based on an agreement with the officers of the Company and shares common interests with such officers. The same applies hereinafter.

(II) Matters Concerning the Method of Handling Fractions of Less than One Share, the Amount of Money Expected to Be Delivered to Shareholders as a Result of Such Handling, and the Reasonableness of Such Amount

As described in "(I) Whether the Company intends to handle such fractions pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof, and the reason therefor" under "(1) Method of Handling Fractions of Less than One Share and the Amount of Money Expected to Be Delivered to Shareholders as a Result of Such Handling" above, the amount of money expected to be delivered to shareholders as a result of the handling of fractions is expected to be the amount obtained by multiplying the number of Company Shares held by the shareholders recorded in the final shareholders register of the Company as of October 30, 2026, the business day immediately preceding the effective date of the Share Consolidation, by JPY 1,580, which is the same amount as the Tender Offer Price.

The Company determined that the Tender Offer Price, based on the results of its review described in "(3) Details of the Company's Decision-Making" under "1. Reasons for the Share Consolidation" above, and the transaction terms including the Tender Offer Price, cannot be considered unreasonable.

In addition, the Company has confirmed that, following the above resolutions of the board of directors and up to the time of the resolution of the board of directors dated September 7, 2026, at which the Company resolved to convene the Extraordinary General Shareholders Meeting, no material change had occurred in the various conditions underlying the calculation of the Tender Offer Price.

Based on the foregoing, the Company has determined that the amount of money expected to be delivered to shareholders as a result of the handling of fractions is reasonable.

(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest

As of May 15, 2026, when the Offeror decided to commence the Tender Offer, the Company was neither a subsidiary nor an affiliate of the Offeror, and the Tender Offer did not constitute a tender offer by a controlling shareholder or a tender offer by any other affiliated company. In addition, none of the management of the Company was expected to make any direct or indirect investment in the Offeror, and the Transaction, including the Tender Offer, did not constitute a so-called management buyout (MBO), either. However, in light of the fact that the Tender Offer was conducted as part of the Transaction for the purpose of making the Company a wholly-owned subsidiary of the Offeror, from the perspective of protecting the interests of the shareholders, the Offeror and the Company have taken the following measures in order to ensure the fairness, transparency and objectivity of the Tender Offer. Although the Offeror did not set, in the Tender Offer after the Change in Tender Offer Conditions, the minimum number of shares planned for purchase corresponding to the so-called "Majority of Minority," according to the Offeror, it considered that setting such minimum number of shares planned for purchase in the Tender Offer could make the completion of the Tender Offer uncertain and, conversely, might not serve the interests of the Company's general shareholders who wished to tender their shares in the Tender Offer. In addition, according to the Offeror, because the measures set forth in (I) through (VII) below have been taken, sufficient consideration has been given to the interests of the Company's general shareholders. In addition, among the matters described below, the measures implemented by the Offeror are based on the explanations received from the Offeror.

(I) Obtaining of the Stock Valuation Report from the Offeror's Independent Third-Party Valuation Agency

(i) Name of the Third-Party Valuation Agency and Relationship with the Tender Offer Related Parties (as defined below)

According to the Offeror, in determining the Tender Offer Price, the Offeror, to ensure the fairness of the Tender Offer Price, requested Deloitte Tohmatsu, its financial advisor, to calculate the share value of the Company as a third-party valuation agency independent from the Offeror, the Company and the Tendering Shareholders (Note) (collectively, the "Tender Offer Related Parties"), and obtained the Stock Valuation Report (Deloitte Tohmatsu) dated May 14, 2026. Deloitte Tohmatsu is not a related party of the Tender Offer Related Parties and does not have any material interest in the Transaction. In addition, as described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest," because the Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, the Offeror has not obtained from Deloitte Tohmatsu an opinion letter regarding the fairness of the Tender Offer Price (fairness opinion).

(Note) "Tendering Shareholders" collectively refer to CI11 Parties (which collectively refer to Ms. Aya Nomura, City Index First Co., Ltd. and City Index Eleventh Co., Ltd.), Restar, Kitai & Company, and Mr. Akio Kitai; the same applies hereinafter.

(ii) Overview of Valuation

According to the Offeror, Deloitte Tohmatsu, after considering, from among multiple share valuation methods, the valuation methods to be selected for adoption in calculating the share value of the Company Shares, and based on the assumption that the Company is a going concern and on its determination that it is appropriate to conduct a multi-faceted evaluation of the share value of the Company Shares, used the market price method, as the Company Shares are listed on the TSE Prime Market and a market price is available, and the discounted cash flow method ("DCF Method"), in order to reflect the status of the Company's future business activities in the valuation, to calculate the share value per Company Share.

According to the Stock Valuation Report (Deloitte Tohmatsu), the valuation methods adopted and the ranges of the share value per Company Share calculated based on such methods are as follows:

Market price method: JPY 1,172 to JPY 1,576
DCF Method: JPY 1,432 to JPY 1,724

According to the Offeror, using the market price method, May 14, 2026, the business day immediately prior to the announcement date of the Tender Offer, was set as the base date, and based on the closing price of JPY 1,485 for the Company Shares on the TSE Prime Market on the base date, the simple average closing price of JPY 1,576 over the preceding one month, the simple average closing price of JPY 1,296 over the preceding three months, and the simple average closing price of JPY 1,172 over the preceding six months, the per-share value of the Company Shares was calculated to be in the range between JPY 1,172 and JPY 1,576.

According to the Offeror, under the DCF Analysis, using the business plans provided by the Company (covering the three-year period from the fiscal year ending March 2027 to the fiscal year ending March 2029) as a basis, and based on the Company's future earnings forecasts adjusted by the Offeror after taking into account various factors such as recent business performance trends, the results of the Due Diligence, and information disclosed by the Company, the corporate value and share value of the Company were calculated by discounting to present value, at a certain discount rate, the free cash flow expected to be generated by the Company from the first quarter of the fiscal year ending March 2027 onward, and the per-share value of the Company Shares was determined to be in the range of JPY 1,432 to JPY 1,724. In addition, the business plans used by Deloitte Tohmatsu in the DCF Method include fiscal year(s) in which significant increases or decreases in profits and significant increases or decreases in free cash flow are expected. Specifically, according to the Offeror, it is anticipated that, for each of the fiscal years ending March 2027, March 2028 and March 2029, the Company will achieve a significant year-on-year increase in earnings, driven primarily by a recovery in sales of liquid crystal-related and semiconductor-related products and other items. In addition, for the fiscal year ending March 2028 and March 2029, it is expected that free cash flow will increase substantially year on year, as the increase in working capital is projected to narrow year on year.

According to the Offeror, in addition to the valuation results set forth in the Stock Valuation Report (Deloitte Tohmatsu) obtained from Deloitte Tohmatsu, the Offeror, comprehensively taking into account the results of the Due Diligence, trends in the market price of the Company Shares, whether the Company's Board of Directors would express its opinion in support of the Tender Offer, and the prospects for shareholder tendering in the Tender Offer, and based on the results of discussions and negotiations with the Company, ultimately resolved at the meeting of the Board of Directors held on May 15, 2026 to set the Tender Offer Price at JPY 1,580.

According to the Offeror, the Tender Offer Price of JPY 1,580 represents a 6.40% premium over the closing price (JPY 1,485) of the Company Shares on the TSE Prime Market as of May 14, 2026, the business day immediately prior to the announcement of the Tender Offer, a 0.25% premium over the simple average of the closing prices for the past one month until the same date (JPY 1,576), a 21.91% premium over the simple average of the closing prices for the past three months until the same date (JPY 1,296), and a 34.81% premium over the simple average of the closing prices for the past six months until the same date (JPY 1,172), respectively.

(Note) According to the Offeror, when calculating the value of the Company Shares, Deloitte Tohmatsu, in principle, used information provided by the Company, publicly disclosed information, and other information on an as-is basis, on the assumptions that all of those materials, information and the like were accurate and complete and that there are no undisclosed facts that have not been disclosed to Deloitte Tohmatsu and that may have a material effect on the calculation of the share value of the Company Shares, and has not independently verified their accuracy and completeness. In addition, it is assumed that information regarding the financial forecasts of the Offeror and the Company was prepared rationally by the management of the Company, based on the best estimates and judgments available at the time of the valuation. Moreover, Deloitte Tohmatsu has not independently evaluated or assessed the assets and liabilities (including derivative instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliates, nor has it requested that any third-party agency appraise or assess them. In addition, the calculation by Deloitte Tohmatsu reflects the foregoing information up to May 14, 2026. Deloitte Tohmatsu's calculation is intended solely to provide a reference for the Board of Directors of the Offeror in considering the share value of the Company Shares.

(II) Obtaining of the Stock Valuation Report from the Company's Independent Financial Advisor and Third-party Valuation Agency

(i) Name of the Third-Party Valuation Agency and Its Relationship with the Tender Offer Related Parties

In determining the Company's opinion regarding the Tender Offer, the Company requested that Mitsubishi UFJ Morgan Stanley Securities, a financial advisor and third-party valuation agency independent of the Company Group and the Offeror Group, as well as the success or failure of the Transaction, evaluate the value of the Company's common shares, and obtained from Mitsubishi UFJ Morgan Stanley Securities the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), dated May 14, 2026. In addition, the Company has not obtained from Mitsubishi UFJ Morgan Stanley Securities an opinion letter regarding the fairness of the Tender Offer Price (fairness opinion).

Mitsubishi UFJ Morgan Stanley Securities is not a related party to the Tender Offer Related Parties and does not have any material interest in the Tender Offer. Although Mitsubishi UFJ Morgan Stanley Securities shares the same parent company as MUFG Bank, and MUFG Bank holds a status as a shareholder of both the Company and the Offeror, has made loans to the Offeror and the Company as part of its ordinary banking transactions, and also plans to extend a loan to the Offeror for the funds required for the Transaction, including for the settlement of the Tender Offer, according to Mitsubishi UFJ Morgan Stanley Securities, pursuant to the applicable laws and regulations, including Article 36, Paragraph 1 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended; the same applies hereinafter), an appropriate conflict-of-interest management framework, such as information barrier measures for the strict management of information relating to the Company, has been established and implemented as measures to prevent adverse effects between Mitsubishi UFJ Morgan Stanley Securities, which acts as the Company's financial advisor, and MUFG Bank, as well as within each of those companies. Therefore, Mitsubishi UFJ Morgan Stanley Securities states that it provides services as the Company's financial advisor and third-party valuation agency without being influenced by MUFG Bank's decisions and that it has evaluated the value of the Company Shares from a position independent of MUFG Bank's status as a shareholder and lender. Taking into account, among other factors, that a strict information management framework has been established for the information management between Mitsubishi UFJ Morgan Stanley Securities and MUFG Bank, as well as within each of those companies, and that Mitsubishi UFJ Morgan Stanley Securities has a track record of serving as a third-party valuation agency for similar transactions in the past, the Company has appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agency independent of the Offeror Group and the Company Group, as well as the success or failure of the Transaction.

In addition, while the fees payable to Mitsubishi UFJ Morgan Stanley Securities in connection with the Transaction include a success fee contingent upon the commencement and successful completion of the Tender Offer and the completion of the Transaction, the Company has determined that the inclusion of such a success fee does not in itself negate the independence of Mitsubishi UFJ Morgan Stanley Securities, in consideration of factors such as the general practices for similar transactions and the appropriateness of the fee structure under which the Company would incur a considerable financial burden even if the Transaction is unsuccessful. Furthermore, the Special Committee has confirmed that there are no issues with the independence of Mitsubishi UFJ Morgan Stanley Securities.

(ii) Outline of Valuation

Mitsubishi UFJ Morgan Stanley Securities considered valuation methods for the Tender Offer and, based on the view that it is appropriate to evaluate the value of the Company Shares multilaterally, calculated the value of the Company Shares using (i) the market price analysis, because the Company Shares are listed on the Prime Market of the TSE and market price exists, (ii) the comparable company analysis, because there are multiple listed companies engaged in businesses relatively similar to that of the Company and it is possible to infer the value of the Company Shares through comparison with those comparable companies, and (iii) the DCF Analysis, so as to reflect the status of the Company's future business activities in the valuation.

The range of the per-share value of the Company Shares calculated by Mitsubishi UFJ Morgan Stanley Securities using each of the methods above is as follows.

Market price analysis:	JPY 1,172 to JPY 1,576
Comparable company analysis:	JPY 1,156 to JPY 1,376
DCF Analysis:	JPY 1,358 to JPY 1,874

In the market price analysis, May 14, 2026, which is the business day immediately preceding the announcement date of the Tender Offer (May 15, 2026), was set as the base date, and based on the closing price of the Company Shares of JPY 1,485 on the TSE Prime Market on the base date and the simple average closing prices of JPY 1,576 for the one-month period, JPY 1,296 for the three-month period, and JPY 1,172 for the six-month period each ending on the base date, the per-share value of the Company Shares was calculated to be in the range from JPY 1,172 to JPY 1,576.

In the comparable company analysis, the value of the Company Shares was analyzed through a comparison with the market share prices and financial indicators of listed companies engaged in businesses relatively similar to that of the Company, and the per-share value of the Company Shares was calculated to be in the range from JPY 1,156 to JPY 1,376.

In the DCF Analysis, based on various factors such as the business plan for the period from the fiscal year ending March 2027 to the fiscal year ending March 2029 prepared by the Company (the "Business Plan") and publicly disclosed information, the Company's corporate value and share value were calculated by discounting the free cash flows that the Company is expected to generate in the future to the present value at a certain discount rate, and the per-share value of the Company Shares was calculated to be in the range from JPY 1,358 to JPY 1,874.

It should be noted that, with respect to the Company's financial forecasts used by Mitsubishi UFJ Morgan Stanley Securities in its calculation based on the DCF Analysis, certain downward revisions have been made to the net sales and net income for the current period compared to the Company's Medium-Term Management Plan, taking into account recent changes in the business environment and other factors, such as (i) an increase in the proportion of net sales accounted for by products with relatively low profit margins such as liquid crystals, and (ii) the prospect of continued increases in selling and general administrative expenses, which have increased more than anticipated due to recent price trends, wage increases, and other factors. Consequently, while the earnings projections for the fiscal year ending March 2028 in the Company's financial forecasts constitute a numerical plan that differs from the key management indicators for the same fiscal year set forth in the Company's Medium-Term Management Plan, the reasonableness of the contents, material assumptions, preparation process, and other matters of the Company's financial forecasts, including this point, has been confirmed and approved in advance by the Special Committee. In addition, the Business Plan used as the basis for the DCF Analysis includes fiscal years in which significant increases or decreases in profit and increases or decreases in free cash flows are expected. Specifically, for each of the fiscal years ending March 2027, March 2028, and March 2029, the Company expects significant increases in operating profits, driven primarily by a recovery in sales of liquid crystal-related and semiconductor-related products and other items (an increase of approximately 55% year on year for the fiscal year ending March 2027, approximately 90% for the fiscal year ending March 2028 and approximately 40% for the fiscal year ending March 2029) and in addition, driven by the increase in operating profit, the Company also expects a significant increase in EBITDA (an increase of approximately 35% year on year for the fiscal year ending March 2027, approximately 85% for the fiscal year ending March 2028 and approximately 40% for the fiscal year ending March 2029). Additionally, for the fiscal year ending March 2027, the Company expects free cash flow to decrease substantially (a decrease of approximately 450% year on year) due to an increase in working capital requirements associated with the recovery in sales, and for the fiscal years ending March 2028 and March 2029, the Company expects the free cash flow deficit to narrow as the level of sales recovery stabilizes and profit levels increase (with free cash flow increasing by approximately 40% year on year for the fiscal year ending March 2028 and approximately 55% year on year for the fiscal year ending March 2029). The synergies expected to be realized through the Tender Offer have not been taken into account in the Business Plan, as it was difficult to specifically estimate them at the time of the valuation.

(Note) The analysis by Mitsubishi UFJ Morgan Stanley Securities and the analysis of the share value of the Company Shares underlying such analysis were addressed to the Company's board of directors solely for the purpose of assisting the board of directors in considering the expression of its opinion regarding the Tender Offer for the Company Shares by the Offeror. This analysis does not constitute a financial opinion or recommendation by Mitsubishi UFJ Morgan Stanley Securities or its affiliates, nor does it express any opinion regarding any action by the shareholders of the Company or the Offeror regarding the Tender Offer, or regarding the exercise of voting rights or other actions by shareholders at any shareholders' meeting regarding the Transaction, nor does it recommend support for the Transaction. In evaluating the value of the Company Shares, Mitsubishi UFJ Morgan Stanley Securities used the information provided by the Company, publicly available information, and other information as provided, assuming that all such materials and information were accurate and complete and it has not independently verified their accuracy or completeness. In addition, with respect to information regarding the Company's financial forecasts, it is assumed that such information was reasonably prepared by the Company based on the best estimates and judgments available as of Business Day Preceding the Announcement. Mitsubishi UFJ Morgan Stanley Securities assumes that all necessary authorizations, approvals, and consents from government agencies, supervisory authorities, and other relevant authorities required for the Transaction are obtainable, and that such authorizations, approvals, and consents will not be subject to any delay, restriction, or condition that would have a material adverse effect on the Transaction. Mitsubishi UFJ Morgan Stanley Securities is not a legal, accounting, and tax advisor. Mitsubishi UFJ Morgan Stanley Securities is acting as a financial advisor and, with respect to legal, accounting, and tax matters, does not conduct any independent verification but relies on the judgments of the Company and the Company's legal, accounting, and tax advisors. Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed the assets or liabilities (including contingent liabilities) of the Company and its affiliates, nor has it requested that any third-party agency appraise or assess them. The valuation by Mitsubishi UFJ Morgan Stanley Securities reflects the above information up to the Business Day Preceding the Announcement and is based on financial, market, and other conditions as of the Business Day Preceding the Announcement, as well as information available to Mitsubishi UFJ Morgan Stanley Securities as of the Business Day Preceding the Announcement. While events occurring after the Business Day Preceding the Announcement may affect the analysis conducted by Mitsubishi UFJ Morgan Stanley Securities and the assumptions used in preparing the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), Mitsubishi UFJ Morgan Stanley Securities is under no obligation to update, revise, or reaffirm the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) or its analysis. The preparation of the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and the underlying analysis involve a complex process and are not necessarily suitable for partial analysis or summary description. The valuation ranges based on any specific analyses described in the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) should not be construed as a valuation by Mitsubishi UFJ Morgan Stanley Securities of the Company's actual value. Mitsubishi UFJ Morgan Stanley Securities is acting as the Company's financial advisor in connection with the Transaction and expects to receive a fee as compensation for such services. The receipt of a substantial portion of such fee is contingent upon the commencement and successful completion of the Tender Offer, as well as the completion of the Transaction.

(III) Advice from a Legal Advisor Independent from the Company

The Company appointed Anderson Mori & Tomotsune as a legal advisor independent from the Offeror Group, the Company Group, and the success or failure of the Transaction in order to ensure the fairness and appropriateness of the decision-making of the Company's Board of Directors in relation to the Transaction, including the Tender Offer, and has received legal advice regarding the method and process of the decision-making of the Company's Board of Directors in relation to the Tender Offer and a series of subsequent procedures, and other points to be noted in making such decision. Anderson Mori & Tomotsune is not a related party of the Tender Offer Related Parties, and its remuneration structure is not a contingency fee arrangement dependent on the completion of the Tender Offer, and it does not have any material interest. Further, the Special Committee has confirmed that there are no issues with the independence of Anderson Mori & Tomotsune.

(IV) Establishment of an independent special committee at the Company and procurement of a report

(i) Background of establishment, etc.

Prior to deliberation and resolution by the Company on the pros and cons of the Transaction, the Company has established the Special Committee independent from the Offeror Group and the Company Group by resolution at the Company's board of directors held on January 16, 2026, which consists of four members, who are independent outside directors of the Company (Mr. Tatsuyoshi Yoshiike (the Company's outside director), Mr. Toshihiko Ishihara (the Company's outside director and audit and supervisory committee member), Mr. Yoshiteru Sakamaki (the Company's outside director and audit and supervisory committee member and attorney-at-law at Sakamaki Sakai Sogo Horitsu Jimusho), and Ms. Kazue Tanaka (the Company's outside director and audit and supervisory committee member and certified public tax accountant at Kazue Tanaka Tax Accountant Office)) for the purpose of protecting the general shareholders of the Company, as a measure to eliminate arbitrariness in the decision-making process of the Company regarding the Transaction and ensure fairness in the Transaction and address potential conflicts of interest. The Company has appointed such four members of the Special Committee and Mr. Tatsuyoshi Yoshiike as the chairperson of the Special Committee from the beginning and no change has been made to such composition of the Special Committee. Upon the appointment of the Special Committee members, the Company confirmed that each of the four members (Mr. Tatsuyoshi Yoshiike, Mr. Toshihiko Ishihara, Mr. Yoshiteru Sakamaki, and Ms. Kazue Tanaka) is independent from the Offeror and the Company. The compensation to each member of the Special Committee for their duties consists of only the fixed fee to be paid regardless of the content of the report and does not include a performance fee to be paid subject to factors including the successful completion of the Transaction.

Furthermore, the Company has requested that the Special Committee examine: (a) whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction would contribute to the enhancement of the Company's corporate value), (b) whether the terms and conditions of the Transaction are fair and reasonable (including whether the level of the purchase price, the method of acquisition, the form of consideration for the acquisition, and other terms and conditions of the Transaction are appropriate), (c) whether the procedures for the Transaction are fair, (d) whether, in light of (a) through (c) above, the Transaction is not prejudicial to the Company's general shareholders (which are synonymous with "minority shareholders" under Article 441-2 of the TSE's Securities Listing Regulations), and (e) whether it is appropriate for the Company's Board of Directors to express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and commissioned the Special Committee to submit to the Company a written report containing its opinion on these matters (the matters set forth in (a) through (e) are hereinafter collectively referred to as the "Matters for Inquiry").

Furthermore, the Company's Board of Directors resolved to grant the Special Committee the authority to: (i) substantively participate in the negotiation process regarding the transaction terms of the Transaction, including the purchase price in the Tender Offer, by confirming in advance the negotiation policy, receiving timely reports on the status thereof, expressing its views in critical circumstances, and giving instructions and requests; (ii) when expressing its opinion on the Matters for Inquiry, appoint its own financial advisor(s) and legal advisor(s) as necessary (collectively, the "Advisors") (provided, however, that if the Special Committee determines that the Company's Advisors have a high level of expertise and no issues with respect to independence, and that it may rely on the Company's Advisors for professional advice, the Special Committee may seek such professional advice from the Company's Advisors; the Company shall bear the costs of the professional advice provided by the Advisors to the Special Committee); and (iii) receive information necessary for its consideration and determination of the Transaction from the Company's officers and employees, and from any other person the Special Committee deems necessary. In addition, in consulting with the Special Committee, the Company's Board of Directors has resolved that the decision of the Company's board of directors regarding the Transaction shall be made with the utmost respect for the judgment of the Special Committee, and in particular, if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's board of directors shall not express its approval of the Transaction under such terms and conditions.

(ii) Background of consideration

The Special Committee held a total of 15 meetings between January 16, 2026 and May 14, 2026, and carefully discussed and reviewed the Matters for Inquiry through such means as reporting, information sharing, consideration, and decision making via email between the meetings.

Specifically, the Special Committee first confirmed that Mitsubishi UFJ Morgan Stanley

Securities, which had been appointed by the Company as its financial advisor and third-party valuation agency, and Anderson Mori & Tomotsune, which had been appointed as the Company's legal advisor, have sufficient expertise and are independent of the Offeror Group and the Company Group, and the outcome of the Transaction, and that neither of them has any material conflict of interest therewith. The Special Committee then approved the appointment of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, and confirmed that the Special Committee may, as necessary, receive professional advice from Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune.

Based on the opinion received from Anderson Mori & Tomotsune, the Special Committee has considered the measures to be taken to ensure fairness of the procedures of the Transaction.

The Company and the Special Committee sent written questions to the Offeror regarding the background, context and purpose of the Transaction, the Company's growth strategy and policy after implementation of the Transaction, treatment and governance after the Transaction, and the structure, procedures and terms of the Transaction, and the Special Committee received explanations from the Offeror directly on these matters and conducted question-and-answer sessions. The Special Committee also received explanations on the Business Plan prepared by the Company from the Company regarding the details thereof and the background of its preparation and confirmed the reasonableness of the Business Plan after holding a question-and-answer session. While Mitsubishi UFJ Morgan Stanley Securities conducted the valuation of the Company Shares based on the Business Plan prepared by the Company, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities regarding the valuation methods used in the valuations of the Company's shares that it conducted and the results thereof, and confirmed their reasonableness after a question-and-answer session, deliberation, and review.

(iii) Details of decision-making

Under the circumstances described above, after careful deliberation and consideration of the Matters for Inquiry, the Special Committee submitted the Written Report dated May 15, 2026, with unanimous consent of all members, to the Company's Board of Directors. The outlines of the Written Report are as follows.

i. Details of the report

1. The Transaction contributes to the enhancement of the corporate value of the Company, and its purpose is deemed to be legitimate and reasonable.
2. The terms and conditions of the Transaction (including the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other terms and conditions of the Transaction) are not considered to lack reasonableness; however, it is not recognized that the Tender Offer Price has reached a level at which tendering shares in the Tender Offer can be actively recommended, and therefore it cannot be said that the Company's shareholders should be recommended to tender their shares in the Tender Offer.
3. The fairness of the procedures for the Transaction is deemed to have been ensured.
4. Based on 1 through 3 above, the Transaction is deemed not to be prejudicial to the Company's general shareholders (which are synonymous with "minority shareholders" under Article 441-2 of the TSE's Securities Listing Regulations).
5. It is deemed appropriate for the Company's Board of Directors to express its opinion in favor of the Tender Offer. However, it is also deemed appropriate for the Company's Board of Directors to take a neutral position as to whether the Company's shareholders should tender their shares in the Tender Offer and to leave such decision to the discretion of the shareholders.

ii. Reasons for the report

1. Whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction would contribute to the enhancement of the Company's corporate value)

(1) The Company's current recognition

- The Company Group principally operates the electronic parts business, the assembly business, and other businesses described below.
- In April 2024, the Company announced its intention to terminate the distribution agreement

with Renesas, which had been a major supplier, on September 30, 2024. Against the backdrop of significant changes in the business environment from the medium-term management plan announced in May 2023, which had been formulated on the premise of handling Renesas products, the Company proceeded at an early stage to build a new business model by creating and expanding new core products, expand solution businesses that utilize the Company Group's technological capabilities, and fundamentally review its cost structure. In October 2024, the Company formulated the medium-term management plan announced in "Notice Concerning formulation of Medium-Term Management Plan" released by the Company on October 31, 2024 based on growth investments, M&As, and co-creation synergies with strategic partnership companies in addition to independently examining the Company Group's business environment, and set out the following six growth strategies as priority measures for growth.

(A) Restructuring the business portfolio (including co-creation with strategic partnership companies)

(B) Creation and expansion of new core products, and further expansion of products from existing prime suppliers

(C) Area strategies, growth investments aimed at developing and creating new business areas, and M&As

(D) Initiatives for management focusing on capital cost and stock price (aiming for a PBR of 1x or higher)

(E) Investment in human capital (recruiting of diverse human resources, investment in education and training, and improvement of employee engagement)

(F) Environmental initiatives (aiming for carbon neutrality by 2050)

- In addition to the above, the Company has implemented various initiatives to contribute to the enhancement of corporate value in light of changes in the competitive environment surrounding the semiconductor and electronic parts trading industry. Specifically, since August 2024, the Company has concluded distributorship agreements with multiple major semiconductor and electronic parts manufacturers in Japan and overseas with the aim of creating and expanding new core products. In October 2024, the Company concluded a capital and business alliance agreement with Restar for the purpose of technical collaboration such as the mutual provision of products and software development, as well as collaboration in the EMS business. In June 2025, with the aim of expanding the sales territory and developing and creating new business areas, the Company made SHIMIZUSYNTEC, which has a strong sales foundation in the Hokuriku region and expertise in developing system solutions utilizing IT and DX technologies, a wholly-owned subsidiary. At the board of directors' meeting held on December 11, 2025, the Company resolved to implement an absorption-type merger effective as of April 1, 2026, with Novalux Japan Co., Ltd., a wholly-owned subsidiary of the Company that engages in the contract development, sales and maintenance services of hardware, software and peripheral devices, as the dissolving company, with the aim of optimizing management resources and integrating group functions. Furthermore, as part of the measures to achieve management with an awareness of capital cost and stock price, the Company has been promoting flexible capital policies, including the implementation of a tender offer for treasury shares from November 1, 2024 to December 2, 2024, and an announcement on June 12, 2025 of the establishment of a maximum limit for acquisition of treasury shares, with the aim of improving the Company Group's capital efficiency and returning profits to shareholders. Furthermore, since April 2024, the Company has intermittently engaged in discussions with Murakami Parties, who are shareholders of the Company, regarding the semiconductor and electronic components trading industry, the Company's business trends, and the direction the Company should take. Specifically, following the Company's announcement in April 2024 of the termination of its distribution agreement with Renesas, one of its major suppliers, Murakami Parties requested a meeting with the Company in the same month, and the Company accordingly held such meeting. During that meeting, Murakami Parties expressed their view that they appreciate the Company's management having a strong will to improve the current situation, that an MBO by the Company's management could be one option, and that, if an MBO were implemented, they would be prepared to actively and flexibly provide financial support in connection with the going-private transaction. Murakami Parties also stated that, because they believe that industry consolidation aimed at strengthening competitiveness through scale expansion in the semiconductor and electronic components trading industry may contribute to the development of the industry, they are willing to cooperate in such efforts, and that alliances with other companies in the same industry could also be an option as part of initiatives that would contribute to enhancing the Company's corporate value. In response, the Company carefully considered these proposals and views as reference points; however, the Company recognizes that, in obtaining new transactions from overseas suppliers and maintaining existing transactions, the status of being a listed company tends to be taken into account to some extent. In addition, from the perspective of securing outstanding talent, social credibility is important, and the Company believed that maintaining the social status and recognition of being a stable company listed on the Tokyo Stock Exchange Prime Market would be necessary for enhancing the Company's corporate value in the future. Accordingly, the Company held another meeting with Murakami Parties in May 2024 and conveyed that, at present, the option of going private through an MBO could not be adopted. During that meeting, Murakami Parties respected the Company's views and indicated their intention to provide support for industry consolidation as necessary, as well as their desire to continue discussions going forward. The Company also explained to Murakami Parties that, based on its recognition that certain movements in the semiconductor and electronic components trading industry are expected in the future, it would continue to consider various options, including M&A. Through these discussions with Murakami Parties, the Company came to deepen its understanding of the importance of strengthening competitiveness through scale expansion, as well as the effectiveness of alliances with other companies in the same industry as a means to achieving such scale expansion, both of which have been repeatedly suggested by Murakami Parties, and came to recognize such alliances as a promising means of enhancing the Company's corporate value. Thereafter, the Company has continued to engage in intermittent discussions with Murakami Parties regarding enhancement of the Company's corporate value and the business environment. It should be noted that the Company informed Murakami Parties of the Transaction on April 7, 2026, and no specific discussions or negotiations regarding the Transaction had taken place with Murakami Parties prior to that date.

- The Company's recognition of the business environment and management issues described above contains no unreasonable points and is considered to be consistent with matters generally described as the environment of the industry and market in which the Company operates. Accordingly, although it is necessary to consider, on a case-by-case basis, the risks associated with, and the disadvantages accompanying, such measures, taking measures to contribute to the above business environment and management issues (including, but not limited to, M&A) can generally be considered to address to the enhancement of the Company's corporate value.

(2) Expected synergies from the Transaction

- According to the Offeror, the synergies expected by the Offeror from the Transaction include: (i) mutual complementation of product lineups; (ii) mutual complementation of sales channels and strengthening of sales capabilities by leveraging the technical expertise of both groups; (iii) strengthening of the Company Group's assembly (EMS) business by utilizing the Offeror Group's manufacturing bases and procurement capabilities; and (iv) exploration of new business opportunities with the Offeror Group's CVC (Corporate Venture Capital) business.
- As synergies expected by the Company from the Transaction, the Company expects the following: (i) expanding product lineups through mutual complementation of suppliers; (ii) expansion of end markets and overseas sales channels by leveraging the Offeror's customer base and global network; (iii) strengthening assembly (EMS) business by leveraging the Offeror's global manufacturing network; (iv) business expansion in high-value-added fields such as software, AI, and Digital Transformation (DX); and (v) strengthening of the organizational structure through recruitment activities conducted in collaboration with the Offeror and personnel exchanges within the group.

- The expected synergies described above do not appear to contain any mutually contradictory points or any points that are clearly contrary to objective facts, and are considered to be reasonable.
- In addition, the decision to seek to resolve the management issues through the Transaction, rather than through other methods, is considered to be reasonable.
- With respect to business disadvantages or dis-synergies that may arise from becoming part of the Offeror Group, in cases where the Company Group and the Offeror Group handle competing products sourced from different suppliers, such a situation may adversely affect relationships or transactions with such suppliers from the perspective of managing technical information and other such information. However, since the Company intends to maintain business relationships with suppliers even after becoming part of the Offeror Group through the development and operation of appropriate measures, including the separation of legal entities and the establishment of firewalls to enhance information management within the group, the Company believes that any adverse impact on the existing businesses of both companies will be limited. Furthermore, from the perspective that it is necessary to maximize the synergies expected from the Transaction as described above in order to enhance the Company's corporate value through the Transaction, the Company plans to terminate the capital and business alliance with Restar under the capital and business alliance agreement concluded on October 31, 2024. The Company expects that the impact of such termination of the capital and business alliance on business performance, etc. will be limited, and also recognizes that the enhancement of corporate value resulting from the synergies expected from the Transaction will outweigh such impact on business performance, etc. Furthermore, although delisting may potentially have disadvantages, such as impacts on the name recognition and credibility the Company has enjoyed as a listed company, as well as on its ability to attract talent, taking into account the brand strength and name recognition the Company Group has built through its long-standing business activities to date, and the synergies in the talent strategy described above, in addition to leveraging the Offeror's credibility, the Company does not believe that the maintenance of relationships of trust with numerous stakeholders, including business partners, would be hindered, and recognizes that such disadvantages will be limited. There are no unreasonable points in the foregoing, and there are no circumstances that would be recognized as a material impediment to the enhancement of the Company's corporate value through the Transaction.
- Based on the foregoing facts, the synergies expected from the Transaction can be considered reasonable, there are no contradictions or inconsistencies between the assumptions of the Offeror and those of the Company, and the implementation of the Transaction is recognized as contributing to the resolution of the management issues recognized by the Company. In addition, the reasons explained for pursuing the Transaction, rather than a bold business transformation while maintaining the Company's listing status, delisting through M&A with other alliance partners, or other methods such as share consolidation or share exchange, are also recognized as reasonable, and it is considered appropriate to proceed with the Transaction. Furthermore, no circumstances are recognized that would constitute a material impediment to the enhancement of the Company's corporate value through the Transaction. Accordingly, the Transaction contributes to the enhancement of the Company's corporate value, and the purpose of the Transaction is recognized as being legitimate and reasonable.

2. Whether the reasonableness of the terms and conditions of the Transaction has been ensured (including whether the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other terms and conditions of the Transaction are reasonable)

(1) Ensuring the negotiation process
- The Company and the Special Committee, based on advice from their respective advisors and the results of the valuation of the Company Shares and other factors, confirmed that they would conduct discussions and negotiations with the Offeror based on the basic policies of (A) setting the Tender Offer Price at a price supported by the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) to be obtained by the Company and the Special Committee, and (B) setting the Tender Offer Price at an amount as favorable as possible for

the general shareholders.

- The background of negotiations regarding the Tender Offer Price is that the Company, by discussing individual response details in advance with the Special Committee and responding based on the contents approved by the Special Committee, or by responding in accordance with negotiation policies predetermined by the Special Committee, conducted the price negotiations while giving maximum respect to the opinions of the Special Committee, and the price negotiations were consistently conducted with the Special Committee being substantively involved throughout the entire price negotiation process with the Offeror. Through such negotiation process, after the Offeror made its initial proposal at JPY 1,420, the Company secured increases in the proposed price five times, and the final Tender Offer Price was JPY 1,580, representing an increase of as much as JPY 160 from the initial proposed price. As described above, in light of the facts that the Special Committee was substantively involved in the price negotiations through the methods recommended in the M&A Guidelines, that the Company conducted the price negotiations while giving maximum respect to the opinions of the Special Committee, resulting in a substantial increase from the initial proposed price, and that, as described in (2) below, the Tender Offer Price (i) exceeds the upper limit of the range of the per-share value of the Company Shares calculated by the market price analysis, (ii) the upper limit of the range of the per-share value of the Company Shares calculated by the comparable company analysis, and (iii) at a level close to the median of the range of the per-share value of the Company Shares calculated by the DCF analysis, as set forth in the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), it is recognized that, in accordance with the policies confirmed by the Company and the Special Committee, negotiations were conducted with the aim of (A) setting the Tender Offer Price at a price supported by the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) to be obtained by the Company and the Special Committee, and (B) setting the Tender Offer Price at an amount as favorable as possible for the general shareholders. Accordingly, it can be said that, in the process of consultations and negotiations with the Offeror regarding the terms and conditions of the Transaction, a situation was secured in which reasonable efforts were made to ensure that the M&A would be conducted on transaction terms and conditions that would enhance corporate value while being as favorable as possible for the general shareholders.

(2) Relationship between the share valuation and the Tender Offer Price

- The Business Plan has been prepared on a standalone basis, without assuming the implementation of the Transaction, as the Company's financial projections for the fiscal years ending March 2027 through March 2029. In addition, there is no indication that the Offeror or any of its related parties were involved in, or exerted influence over, the preparation of the Business Plan. Although the Company provided the Offeror with certain explanations regarding the Business Plan during negotiations, there is no indication that the Business Plan was prepared or revised at the instruction of, or in deference to the intentions of, the Offeror. Furthermore, the Special Committee requested that the Company provide the Special Committee with detailed explanations regarding the basis for the Business Plan and related matters at the meetings of the Special Committee. Based on such request, the Company was given an opportunity to explain the Business Plan to the Special Committee at the Fourth, Fifth, and Sixth Meetings, and question-and-answer sessions were held; however, no circumstances requiring revision of the Business Plan or otherwise casting doubt on the reasonableness of the Business Plan were identified in the course thereof. In addition, the following points were also confirmed, and it was likewise confirmed that these matters did not involve artificially depressing the plan or adopting excessively conservative assumptions, and that their reasonableness was confirmed.
    - ➢ Taking into account recent changes in the business environment and other factors, such as (i) an increase in the proportion of net sales accounted for by products with relatively low profit margins such as liquid crystals, and (ii) the prospect of continued increases in selling and general administrative expenses, which have increased more than anticipated due to recent price trends, wage increases, and other factors, certain downward revisions have been made to net sales and net income for the current period.

Consequently, the earnings projections for the fiscal year ending March 2028 in the Company's financial forecasts constitute a numerical plan that differs from the key management indicators for the same fiscal year set forth in the Company's Medium-Term Management Plan.

  - The Business Plan includes fiscal years in which significant increases or decreases in profit and free cash flow are expected. Specifically, in each of the fiscal years ending March 2027, March 2028, and March 2029, significant year-on-year increases in operating profit are expected (approximately 55% for the fiscal year ending March 2027, approximately 90% for the fiscal year ending March 2028, and approximately 40% for the fiscal year ending March 2029), driven by a recovery in sales centered on liquid crystal and semiconductor-related products, etc. In addition, due to the increase in operating profit, significant year-on-year increases in EBITDA are also expected (approximately 35% for the fiscal year ending March 2027, approximately 85% for the fiscal year ending March 2028, and approximately 40% for the fiscal year ending March 2029). Furthermore, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected (a decrease of approximately 450% year on year) due to an increase in working capital accompanying the recovery in sales, and in the fiscal years ending March 2028 and March 2029, a reduction in the free cash flow deficit is expected (an increase of approximately 40% year on year for the fiscal year ending March 2028 and approximately 55% year on year for the fiscal year ending March 2029) due to the stabilization of the sales recovery level and increases in profit levels.

- Based on the foregoing, with respect to the Business Plan, no facts are recognized indicating that any pressure from the Offeror was involved in the formulation process thereof, nor are any aspects recognized in which the contents would constitute unreasonable projections.
- The valuation methods adopted by Mitsubishi UFJ Morgan Stanley Securities are valuation methods for assessing corporate value on a going-concern basis, specifically consisting of market price analysis, comparable company analysis, and DCF analysis. A combination of valuation methods based on the market share price and identifying the upper limit of valuation through DCF analysis that incorporates the present value of future cash flows into the valuation is consistent with the standard approach to corporate valuation and is reasonable.
- In the market price analysis, the share price was calculated using the closing price on the business day immediately preceding the announcement date of the Transaction as the base date, as well as the simple average closing prices for the preceding five business days, one month, three months, and six months from the base date. It is common to adopt these values in the market price analysis, and no unreasonable points are found in the calculation under the market price analysis.
- With respect to the comparable company analysis, the Company's share value was calculated through comparisons with the market prices and financial indicators of listed companies engaged in businesses relatively similar to those of the Company. Mitsubishi UFJ Morgan Stanley Securities provided an explanation that such comparable companies were selected taking into account the Company's own recognition and market evaluation, and there are no particularly unreasonable points in such explanation. Accordingly, the price range calculated based on the respective multiples of such comparable companies is determined to be sufficiently reasonable.
- With respect to the DCF analysis, if figures were manipulated arbitrarily or unreasonable assumptions were adopted in any of the calculation elements, the final calculation result could vary significantly. From this perspective, the calculation process was confirmed with Mitsubishi UFJ Morgan Stanley Securities; however, no arbitrary manipulation of figures or adoption of unreasonable assumptions that should particularly be pointed out was observed with respect to the various calculation bases adopted in the DCF analysis.
- As described above, no unreasonable points were found in the selection of the market price analysis, comparable company analysis, and DCF analysis, as well as in the respective valuation methods and calculation bases thereof, and the Special Committee found that it could rely on the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) prepared by Mitsubishi UFJ Morgan Stanley Securities when considering the share value of

the Company Shares.

- The Tender Offer Price of JPY 1,580 per share is considered to (i) exceed the upper limit of the range of the per-share value of the Company Shares calculated by the market price analysis, (ii) exceed the upper limit of the range of the per-share value of the Company Shares calculated by the comparable company analysis, and (iii) be at a level close to the median of the range of the per-share value of the Company Shares calculated by the DCF analysis.
- Of the tender offers announced on or after August 31, 2023, the date on which the Ministry of Economy, Trade and Industry published the Guidelines for Corporate Takeovers, that involved tender offers conducted for the purpose of taking a company private (excluding MBO transactions) and where the target company expressed its support for the tender offer and recommended that shareholders tender their shares, in comparison with the premium levels (the median premium of 41.85% over the closing price on the Business Day Preceding the Announcement, the median premium of 43.24% over the simple average of the closing prices for the one-month period up to and including the same date, the median premium of 44.69% over the simple average of the closing prices for the three-month period up to and including the same date, and the median premium of 43.85% over the simple average of the closing prices for the six-month period up to and including the same date) observed in 156 precedent transactions completed by May 2, 2026, the premium level of the Tender Offer Price is below each of those median levels. However, the market price of the Company Shares had basically continued to rise from March 24, 2026 to May 7, 2026, and the closing price on May 7, 2026 reached JPY 1,740, the highest level in the past ten years, rapidly surging by 57.75% from JPY 1,103 to JPY 1,740 during such period. While the cause of such market price movements is not clear, price fluctuations that are difficult to explain on a rational basis have been observed even in light of the historical market price movements of the Company Shares, and taking into consideration that it cannot be ruled out that speculative purchases reflecting expectations of the possible implementation of a tender offer involving taking a company private or other business reorganization, integration, and the like may have occurred, it cannot be ruled out that, for approximately the one-month period prior to the announcement date (from March 24, 2026 onward), the market price of the Company Shares was temporarily formed under the influence of stock market developments that are difficult to explain on a rational basis. Based on the foregoing, it is considered that undue emphasis should not be placed on comparisons of the Tender Offer Price with the closing price of the Company Shares on the Business Day Preceding the Announcement or the average closing price of the Company Shares for the one-month period up to and including such day. Furthermore, given that the Tender Offer Price represents a price that adds a premium of 21.91% over the average closing price of the Company Shares of JPY 1,296 for the most recent three-month period up to and including the Business Day Preceding the Announcement and a premium of 34.81% over the average closing price of the Company Shares of JPY 1,172 for the most recent six-month period up to and including the Business Day Preceding the Announcement, the Tender Offer Price is considered to have a certain degree of reasonableness from the perspective of providing the Company's general shareholders with an opportunity to recover their investment and cannot be considered to lack reasonableness. However, because the Tender Offer Price cannot be considered to include a sufficient premium as compared to premium levels in precedent transactions involving taking a company private, it cannot be considered to have reached a price level at which the Company can actively recommend that shareholders tender their shares in the Tender Offer.
- Although the Tender Offer Price is approximately 11.14% (rounded to two decimal places) below the per-share net asset amount (JPY 1,778) calculated from the Company's consolidated book-value net assets as of March 31, 2026 (excluding non-controlling interests), such net asset amount represents a theoretical liquidation value of a company and does not reflect future profitability; accordingly, it is not considered reasonable to place emphasis on it in valuing the corporate value of the Company as a going concern. In addition, taking into account that a liquidation would be expected to give rise to additional costs, including expenses and losses associated with the early collection of trade receivables,

premium severance pay to employees, and professional fees (such as attorneys' fees) for liquidating a business, including overseas subsidiaries, the Company's liquidation value would, in practical terms, not be converted at an amount equal to its consolidated book-value net assets and would be expected to be materially impaired (noting that, because the Company does not contemplate liquidation, it has not obtained estimates or performed specific calculations or other actions premised on liquidation). Accordingly, the Company considers it difficult to adopt the view that the consolidated book-value net assets per share constitute the minimum fair value of the Company Shares, nor does it consider it reasonable, in valuing the Company Shares as a going concern, to place emphasis on valuation methodologies premised on liquidation.

- In the Transaction, it is contemplated that a Tender Offer will be conducted in the first step and the Squeeze-out Procedures will be conducted in the second step, and that it will not be effected through organizational restructuring such as a share exchange. The contemplated structure of the Transaction is a method generally adopted in this type of going-private transaction, and in either procedure in the second step, it is possible to file a petition to the court for a determination of the sale price or a petition for a price determination following a share purchase demand. In addition, the method of the Transaction is desirable because the consideration to be received by shareholders consists of cash, which makes the consideration easy to understand and gives it a high degree of stability and objectivity in value. It is also considered more desirable than organizational restructuring such as a share exchange in which shares, etc. are used as consideration, because it can both facilitate the prompt conversion of the Company into a wholly-owned subsidiary and secure an opportunity and sufficient time for the general shareholders to make appropriate decisions based on sufficient information. According to the Tender Offer Registration Statement, when the Squeeze-out Procedures are implemented, the cash to be delivered to the Company's shareholders as consideration is scheduled to be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each shareholder (excluding the Offeror and the Company). Furthermore, in the Tender Offer, no upper limit has been set on the number of shares to be purchased, and it is recognized that there is little concern regarding coerciveness. Accordingly, the adoption of a two-step acquisition structure involving a Tender Offer as the acquisition method and cash as the acquisition consideration is recognized as reasonable (M&A Guidelines 3.2.2).
- As described above, on the premise of the reasonableness of the status of the negotiations and the scheme, etc. of the Transaction, it is recognized that the terms and conditions of the Transaction (including the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other terms and conditions of the Transaction) are not lacking in reasonableness. However, it is not recognized that the Tender Offer Price has reached a level at which tendering shares in the Tender Offer can be actively recommended, and therefore it cannot be said that the Company's shareholders should be recommended to tender their shares in the Tender Offer.

3. Whether the fairness of the procedures for the Transaction has been ensured

(1) Establishment of a special committee and procurement of a report from a special committee

The Special Committee has performed the roles that a special committee is expected to fulfill under the M&A Guidelines (specifically, (I) examining and determining whether the M&A contributes to the enhancement of the corporate value of the target company, and (II) from the perspective of protecting the interests of general shareholders, examining and determining (i) the appropriateness of the transaction terms and (ii) the fairness of the procedures).

- Following receipt of the Letter of Intent from the Offeror on December 18, 2025, the Special Committee was established on January 16, 2026, and the first committee meeting was held on the same date. Accordingly, the Special Committee was established as promptly as practicable after receipt of the acquisition proposal from the acquirer.
- The members of the Special Committee consist of four independent outside directors (including three directors who are members of the audit and supervisory committee), and it has been confirmed that each member is independent from the Offeror and the success or

failure of the Transaction.

- The Special Committee confirmed in advance the policy regarding negotiations concerning the Tender Offer Price and other transaction terms relating to the Transaction, received timely reports regarding the status thereof, expressed opinions at important stages, and issued instructions and requests, thereby being granted authority to be materially involved in the negotiation process concerning the transaction terms of the Transaction and ensuring that it could materially influence the negotiation process relating to the transaction terms.
- The Special Committee was granted authority by the Company's Board of Directors to appoint its own Advisors (provided, however, that where the Special Committee determines that the Company's Advisors possess a sufficient expertise and have no issues regarding independence, such that the Special Committee may rely on and seek professional advice from the Company's Advisors, the Special Committee may seek professional advice from the Company's Advisors. In addition, the Company shall bear the costs relating to professional advice provided by the Advisors to the Special Committee). In this regard, (i) at the first committee meeting, the Special Committee confirmed that there were no issues regarding the independence and expertise of Mitsubishi UFJ Morgan Stanley Securities, the Company's financial advisor and third-party valuation agency, and approved such firm as the Company's financial advisor and third-party valuation agency, and further, (ii) at the first committee meeting, the Special Committee verified the high level of expertise and independence of Anderson Mori & Tomotsune, the Company's legal advisor, approved such firm as the Company's legal advisor, and confirmed that the Special Committee would seek professional advice from such firm as necessary.
- The Special Committee has collected information necessary for its consideration and determination by, among other things, sending questionnaires to the Offeror and receiving responses thereto, sending questionnaires to the Company, receiving explanations from the Company's management, and requesting the provision of information.
- Compensation for the members of the Special Committee consists of a fixed amount only, and no success fee arrangement has been adopted.
- The Company's Board of Directors has resolved that decisions relating to the Transaction at the Company's Board of Directors shall be made with maximum respect for the determinations of the Special Committee and, in particular, that if the Special Committee determines that the transaction terms relating to the Transaction are not appropriate, the Company's Board of Directors shall not support the Transaction based on such transaction terms.

(2) Decision-making process

- The Company's Board of Directors is scheduled to adopt a resolution with the unanimous approval of all 11 disinterested directors (including four directors who are members of the audit and supervisory committee), to express an opinion in support of the Tender Offer and to leave the decision as to whether to tender shares in the Tender Offer to the shareholders of the Company.
- In addition, the Company has established the Special Committee and intends to obtain its opinion. Further, the Company's Board of Directors has resolved that decisions shall be made with maximum respect for the determinations of the Special Committee and, in particular, that if the Special Committee determines that the transaction terms relating to the Transaction are not appropriate, the Company's Board of Directors shall not support the Transaction based on such transaction terms. In light of these circumstances, it is considered that arbitrariness in the Company's decision-making relating to the Transaction has been eliminated and that the fairness, transparency, and objectivity of the decision-making process have been ensured. Accordingly, no circumstances giving rise to concerns regarding the fairness of the Company's decision-making process have been identified.

(3) Receipt of advice from an independent legal advisor

- In order to ensure the fairness and appropriateness of decision-making by the Company's Board of Directors regarding the Transaction, including the Tender Offer, the Company has received advice from Anderson Mori & Tomotsune, a legal advisor independent of the Offeror, the Company, and the success or failure of the Transaction, regarding the establishment of the

Special Committee, the selection of its members, and other measures to ensure fairness. In addition, at the first committee meeting, the Special Committee confirmed that there were no issues regarding the independence and expertise of Anderson Mori & Tomotsune, the Company's legal advisor, and confirmed that the Special Committee would seek professional advice from such firm as necessary, and in fact received such advice. Accordingly, it is recognized that both the Company and the Special Committee received professional advice from a legal advisor from the initial stages of the review process relating to the Transaction.

(4) Obtaining of a stock valuation report from an independent third-party valuation agency

- In order to ensure the appropriateness of the Tender Offer Price, the Company has obtained the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) from Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation agency independent of the Offeror, the Company, and the success or failure of the Transaction, as materials concerning the per-share value of the Company Shares. As detailed in 2. above, the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) adopts multiple valuation methods and reflects consideration to avoid arbitrary valuation. In addition, no facts have been identified indicating arbitrary conduct by officers or employees of the Offeror or the Company in the preparation of the Business Plan forming the basis for the valuation, nor have any circumstances been identified that would cast doubt on the fairness of the valuation. Accordingly, the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) is recognized as a stock valuation report prepared by an independent third-party valuation agency. Although the Company has not obtained a fairness opinion, the M&A Guidelines do not require the acquisition of a fairness opinion, and because the Transaction is conducted between independent parties and is not a transaction that inherently entails structural conflicts of interest, and in light of the other fairness ensuring measures implemented, there are considered to be no issues from the perspective of fairness in the Company's determination to support the Transaction based on the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities).

(5) Ensuring objective conditions to guarantee the fairness of the Tender Offer

- The Tender Offer Period is scheduled to be 30 business days, which is longer than the statutory minimum period of 20 business days. By setting the Tender Offer Period longer than the statutory minimum period in this manner, the Company's shareholders are provided with an appropriate opportunity to determine whether to tender shares in the Tender Offer, and opportunities for competing offers are ensured. The Offeror and the Company have not entered into any agreement, including any transaction protection clause that would prohibit the Company from contacting the Competing Offerors, or any agreement that would restrict the Competing Offerors from contacting the Company. In such manner, by setting the Tender Offer Period as described above and ensuring opportunities for Competing Offers, it is recognized that the Offeror and the Company have taken measures to secure the fairness of the Tender Offer.

(6) Market check

- By setting the Tender Offer Period at 30 business days and by not entering into any agreement containing transaction protection provisions or otherwise restricting the Competing Offerors from contacting the Company, a so-called indirect market check has been implemented in the Transaction by creating an environment in which other potential acquirers may make competing proposals after public announcement of the Transaction (M&A Guidelines 3.4.2). In the Transaction, an active market check (including bidding procedures conducted prior to public announcement of the Transaction) to investigate and consider the existence of potential acquirers in the market has not been implemented in light of practical concerns such as information management. However, considering the various measures implemented to ensure the fairness of the Transaction, including the Tender Offer, and the specific circumstances of the Transaction, it is considered that the fairness of the Transaction would not be impaired even if such active market check were not implemented.

(7) Majority of Minority

- According to the Tender Offer Notification, the Offeror intends to set the minimum number of shares to be purchased in the Tender Offer at a number exceeding the sum of (i) the number of shares obtained by dividing by two the number of Company Shares calculated by deducting the number of Company Shares owned by the Tender Offeror (515,000 shares) and the number of Company Shares owned by the Tender Shareholders (the "Number of Tendered Shares") (8,900,700 shares) from the Reference Share Number (20,196,899 shares), namely (10,098,450 shares (rounded up to the nearest whole number), Ownership Ratio: 34.10%), and (ii) the Number of Tendered Shares (8,900,700 shares), resulting in (18,999,150 shares, Ownership Ratio: 64.16%). According to the Offeror, this means that the number obtained by subtracting the Number of Tendered Shares from the minimum number of shares to be purchased exceeds the majority of the number of the Company Shares held by shareholders who do not have a material conflict of interest with the Offeror, i.e., the number corresponding to the "Majority of Minority." Accordingly, completion of the Tender Offer requires the support (through tendering) of a majority of the general shareholders who have no conflicts of interest in the Tender Offer, thereby placing greater emphasis on securing opportunities to make appropriate decisions by general shareholders and contributing to the implementation of the M&A transaction on transaction terms as favorable as possible for general shareholders (M&A Guidelines 3.5.1).

(8) Enhancement of information disclosure to general shareholders and improvement of process transparency

- The M&A Guidelines recommend providing important information that assists general shareholders in determining the appropriateness of transaction terms and other matters, and specifically contemplate enhanced disclosure regarding matters such as information concerning special committees and stock valuation reports.
- In the Transaction, it is planned that the Tender Offer Notification and the Company's press release expressing its opinion will provide enhanced disclosure regarding, among other matters, the details of the authority granted to the Special Committee, the review process of the Special Committee and its involvement in negotiations concerning transaction terms with the Offeror, the contents of the Written Report and the compensation structure for members of the Special Committee, an overview of the Stock Valuation Report (Deloitte Tohmatsu), and the process and negotiation history leading to implementation of the Transaction. Accordingly, it is recognized that important information assisting shareholders of the Company in determining the appropriateness of the transaction terms will be provided.

(9) Elimination of coerciveness

- According to the Tender Offer Notification, the Offeror (i) intends to, depending on the number of shares acquired by the Offeror through the completion of the Tender Offer, promptly after the settlement of the Tender Offer, make the demand for sale of all Company Shares (excluding, however, the Company Shares directly owned by the Offeror and treasury shares owned by the Company) or request the Company, at the extraordinary general Shareholders meeting, to include in the agenda a proposal to implement a share consolidation and a proposal for a partial amendment of the articles of incorporation to abolish the provision regarding the minimum trading unit, subject to the implementation of the share consolidation and upon the share consolidation becoming effective, thus not adopting any method that does not secure the Company's shareholders' right to request an appraisal or to file a petition for price determination, and (ii) clarified that, upon the demand for sale of shares or the share consolidation, the cash to be delivered to the Company's shareholders as consideration will be calculated to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each such shareholder (excluding the Offeror and the Company). Accordingly, it is recognized that the opportunity has been ensured for the Company's shareholders to make an appropriate decision regarding whether to tender their shares in the Tender Offer, thereby taking care to prevent coerciveness (M&A Guidelines 3.7).

(10) Summary

- As described in (1) through (9) above, in the Transaction, (i) circumstances ensuring that the process for forming the transaction terms can substantively be regarded as a transaction between independent parties have been secured, and (ii) comprehensive fairness-ensuring measures have been adopted and effectively implemented from the perspective of securing opportunities for general shareholders to make appropriate decisions based on sufficient information. Accordingly, it is concluded that the fairness of the procedures relating to the Transaction, including the Tender Offer, has been ensured.

4. Based on 1. through 3. Above, whether the Transaction may be disadvantageous to the Company's general shareholders (which is synonymous with "minority shareholders" under Article 441-2 of the TSE Securities Listing Regulations)

・ As a result of the review by the Special Committee, the Special Committee found no issue with the Matters for Inquiry 1. through 3. Accordingly, regarding the Matters for Inquiry 4., the Special Committee hereby states that the decision to implement the Transaction is not disadvantageous to the general shareholders of the Company.

5. Whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend the Company's shareholders to tender their shares in the Tender Offer

・ As examined under the Matters for Inquiry 1 through 4, it is reasonable for the Company's Board of Directors to express an opinion in favor of the Tender Offer. However, while the Tender Offer Price is reasonable to a certain extent from the perspective of providing the Company's general shareholders with an opportunity to recoup their investment and is not deemed as inappropriate, it cannot be concluded that the Tender Offer Price is at a level where it can be recommended that the Company's shareholders tender their shares in the Tender Offer. Thus, the Special Committee considers that it cannot actively recommend that the Company's shareholders tender their shares in the Tender Offer and that it is reasonable to express an opinion to leave the decision whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders.

(iv) Background of review and details of decision regarding the Additional Written Report

As stated above in "(3) Details of the Company's Decision-Making" in "1. Reasons for the Share Consolidation", the Special Committee subsequently received a proposal from the Offeror regarding the Change in Tender Offer Conditions and, after deliberate discussion and reviews taking into account the advice from Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, submitted the Additional Written Report to the Company's Board of Directors as of July 17, 2026 with unanimous approval of the committee members. The details of Additional Written Report are as stated above in "(3) Details of the Company's Decision-Making" in "1. Reasons for the Share Consolidation.

(V) Unanimous approval of all disinterested directors (including directors who are members of audit and supervisory committee) of the Company

Based on the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) received from Mitsubishi UFJ Morgan Stanley Securities, and legal advice given by Anderson Mori & Tomotsune, while giving the utmost consideration to the contents of the Written Report, the Company has carefully discussed and considered whether the Transaction including the Tender Offer would contribute to the enhancement of the Company's corporate value and whether the terms of the Transaction including the Tender Offer Price are fair and reasonable.

As a result, as stated in "(3) Details of the Company's Decision-Making" in "1. Reasons for the Share Consolidation" above, having determined that the Transaction would contribute to the enhancement of the Company's corporate value through the synergy effects described above and that the Tender Offer Price is appropriate and provides the Company's general shareholders with a reasonable opportunity to sell their shares, the Company has resolved at the Board of Directors meeting held on May 15, 2026 to express its approval of the Tender Offer and to leave the decision whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders.

At the Board of Directors meeting described above, following discussion by 11 directors (including those who also serve as members of the audit and supervisory committee), the Board of Directors expressed an unanimous approval of the Tender Offer and resolved to leave the decision whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders. Among the 11 directors who attended the aforementioned Board of Directors meeting, none of them has particular conflicts of interest, such as holding concurrent positions with the Offeror.

Subsequently, as stated in "(3) Details of the Company's Decision-Making" in "1. Reasons for the Share Consolidation" above, at the Board of Directors meeting held on July 17, 2026 taking into account the Additional Written Report, following discussion by 11 directors (including those who also serve as members of the audit and supervisory committee), the Board of Directors resolved to continue to express an unanimous approval of the Tender Offer even in light of Change in Tender Offer Conditions and to leave the decision whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders. Among the 11 directors who attended the aforementioned Board of Directors meeting, none of them has particular conflicts of interest, such as holding concurrent positions with the Offeror.

(VI) Ensuring objective conditions to guarantee the fairness of the Tender Offer

According to the Offeror, it has set the Tender Offer Period at 55 business days, which is longer than the statutory minimum of 20 business days (Article 27-2, Paragraph 2 of the Financial Instruments and Exchange Act; Article 8, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended)). By setting the Tender Offer Period longer than the statutory period, the Offeror intends to ensure that the Company's shareholders have adequate opportunity to make informed decisions regarding tendering their shares to the Tender Offer, and that persons other than the Offeror have an opportunity to make competing purchase offers, etc. thus ensuring the fairness of the Tender Offer.

The Offeror and the Company have not entered into any agreement, including any transaction protection clause that would prohibit the Company from contacting the Competing Offerors, or any agreement that would restrict the Competing Offerors from contacting the Company. In such manner, by setting the Tender Offer Period as described above and ensuring opportunities for competing offers, the Offeror and the Company have taken measures to secure the fairness of the Tender Offer.

Regarding the so-called aggressive market check (including the bidding procedures prior to the announcement of the Transaction), which investigates and reviews the existence of potential purchasers in the market, given the practical difficulties from the perspective of information management, the Special Committee determined that not conducting such market check would not be particularly detrimental to the fairness of the Transaction in light of the details of the various measures implemented to ensure the fairness of the Transaction, including the Tender Offer, and other specific circumstances of the Transaction.

(VII) Elimination of coerciveness

The Offeror requests the Company to, promptly after the settlement of the Tender Offer, conduct the Share Consolidation as part of the procedure to make the Company a wholly-owned subsidiary of the Offeror. Furthermore, the Offeror clarified that it would not adopt any method that does not secure the Company's shareholders' right to request an appraisal or to file a petition for price determination and that the cash to be delivered to the Company's shareholders as consideration upon the Share Consolidation will be calculated to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each such shareholder. Accordingly, it can be deemed that the Offeror is ensuring that the Company's shareholders have the opportunity to make an appropriate decision regarding whether to tender their shares in the Tender Offer, thereby taking care to prevent coerciveness.

4. Events Occurring After the End of the Most Recent Fiscal Year That Have a Material Impact on the Status of the Company's Property, Including Disposal of Important Property, Assumption of Material Obligations, and Other Similar Events

(1) The Tender Offer

As described in "1. Reasons for the Share Consolidation" above, the Offeror conducted the Tender

Offer, with the Tender Offer Period from May 18, 2026 to August 3, 2026, and, as a result, acquired 20,938,007 Company Shares as of August 10, 2026, the commencement date of settlement of the Tender Offer, and, together with the 515,000 Company Shares that the Offeror had owned prior to the commencement of the Tender Offer, came to own 21,453,007 Company Shares (Ownership Ratio: 72.45%).

(2) Revision of Dividend Forecast (No Dividend)

As announced in the "Notice Concerning Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2027" announced by the Company on July 14, 2026, at the meeting of the board of directors held on the same date, the Company resolved, subject to the completion of the Tender Offer, to revise the dividend forecast for the fiscal year ending March 2027 and not to pay an interim dividend or a year-end dividend for the fiscal year ending March 2027. For details, please refer to the relevant announcement.

(3) Cancellation of Treasury Shares

At the meeting of the board of directors dated September 7, 2026, the Company resolved to cancel 1,662,909 treasury shares of the Company as of October 30, 2026 (being the sum of 1,401,209 treasury shares held by the Company as of August 25, 2026 and the BBT-owned shares (259,900 shares) that are scheduled to be acquired by the Company without consideration by October 30, 2026, and restricted shares (1,800 shares)).

Such cancellation of treasury shares is subject to the approval and adoption, as originally proposed, at the Extraordinary General Shareholders Meeting of the proposal relating to the Share Consolidation, and the total number of issued shares of the Company after such cancellation will be 29,347,657 shares.

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Proposal

(1) If Proposal No. 1: Share Consolidation is approved and adopted as proposed at the Extraordinary General Shareholders Meeting, and if the Share Consolidation takes effect, the total number of shares authorized for issuance by the Company will be reduced to 12 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. To clarify this point, Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended, subject to the Share Consolidation taking effect.

(2) If Proposal No. 1: Share Consolidation is approved and adopted as proposed at the Extraordinary General Shareholders Meeting, and if the Share Consolidation takes effect, the Company Shares are expected to be delisted. As the Company Shares will no longer be tradable on the Tokyo Stock Exchange after delisting, Article 7 (Acquisition of Treasury Stock) of the Articles of Incorporation will be deleted, and the remaining articles will be renumbered accordingly.

(3) If Proposal No. 1: Share Consolidation is approved and adopted as proposed at the Extraordinary General Shareholders Meeting, and if the Share Consolidation takes effect, the total number of the issued shares of the Company will be 3 shares and there will be no need to specify a minimum trading unit. Accordingly, subject to the Share Consolidation taking effect, in order to abolish the stipulation regarding the minimum trading unit, which is currently set at 100 shares, Article 8 (Minimum Trading Unit), Article 9 (Rights Regarding Fractional Shares), and Article 12 (Request for Sale of Fractional Shares) of the Articles of Incorporation will be deleted, and the remaining articles will be renumbered accordingly.

(4) If Proposal No. 1: Share Consolidation is approved and adopted as proposed at the Extraordinary General Shareholders Meeting, the Company Shares will be delisted and the Offeror will be the sole shareholder of the Company. Accordingly, subject to the Share Consolidation taking effect, Article 14 (Record Date for Ordinary General Shareholders Meeting) and Article 16 (Measures for Electronic Provision, etc.) of the Articles of Incorporation will be deleted, and the remaining articles will be renumbered accordingly.

2. Details of Amendment to Articles of Incorporation

The details of the amendment are as follows. The amendments to the Articles of Incorporation shall become effective on November 2, 2026, the scheduled effective date of the Share Consolidation, subject to the approval and adoption, as originally proposed, of Proposal No. 1 at the Extraordinary General Shareholders Meeting and the Share Consolidation becoming effective.

(Underlined text indicates changes.)

Current Articles of Incorporation	After Amendment
Article 1 – Article 5 (omitted)	Article 1 – Article 5 (unchanged)
(Total Number of Authorized Shares) Article 6. The total number of authorized shares of the Company is 79,400,000 shares.	(Total Number of Authorized Shares) Article 6. The total number of authorized shares of the Company is 12 shares.
(Acquisition of Treasury Stock) Article 7. Pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its treasury shares by resolution of the Board of Directors.	(Deleted)
(Minimum Trading Unit) Article 8. The minimum trading unit number of the Company is 100 shares.	(Deleted)
(Rights Regarding Fractional Shares) Article 9. Shareholders of the Company may not exercise any rights other than those listed below with respect to fractional shares they hold. (1) The rights listed in the items of Article 189, Paragraph 2 of the Companies Act (2) The right to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act (3) The right to receive an allocation of shares offered for subscription and an allocation of stock acquisition rights in proportion to the number of shares held by the shareholder (4) The right to make a request as provided in Article 12	(Deleted)
Article 10 – Article 11 (omitted)	Article 7- Article 8 (Unchanged)
(Request for Sale of Fractional Shares) Article 12. Shareholders of the Company may, in accordance with the provisions of the Share Handling Regulations, request the sale of a number of shares that, when combined with the number of shares they hold that are less than one unit, equals one unit.	(Deleted)
Article 13 (omitted)	Article 9 (unchanged)
(Record Date for Ordinary General Shareholders Meeting)	(Deleted)

Article 14. The record date for voting rights at the Company's ordinary general shareholders meeting shall be March 31 of each year.	
Article 15 (omitted)	Article 10 (unchanged)
(Measures for Electronic Provision, etc.) Article 16. When convening a general shareholders meeting, the Company shall take measures to provide information contained in reference materials for the general meeting of shareholders, etc., electronically. (2) With respect to all or part of the matters subject to electronic provision as specified by Ministry of Justice Ordinance, the Company may omit such information from the documents delivered to shareholders who have requested delivery in writing by the record date for voting rights.	(Deleted)
Article 17 – Article 44 (omitted)	Article 11 – Article 38 (unchanged)

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