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May 15, 2026

To whom it may concern:

Company Name: Shinko Shoji Co., Ltd.
 Name of Representative: Tatsuya Ogawa, President/CEO and Representative Director
 (Securities code: 8141; Prime Market of the Tokyo Stock Exchange)
 Contact Person: Shuji Isshiki, Board Director
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Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.

Shinko Shoji Co., Ltd. (the “Company” or “we”) hereby announces that its board of directors, at its meeting held today, resolved to express its opinion in support of a tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by Kaga Electronics Co., Ltd. (the “Offeror”), and to leave the decision on whether to tender shares in the Tender Offer to the discretion of the shareholders of the Company, as detailed below.

Please note that the above resolution of the board of directors was adopted on the premise that the Offeror intends to take the Company Shares private and that the Company Shares will be delisted as a result of the Tender Offer and a series of subsequent procedures.

1. Outline of the Offeror

(1)	Name	Kaga Electronics Co., Ltd.	
(2)	Address	20 Kandamatsunagacho, Chiyoda-ku Tokyo	
(3)	Representative’s Title and Name	Ryoichi Kado, Representative Director, President and COO	
(4)	Business Activities	Electronic parts business Information equipment business Software business Other businesses	
(5)	Capital Stock	12,133 million yen (as of September 30, 2025)	
(6)	Date Established	September 12, 1968	
(7)	Major Shareholders and Shareholding Ratio (As of September 30, 2025)	The Master Trust Bank of Japan, Ltd. (Trust Account)	12.72%
		OKOZE CO., LTD.	7.72%
		KAGA ELECTRONICS Employee Shareowners Association	6.55%
		Custody Bank of Japan, Ltd.(Trust Account)	6.14%
		Isao Tsukamoto	3.05%
		THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.40%
		STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.15%
		STATE STREET BANK AND TRUST	1.96%

	COMPANY 505103 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1.93%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.71%
(8)	Relationship between the Company and the Offeror	
	Capital Relationship	The Offeror directly holds 515,000 shares of the Company Shares (Ownership Ratio: (Note 1) 1.74%).
	Personal Relationship	N/A
	Business Relationship	There is a business relationship regarding sales between the Company and the Offeror involving the mutual purchase and sale of semiconductors and electronic parts.
	Applicability of Related Party	N/A

(Note 1) “Ownership Ratio” means the ratio 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 “Financial Results for the Fiscal Year Ending March 31, 2026 Based on Japanese GAAP (Consolidated)” (the “Company’s Financial Results”) (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) ; the same applies hereinafter with respect to the number of treasury shares owned by the Company) 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 Financial Results, as published by the Company on May 15 2026, which is rounded to the second decimal place. The same applies hereinafter with respect to the description of the Ownership Ratio.

2. Overview of purchase, etc.

Purpose of purchase	Making the Company a wholly-owned subsidiary
Period of purchase, etc.	From May 18 (Monday) to June 26, 2026 (Friday) (30 business days)
Price of purchase, etc.	1,580 yen per common share
Maximum number of shares planned for purchase	— (shares)
Minimum number of shares planned for purchase (Note 2)	19,226,700(shares)

(Note 2) With respect to the minimum number of shares planned for purchase, if the purchase is consummated, the ownership ratio of share certificates, etc. after the purchase will be 66.67%. This is calculated using as the denominator the number of voting rights (296,125 voting rights) represented by the Base Number of Shares.

3. Details of, and grounds and reasons for, our opinion on the Tender Offer

(1) Details of our opinion on the Tender Offer

The Company has adopted a resolution at the meeting of the board of directors held today to express an opinion in support of the Tender Offer, to leave the decision on whether to tender shares in the Tender Offer to the discretion of the shareholders of the Company, based on the grounds and reasons described in “(2) Grounds and reasons for our opinion on the Tender Offer” below.

Such resolution of the board of directors was adopted by the method described in “(V) Unanimous approval of all disinterested directors (including directors who are members of audit and supervisory committee) of the Company” of

“(3) Measures for Ensuring the Fairness of the Tender Offer” below.

(2) Grounds and reasons for our opinion on the Tender Offer

Descriptions related to the Offeror in the grounds and reasons for our opinion on the Tender Offer are based on the explanation received from the Offeror.

(I) Tender Offer Overview

According to the Offeror, the Offeror is a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”) as of the date of this document, and the Offeror’s group consists 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 (collectively, the “Offeror Group”) as of the date of this document. Its main business activities include the electronic parts business, the information equipment business, the software business, and other businesses.

According to the Offeror, by resolution of the board of directors meeting held on May 15, 2026, the Offeror decided to carry out the Tender Offer as part of a series of transactions (the “Transaction”) for the purpose of acquiring all of common shares of the Company listed on the Prime Market of the TSE (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.

As of today, the Offeror holds 515,000 shares of the Company Shares (Ownership Ratio: 1.74%).

According to the Offeror, upon the Tender Offer, the Offeror has reached an agreement (the “Tender Agreement (CI11 Parties)”) on May 15, 2026, with Ms. Aya Nomura, the Company’s second-largest shareholder (as of March 31, 2026; hereinafter the same applies to references to shareholder rankings) (number of shares owned: 2,868,900 shares; Ownership Ratio: 9.69%), City Index First Co., Ltd., the joint holder of Ms. Aya Nomura (meaning a joint holder defined in Article 27-23, paragraphs (5) and (6) of the Act) and the Company’s third-largest shareholder (“City Index First”) (number of shares owned: 2,044,700 shares; Ownership Ratio: 6.90%), and City Index Eleventh Co., Ltd. (collectively with Ms. Aya Nomura and City Index First, “CI11 Parties”) (number of shares owned: 100 shares; Ownership Ratio: 0.00%) to the effect that all of the Company Shares owned by CI11 Parties as of May 15, 2026 (total number of shares owned: 4,913,700 shares; Ownership Ratio: 16.59%) will be tendered in the Tender Offer.

In addition, according to the Offeror, upon the Tender Offer, on May 15, 2026, the Offeror has executed a tender agreement (the “Tender Agreement (Restar)”) with Restar Corporation (“Restar”), the Company’s fourth largest shareholder (number of shares owned: 1,550,000 shares; Ownership Ratio 5.23%), to the effect that all of the Company Shares owned by Restar Corporation as of May 15, 2026 will be tendered in the Tender Offer, a tender agreement (the “Tender Agreement (Kitai & Company)”) with Kitai & Company Ltd. (“Kitai & Company”), the Company’s fifth-largest shareholder (number of shares owned: 1,470,000 shares; Ownership Ratio: 4.96%), to the effect that all of the Company Shares owned by Kitai & Company as of May 15, 2026 will be tendered in the Tender Offer, and a tender agreement (the “Tender Agreement (Mr. Akio Kitai)”) with Mr. Akio Kitai, the Company’s seventh-largest shareholder (number of shares owned: 967,000 shares; Ownership Ratio: 3.27%), to the effect that all of the Company Shares owned by Mr. Akio Kitai as of the same date will be tendered in the Tender Offer, respectively.

According to the Offeror, as a result thereof, the Offeror has agreed with CI11 Parties, Restar, Kitai & Company, and Mr. Akio Kitai (collectively, the “Tender Shareholders”) to tender all of the Company Shares owned by the Tender Shareholders (total number of shares owned: 8,900,700 shares (the “Number of Tendered Shares”); Ownership Ratio: 30.06%) in the Tender Offer. For details of the Tender Agreement (CI11 Parties), the Tender Agreement (Restar), the Tender Agreement (Kitai & Company), and the Tender Agreement (Mr. Akio Kitai) (collectively, the “Tender Agreements”), please refer to “(6) Important agreements relating to the Tender Offer” below.

The Offeror said that it has set the minimum number of shares planned for purchase in the Tender Offer at 19,226,700 shares (Ownership Ratio: 64.93%), and that in the event that the total number of share certificates, etc. tendered in the Tender Offer (“Tendered Share Certificates, etc.”) does not reach the minimum number of shares planned for purchase

(19,226,700 shares), the Offeror will not purchase any of the Tendered Share Certificates, etc. Meanwhile, because the purpose of the Offeror is to make the Company a wholly-owned subsidiary of the Offeror by acquiring all of the Company Shares (excluding the Company Shares owned by the Offeror and the treasury shares owned by the Company), the Offeror said that it has not set the maximum number of shares planned for purchase in the Tender Offer, and as long as the total number of Tendered Share Certificates, etc. is at or above the minimum number of shares planned for purchase (19,226,700 shares), it will purchase all the Tendered Share Certificates, etc.. According to the Offeror, the minimum number of shares planned for purchase (19,226,700 shares) is obtained by deducting the Company Shares owned by the Offeror (515,000 shares) from the number of shares obtained by multiplying 100, which is the number of shares in one share unit of the Company, by two-thirds of the number of voting rights (296,125) attached to the Reference Share Number (197,417) (rounded up to the nearest whole number) (19,741,700 shares). According to the Offeror, the reason for setting such minimum number of shares planned for purchase is as follows: the object of the Transaction is to make the Company a wholly-owned subsidiary of the Offeror, and given that implementation of the procedures for consolidation of shares discussed below in “(II) Share Consolidation” of section “(4) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” will require a special resolution of a general shareholders meeting specified in the Companies Act (Act No. 86 of 2005; as amended; “Companies Act”), Article 309, Paragraph 2, the minimum number of shares planned for purchase was set to satisfy such requirement by holding two-thirds of the total voting rights of all shareholders of the Company following the Tender Offer in order to make it certain that the Transaction can be implemented.

According to the Offeror, if it is unable to acquire all of the Company Shares (excluding the Company Shares owned by the Offeror and the treasury shares owned by the Company) through the Tender Offer, after the Tender Offer is completed successfully, it will carry out a series of procedures designed to make the Offeror the sole shareholder of the Company (the “Squeeze-out Procedures”), as stated in section “(4) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” below.

According to the Offeror, the Offeror plans to finance the Transaction, including the Tender Offer, through a loan from MUFG Bank, Ltd. (“MUFG Bank”) (the “Bank Loan”) and intends to receive financing by the business day immediately preceding the commencement date of the settlement of the Tender Offer, subject to the completion of the Tender Offer. The detailed terms and conditions of the Bank Loan are to be determined through separate discussions with MUFG Bank and will be set forth in the loan agreement relating to the Bank Loan.

(II) The Background, Purposes and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer

(i) Business Environment Surrounding the Offeror and the Company

According to the Offeror, the Offeror was established in September 1968 as a trading company specializing in electronic parts. It was listed on the Second Section of the TSE in December 1986, was designated to the First Section of the TSE in September 1997, and was transferred to the Prime Market of the TSE following the market reclassification by the TSE in April 2022, where it remains today. The Offeror Group’s main business activities include the development, manufacture, and sale of semiconductors, general electronic parts, and EMS (Note 1), and the like in the electronic parts business. In the information equipment business, it sells PCs, PC peripherals, various home appliances, photography and video-related products, and original brand products, and other related items. In the software business, it engages in CG video production and the planning and development of amusement-related products. Additionally, in other businesses, it provides repair and support services for electronic devices, manufactures and sells amusement equipment, and sells sporting goods.

(Note 1) EMS is an abbreviation for Electronics Manufacturing Service and refers to services that undertake the development and production of products.

According to the Offeror, since its establishment, it has expanded its business domain by meeting various customer needs, under the corporate philosophy of “Everything we do is for our customers”. It has a medium- to long-term vision to become “the Japanese industry’s No. 1 corporate group” and “a competitive world-class

company”. In addition, in its “Medium-Term Management Plan 2027” (the “Offeror’s Medium-Term Business Plan”), which covers the fiscal year ending March 2028, the Offeror has identified “independent growth + new M&A” as the source of its growth potential and aims to achieve the group’s net sales of one trillion yen in the fiscal year 2028.

Meanwhile, according to the Offeror, the business environment surrounding the Offeror continues to change rapidly. On the supplier side, in April 2020, Infineon Technologies, a German company with strengths in automotive electronic equipment (“Automotive Equipment”) and power semiconductors, acquired Cypress Semiconductor, a U.S. company with strengths in Micro Controller Units (MCUs) (Note 2), Automotive Equipment, IoT memory, USB, and wireless communication technologies; the design and development divisions of Fujitsu Semiconductor Limited and Panasonic Corporation’s System LSI business merged to form Socionext Inc., a fabless semiconductor manufacturer specializing in custom SoCs (Note 3) (application-specific LSIs (Note 4)); and Toshiba Memory Corporation, a subsidiary of Toshiba, was sold to a Japan-U.S. consortium and became Kioxia Holdings Corporation, whose core businesses are NAND flash memory (Note 5) and SSDs (Note 6). While consolidation and restructuring among semiconductor and device manufacturers are proceeding, distributor policies are also being reviewed, as evidenced by Renesas Electronics Corporation (“Renesas”)’s announcement that it will reduce the number of its domestic sales agents. On the customer side, including Automotive Equipment manufacturers, industrial equipment (“Industrial Equipment”) manufacturers, and office equipment manufacturers, which are the Offeror’s major business partners, there has been a slowdown in the Chinese economy due to the deceleration of domestic demand stemming from the real estate recession, the reassessment of supply chains due to U.S.-China trade friction, and the review of U.S. tariff initiatives. In addition, from 2021 to 2022, shortages of electronic parts occurred against the backdrop of supply chain disruptions such as sudden shifts in supply-demand balance and factory shutdowns. Even now, severe price fluctuations are occurring, including soaring prices due to memory shortages centered on AI, PCs, and data centers. Furthermore, the Offeror believes that the pace of change in the business environment is accelerating, driven by factors such as efforts to address global environmental issues, represented by decarbonization. Furthermore, overseas, major semiconductor and electronic parts trading companies with net sales of over one trillion yen, called “mega-distributors” (Note 7), continue to actively invest through M&As and lead the industry, and top-class major semiconductor and electronic parts trading companies have net sales of over three trillion yen. In Japan, however, there are currently only a few semiconductor and electronic parts trading companies with net sales of over one trillion yen, and there are still many small and medium-sized competitors. However, as described above, as the reorganization and integration of semiconductor and device manufacturers progresses, major semiconductor and device manufacturers tend to consolidate semiconductor and electronic parts trading companies (distributors) to which they request handling of their products in order to secure resources for direct sales and reduce sales expenses through distributors. The Offeror believes that the importance of economies of scale (Note 8) will further increase in the future, accelerating industry reorganization. In this business environment, the Offeror believes that it is difficult to survive in competition with global mega-distributors solely through independent growth and is proactively challenging M&As to lead industry reorganization.

(Note 2) Micro Controller Unit (MCU) is a semiconductor that integrates the functions of a computer into a single semiconductor chip and controls devices based on preinstalled programs as the brain of various electronic devices (MCU is an abbreviation for Micro Controller Unit).

(Note 3) SoC is an abbreviation for System on Chip and refers to a single package containing multiple integrated circuits of different types.

(Note 4) LSI is an abbreviation for Large Scale Integration and refers to a large-scale integrated circuit formed on a silicon wafer (a substance serving as the foundation of an integrated circuit made of high-purity silicon).

(Note 5) NAND flash memory refers to a type of memory capable of storing data without a power supply.

(Note 6) SSD is an abbreviation for Solid State Drive and refers to a storage device equipped with NAND flash memory.

(Note 7) Mega-distributors refer to major overseas semiconductor trading companies with bases worldwide that distribute and shares large volumes of various types of semiconductors and electronic parts on a global basis.

(Note 8) Economies of scale refer to the benefits and profits gained by increasing scale.

Meanwhile, the Company was established in Nihonbashi, Chuo-ku, Tokyo in November 1953 as a trading company to deal in electronic parts such as integrated circuits and semiconductor elements as well as electronic equipment. In February 1957, we became a sales agency of NEC Corporation. Subsequently, we listed our shares on the Second Section of the TSE in August 1983, were designated to the First Section of the TSE in April 1990, and are currently listed on the Prime Market of the TSE following the market reclassification by the TSE in April 2022.

As of today, the corporate group comprised of the Company, 12 consolidated subsidiaries, one equity-method affiliate, and two non-consolidated subsidiaries (the “Company Group”), primarily operate the electronic parts business, the assembly (EMS) business, and other businesses as described below.

(A) Electronic parts business

With semiconductors and electronic parts as our main products, the Company provides an extensive product lineup of more than 25,000 items to customers across a wide range of fields, focusing primarily on Industry Equipment-related products and Automotive Equipment-related products.

(B) Assembly (EMS) business

Leveraging the experience accumulated over many years in EMS-related businesses, the Company provides flexible services tailored to our customers’ diverse needs, ranging from product planning to circuit design, component procurement, board mounting and unit assembly.

(C) Other businesses

The Company engages in the sale of electronic devices and contract development of software of microcomputers (Note 9). We build a customer-focused support system by undertaking integrated development operations from specification design to development and verification.

(Note 9) “Microcomputers” refer to small computers used to control electrical equipment.

Under the management philosophy of “As an electronic parts trading company group contributing to the realization of a sustainable society”, and with the management policy of “In this era of change, we aim to provide a wide range of electronics products and services. Increase the value of our existence, realizing an evolving electronic parts trading company group”, the Company strives to respond swiftly and effectively to diversifying business challenges and aim to further enhance our corporate value while contributing to the realization of a sustainable society that values both people and the global environment.

The Company recognizes that the business environment surrounding the Company Group will continue to be uncertain against the backdrop of deteriorating international conditions in Ukraine and the Middle East, heightened geopolitical risks such as tariff increases by the U.S., soaring logistics costs due to rising energy prices and foreign exchange fluctuations, and rising labor costs. Semiconductor and electronic parts manufacturers inside and outside Japan, which are the suppliers of the Company Group’s major products, are seeing the importance of semiconductor and electronic parts increasing further against the backdrop of the widespread use of generative AI, advances in the electrification and automation of vehicles, and the acceleration of digital transformation (DX), including labor-saving initiatives and smart factory initiatives (Note 10). Under such an environment, there have been developments in industry reorganization and consolidation of distributors with the aim of building a development, production and sales structure that can swiftly and flexibly respond to rapid technological innovations.

In addition, the Company Group’s customers, mainly Industrial Equipment and Automotive Equipment manufacturers, are required to respond to increasingly sophisticated and diversified market needs as well as

changes in demand trends in Japan and abroad against the backdrop of rapid technological innovations as described above. Due to such changes in industry and technological trends at both our suppliers and customers, the roles that are expected of the semiconductor and electronic parts trading companies to which the Company belongs are changing year by year, such as expanding the range of products that we handle in response to demand trends, strengthening the responsiveness to support the overseas expansion of our sales customers who are Industrial Equipment and Automotive Equipment manufacturers, and vertically expanding our supply chain including the development and design of EMS, IT, and software. We believe that the competitive environment is becoming more intense than ever.

Furthermore, with the aim of strengthening our ability to respond to such changes in the business environment, industry reorganization by major semiconductor and electronic parts trading companies in Japan and abroad is accelerating, and we recognize that the competitive environment will become even more intense going forward.

In addition, 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 assumption that Renesas products would be handled, we 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 our cost structure. In October 2024, we formulated the medium-term management plan announced in "Notice Concerning formulation of Medium-Term Management Plan" released by the Company on October 31, 2024 (the "Company's Medium-Term Business Plan") 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.

- (1) Restructuring our business portfolio (including co-creation with strategic partnership companies)
- (2) Creation and expansion of new core products, and further expansion of products from existing prime suppliers
- (3) Area strategies, growth investments aimed at developing and creating new business areas, and M&As
- (4) Initiatives for management focusing on capital cost and stock price (aiming for a PBR of 1x or higher)
- (5) Investment in human capital (recruiting of diverse human resources, investment in education and training, and improvement of employee engagement)
- (6) Environmental initiatives (aiming for carbon neutrality by 2050)

(Note 10) "Smart factory initiatives" refer to the advanced automation and optimization of production processes at factories in the manufacturing industry through the use of IoT, artificial intelligence, big data analytics, and other technologies.

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 Corporation ("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, CI11 Parties, one of the Company's major shareholders, Mr. Yoshiaki Murakami, the father of Ms. Aya Nomura and a major shareholder of a group company of City Index Eleventh and City Index First ("Mr. Yoshiaki Murakami"; collectively with CI11 Parties, "Murakami Parties"), and the Company have intermittently engaged in discussions 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 us in the same month, and we 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, we recognize 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 we 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 our recognition that certain movements in the semiconductor and electronic components trading industry are expected in the future, we would continue to consider various options, including M&A. Through these discussions with Murakami Parties, we came to deepen our 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 as well, we have continued to engage in intermittent discussions with Murakami Parties regarding the 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.

(ii) Background, Purposes, and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer

According to the Offeror, it has made pure investments in listed companies for which further enhancement of

corporate value can be expected in the future. With respect to the Company as well, the Offeror determined that, depending on its management strategy, a further increase in corporate value could be expected, and has therefore continuously acquired Company Shares through the stock market for pure investment purposes since around March 2024 (number of shares held as of today: 515,000 shares; Ownership Ratio: 1.74%). In addition, the Offeror believes that, given that both the Offeror Group and the Company Group belong to the semiconductor and electronic components trading industry, have electronic components as their principal products, and are engaged in the development and sale of semiconductors, electronic components and other products manufactured by domestic and overseas manufacturers, and that the products handled by the two groups are complementary, close consultation between the two groups would make it possible to further accelerate their growth strategies, and based on this view, in late August 2025, the Offeror requested a meeting with the Company, with which it had previously had contact as a fellow semiconductor and electronic components trading company, for the purpose of generally exchanging information regarding the business environment and other matters, and held such meeting in mid-September 2025. Thereafter, the Offeror informed the Company that it wished to positively consider collaboration with the Company, including a capital alliance, and in late September 2025, the Offeror held discussions with the Company regarding business collaboration initiatives, including confirming the customer bases and key markets of both groups, whether there is any overlap in the products and solutions handled by both groups, and their respective status of overseas expansion. In that context, the Offeror came to believe that, in order to realize a growth strategy that would maximize the synergies between the Offeror Group and the Company Group, it would be desirable not merely to have the two groups engage in reciprocal transactions of the products they handle, but rather to make the Company a wholly owned subsidiary of the Offeror and establish a framework that would enable unified decision-making in an agile manner, and accordingly, since mid-October 2025, the Offeror has also held discussions with the Company regarding the contemplated structure of the Transaction, which includes the acquisition of all of the Company Shares through the Tender Offer and a series of subsequent transactions. As a result, in late October 2025, the Offeror came to believe that, while synergies could be expected to be realized through collaboration with the Company under unified decision-making and by expanding sales of each other's products, if the listing of the Company Shares were to be maintained, the Company would need to maintain an independent management structure that gives due consideration to the interests of its shareholders from a governance perspective, and under such a capital relationship, the two groups would not be able to make agile decisions, and the Offeror therefore concluded that, in order to generate a greater number of synergies that would contribute to the further growth of both groups and the enhancement of corporate value going forward, it would be necessary to establish a management structure enabling more prompt and agile decision-making through making the Company a wholly owned subsidiary of the Offeror, and accordingly commenced full-scale consideration of the Transaction.

According to 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.

According to the Offeror, in the course of advancing such considerations, the Offeror came to believe that, by making the Company, which engages in the sale of electronic components such as integrated circuits and semiconductor devices, a wholly owned subsidiary of the Offeror, it would be able to strengthen the electronic components business of the Offeror Group, including its semiconductor business, and that the Company Group would also be able to further strengthen the Company's business by implementing initiatives that leverage the network, resources and knowledge of the Offeror Group. In early December 2025, the Offeror appointed Deloitte Tohmatsu LLC ("Deloitte Tohmatsu") as its financial advisor and third-party valuation agency, independent of the Offeror, the Company and the Tendering Shareholders (collectively, the "Tender Offer

Related Parties”), and TMI Associates as its legal advisor, and on December 18, 2025, submitted to the Company a non-binding letter of intent regarding the implementation of the Transaction by the Offeror (the “Letter of Intent”), and in the Letter of Intent, proposed conducting financial, tax and legal due diligence on the Company Group (the “Due Diligence”).

According to the Offeror, thereafter, from late January 2026 to late March 2026, the Offeror conducted the Due Diligence. Following that, the Offeror further considered specific initiatives aimed at creating business synergies between the Offeror Group and the Company Group, as well as management policies following the Transaction.

According to the Offeror, as a result of such considerations, on April 7, 2026, the Offeror came to believe that, in the semiconductor and electronic components trading industry to which the Offeror Group and the Company Group belong, it would be essential for the Offeror Group and the Company Group to operate as an integrated group and implement the measures described below in order to appropriately respond to reorganizations and consolidations among supplier-side semiconductor and device manufacturers, reviews of distributor policies, the stagnation of the Chinese economy on the customer side, supply chain reviews resulting from U.S.-China trade friction, a decline in demand due to U.S. tariff measures, and changes in supply and demand and price fluctuations in domestic and overseas markets, and to compete with major semiconductor and electronic components trading companies with sales exceeding JPY 1 trillion, referred to as “mega-distributors,” in Japan and overseas. In addition, the Offeror believes that making the Company a wholly owned subsidiary through the Transaction is also consistent with the medium-term vision of “Autonomous Growth + New M&A” set forth in the Offeror’s Medium-Term Management Plan, and would also contribute to achieving the target net sales of JPY 1 trillion for fiscal year 2028. Based on the above, the Offeror determined that making the Company a wholly owned subsidiary of the Offeror is indispensable in order to maximize the synergies and benefits described below and realize the medium- to long-term enhancement of the corporate value of the Offeror Group and the Company Group.

According to the Offeror, the following are specifically anticipated as the synergies and benefits expected to result from the implementation of the Transaction.

(A) Mutual Complementation of Product Lineups

According to the Offeror, it believes that leveraging the extensive product lineup of the Offeror Group and expanding the existing products procured from the Company Group’s key suppliers by utilizing the sales capabilities of the Offeror Group will make it possible to strengthen the earning capacity of both the Offeror Group and the Company Group.

(B) Mutual Complementation of Sales Channels and Strengthening of Sales Capabilities by Leveraging the Technical Expertise of Both Groups

According to the Offeror, it believes that a broader range of sales channels can be established by adding customers in the automotive and industrial fields, in which the Company Group is considered to have particular strengths, to the Offeror Group’s customer base of more than 10,000 companies. In addition, the Offeror believes that, with respect to software and hardware development projects, sharing technical assets and know-how between the Offeror Group and the Company Group would make it possible to create high-value-added business opportunities.

(C) Strengthening of the Company Group’s assembly (EMS) Business by Utilizing the Offeror Group’s Manufacturing Bases and Procurement Capabilities

According to the Offeror, it believes that, in making solution proposals in the assembly (EMS) business, providing customers of both groups with solution proposals that make full use of the globally deployed manufacturing bases and procurement capabilities of the Offeror Group, as well as the development capabilities of the Company Group, would contribute to further enhancing customer trust and engagement in the assembly (EMS) business. In particular, with respect to relationships with customers of both groups located in Europe, North America and India, where the Offeror Group is expanding its investments, the Offeror believes that

collaboration following the Transaction is expected to enable the provision of new services to such customers.

(D) Exploration of New Business Opportunities with the Offeror Group's CVC (Corporate Venture Capital) Business

According to the Offeror, the Offeror Group has made investments in more than 40 startup companies across a wide range of industries in order to explore new business opportunities. Among these investees, there are many with which collaboration with the Company Group can be expected, including those engaged in UI/UX (Note 11) production tools and visual inspection solutions in the automotive and industrial fields, where the Company Group is considered to have particular strengths, and the Offeror believes that, going forward, collaboration with the Company Group will make it possible to create new businesses.

(Note 11) "UI" is an abbreviation for User Interface and refers to a collective term for the equipment and the software that operates it that exist between a computer and its user. "UX" is an abbreviation for User Experience and refers to the impressions, experiences, usability and operability associated with the use of a product or service.

According to the Offeror, it believes that, although the Company would no longer be able to raise funds through equity financing from the capital markets and would lose the benefits it has enjoyed as a listed company, such as enhanced social credibility and name recognition, if it were to become a wholly owned subsidiary, such disadvantages associated with becoming a wholly owned subsidiary would be limited, because the Company would become a member of the group of the Offeror, which is also a listed company, and would therefore be able to leverage the name recognition and social credibility of the Offeror, and because the Offeror's fundraising capabilities and financial capacity would remain available to the Company. Moreover, although some of the Company's existing shareholders are also business partners of the Company and the capital relationships with such shareholders will cease to exist as a result of the Transaction, the Offeror believes that transactions between the Company and its existing business partners are conducted for the mutual benefit of both parties, and therefore has determined that the business impact resulting from the termination of such capital relationships would be limited.

In addition, according to the Offeror, in response to written questions received from the Special Committee on February 2, 2026 (as defined in "(i) Background of the Establishment of the Consideration System" under "(IV) Decision-Making Process and Reasons Leading the Company to Support the Tender Offer"; the same shall apply hereinafter) regarding (i) the background to the consideration of the Transaction, (ii) the significance and purpose of the Transaction, (iii) the structure, economic terms and schedule of the Transaction, and (iv) management policies, governance and other matters following the implementation of the Transaction, the Offeror provided a written response on February 10, 2026 and gave an oral explanation on February 16, 2026.

According to the Offeror, based on the foregoing, on April 7, 2026, the Offeror, after comprehensively taking into account the results of the Due Diligence and other factors, made an initial proposal to the Company that the purchase price per share of the Company Shares in the Tender Offer (the "Tender Offer Price") be set at JPY 1,420 (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) (the "First Proposal"). In response, on April 9, 2026, according to the Offeror, it received a request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of

Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, in order to obtain broad understanding and support from the Company's general shareholders and other stakeholders.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on April 14, 2026, the Offeror made a proposal to the Company that, assuming that the Company will distribute the year-end dividend (JPY 6.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set at JPY 1,490 (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) (the "Second Proposal"). In response, on April 15, 2026, according to the Offeror, it received a further request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, on the grounds that it was evaluated as being significantly divergent from the price level that the Company and the Special Committee had envisaged in expressing their support for, and recommending that the Company's general shareholders tender their shares in the Tender Offer.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on April 21, 2026, the Offeror made a proposal to the Company that, assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set at JPY 1,510 (representing a 1.88% discount 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) (the "Third Proposal"). Thereafter, on April 22, 2026, according to the Offeror, it received a further request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, on the grounds that it was evaluated as continuing to be significantly divergent from the price level that the Company and the Special Committee had envisaged in expressing their support for, and recommending that the Company's general shareholders tender their shares in the Tender Offer.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on April 28, 2026, the Offeror made a proposal to the Company that, assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set at JPY 1,530 (representing a 0.65% discount 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) (the "Fourth Proposal"). Thereafter, on April 30, 2026, according to the Offeror, it received a further request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, on the grounds that it was evaluated as continuing to be significantly divergent from the price level that the Company and the Special Committee had

envisaged in expressing their support for, and recommending that the Company's general shareholders tender their shares in the Tender Offer.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on May 8, 2026, the Offeror made a proposal to the Company that, assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set at JPY 1,550 (representing a 10.92% discount 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) (the "Fifth Proposal"). Thereafter, on May 8, 2026, according to the Offeror, it received a further request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, on the grounds that it was evaluated as being materially divergent from the price level that the Company and the Special Committee had envisaged in expressing their support for, and recommending that the Company's general shareholders tender their shares in the Tender Offer.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on May 11, 2026, the Offeror made a final proposal to the Company that, assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set at JPY 1,580 (representing a 7.82% discount 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) (the "Final Proposal dated May 11"). Thereafter, on May 12, 2026, according to the Offeror, it received a further request from the Company and the Special Committee to reconsider the Tender Offer Price, which was made as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, considering the price level envisaged by the Company and the Special Committee.

According to the Offeror, after reconsidering in light of the above request from the Company and the Special Committee, on May 13, 2026, the Offeror made a final proposal to the Company, stating that the Final Proposal dated May 11 represented the maximum price it could offer, that, assuming that the Company will distribute the year-end dividend (JPY 12.50 per share) for the fiscal year ended March 2026, the Tender Offer Price be set again 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).

According to the Offeror, on May 14, 2026, it received a response from the Company and the Special Committee to the effect that, as a result of their earnest discussions and consideration, as well as taking into account the advice of Mitsubishi UFJ Morgan Stanley Securities and Anderson Mori & Tomotsune, they had 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, the Offeror's final proposal to set the Tender Offer Price at JPY 1,580, although considered to include a certain premium over the simple average of the closing prices for the past three-month period and the past six-month

period up to and including May 14, 2026, which was the business day preceding the announcement date (the “Business Day Preceding the Announcement”), and 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 although it could not be said to lack reasonableness, could not be considered to include a sufficient premium in light of the market price on the Business Day Preceding the Announcement and other factors, and therefore had not reached a level at which they could actively recommend that the Company’s general shareholders tender their shares in the Tender Offer, and that, accordingly, whether or not to tender their shares in the Tender Offer should be left to the judgment of the Company’s shareholders.

In addition, according to the Offeror, on April 15, 2026, the Offeror held a meeting with the CI11 Parties and discussed the purpose of implementing the Transaction, the contemplated structure of the Transaction, and whether it would be possible for them to tender their shares in the Tender Offer, among other matters.

Furthermore, according to the Offeror, on April 20, 2026, the Offeror held a meeting with Mr. Yoshiaki Murakami, with whom it had long maintained contact and exchanged views on the ideal form of listed companies and approaches to enhancing corporate value, and continued discussions regarding the contemplated structure of the Transaction and whether it would be possible for the CI11 Parties to tender their shares in the Tender Offer, among other matters.

Thereafter, according to the Offeror, on April 27, 2026, the Offeror confirmed from Mr. Yoshiaki Murakami that the CI11 Parties intended to tender their shares in the Tender Offer, on the grounds that, through the implementation of the Transaction, (i) the Offeror and the Company would be able to enjoy scale merits that are particularly important in an environment in which semiconductor and device manufacturers consolidate their sales agents, thereby making it possible to enhance the corporate value of the Offeror Group, including the Company Group, and (ii) this would contribute to strengthening domestic industries through reorganization in the semiconductor and electronic components trading industry. As the Offeror, which aims for future industry reorganization, shared the same view, it proceeded with discussions and negotiations regarding the Tender Agreement (CI11 Parties).

According to the Offeror, at the meeting with Mr. Yoshiaki Murakami described above, it confirmed that Mr. Yoshiaki Murakami also held the view that, particularly in the semiconductor and electronic components trading industry, where, in recent years, distributor policies have been reviewed amid ongoing reorganizations and consolidations among supplier-side semiconductor and device manufacturers, it is important for semiconductor and electronic components trading companies to pursue industry reorganization, and, although the Offeror had long shared the same recognition, the Offeror came to recognize anew the necessity of industry reorganization. As stated above, after the Company announced in April 2024 the termination of its distribution agreement with Renesas, which had been one of its major suppliers, Mr. Yoshiaki Murakami requested a meeting with the Company in the same month, and at such meeting proposed that, if the Company’s management had a strong intention to improve the current situation, the implementation of an MBO by the Company’s management could be one option, and that, if an MBO were to be implemented, Mr. Murakami and others would be prepared to provide financial support, and he also expressed the view that, in the semiconductor and electronic components trading industry, industry reorganization aimed at strengthening competitiveness through expansion of scale could contribute to the development of the industry, and that, as part of initiatives contributing to the enhancement of the Company’s corporate value, an alliance with industry peers could also be an option, and through such exchanges and other discussions, he has engaged in broad discussions with the Company regarding the ideal form of listed companies and approaches to enhancing corporate value. According to the Offeror, as described above, because Mr. Yoshiaki Murakami had continuously discussed with both the Offeror and the Company his views on the ideal form of listed companies and the enhancement of corporate value, the Offeror believes that the Company came to recognize that, in order to enhance its corporate value, industry reorganization through the implementation of the Transaction was necessary, and was thereby able to make a smooth decision. The Offeror is grateful that Mr. Yoshiaki Murakami’s efforts served as an opportunity for the Company to recognize anew the necessity of industry reorganization, as the Offeror itself aims to achieve such industry

reorganization.

According to the Offeror, when the Offeror informed the CI11 Parties on May 11, 2026 that the Tender Offer Price would be JPY 1,580, the CI11 Parties responded that they would accept the Tender Offer Price of JPY 1,580, and the Offeror entered into the Tender Agreement (CI11 Parties) as of May 15, 2026.

Furthermore, according to the Offeror, on April 30, 2026, the Offeror commenced discussions with Restar toward the execution of the Tender Agreement (Restar), and with Mr. Akio Kitai toward the execution of the Tender Agreement (Kitai & Company) and the Tender Agreement (Mr. Akio Kitai), respectively, and, in addition to explaining the implementation of the Transaction, provided explanations regarding the Tender Agreement (Restar), the Tender Agreement (Kitai & Company) and the Tender Agreement (Mr. Akio Kitai), and proceeded with discussions and negotiations regarding the Tender Agreement (Restar), the Tender Agreement (Kitai & Company) and the Tender Agreement (Mr. Akio Kitai). According to the Offeror, when the Offeror informed Restar and Mr. Akio Kitai on May 11, 2026 that the Tender Offer Price would be JPY 1,580, Restar and Mr. Akio Kitai responded that they would accept the Tender Offer Price of JPY 1,580, and the Offeror entered into the Tender Agreement (Restar), the Tender Agreement (Kitai & Company) and the Tender Agreement (Mr. Akio Kitai), respectively, as of May 15, 2026.

According to the Offeror, as a result of the above considerations, discussions and negotiations, the Offeror resolved at a meeting of its board of directors held on May 15, 2026 to implement the Tender Offer as part of the Transaction, with the Tender Offer Price set at JPY 1,580 (for details of the Tender Offer Price, please refer to “(ii) Overview of Valuation” under “(I) Obtaining of the Stock Valuation Report from the Offeror’s Independent Third-Party Valuation Agency” in “(3) Measures for Ensuring the Fairness of the Tender Offer” below).

(III) Management Policy after the Tender Offer

According to the Offeror, as for the Company’s management policy after the completion of the Transaction, the Offeror contemplates dispatching directors from the Offeror Group to the Company for the purpose of ensuring appropriate governance as part of the Offeror Group; however, the details are expected to be determined after consultation between the Offeror and the Company following the completion of the Transaction.

In addition, according to the Offeror, because the Offeror considers the knowledge and experience possessed by the employees of the Company Group to be important for the operation of the Company Group, the Offeror plans, in principle, to maintain the current employment conditions of the employees of the Company Group and expects that they will continue to be engaged in the business of the Company Group after the completion of the Transaction.

(IV) Decision-Making Process and Reasons Leading the Company to Support the Tender Offer

(i) Background of the Establishment of the Consideration System

As described in “(i) Business Environment Surrounding the Offeror and the Company” under “(II) The Background, Purposes and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” above, the Company has implemented various initiatives relating to these business and capital strategies and has consistently considered and promoted the enhancement of corporate value; however, as stated above, 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 as of today: 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 request to conduct the Due Diligence 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 for Ensuring the Fairness of the Tender Offer” below, in light of the fact that the Tender Offer is being conducted in part 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 and the Company Group, 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. 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 for Ensuring the Fairness of the Tender Offer” 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 "(ii) 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.

(ii) Background of Consideration and Negotiation

Following the receipt of the Letter of Intent, the Offeror conducted Due Diligence on the Company from late January 2026 to late March 2026 for the purpose of assessing the feasibility of the Transaction, and on April 7, 2026, the Company received the First Proposal from the Offeror setting the Tender Offer Price at JPY 1,420 per share (representing a premium of 9.06% 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, 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, 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.

In addition, as stated in "(i) Business Environment Surrounding the Offeror and the Company" under "(II) The Background, Purposes and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer" above, while the Company has intermittently held meetings with Mr. Murakami and others since May 2024, on April 7, 2026, the Company informed Mr. Murakami and others of the Transaction after executing a confidentiality agreement. In response to this, as stated in "(ii) Background, Purposes, and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer" under "(II) The Background, Purposes and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer" above, according to the Offeror, from April 15, 2026 onward, the Offeror held multiple meetings with Mr. Murakami and others and discussed the contemplated structure of the Transaction and whether it would be possible for them to tender their shares in the Tender Offer, among other matters. Subsequently, on April 27, 2026, the Company received a notification from the CI11 Parties that they intended to tender their shares in the Tender Offer, with a view to maximizing stakeholders' interests and promoting and supporting the restructuring and consolidation of the semiconductor and electronic components trading industry. Accordingly, the Company continued its dialogue with Mr. Murakami and others and, while taking their views into consideration as valuable suggestions from shareholders, conducted its review sincerely, recognizing an alliance with industry peers as one possible option, and ultimately made the public announcement of the Transaction.

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

Based on the foregoing circumstances, at the meeting of the board of directors held today, 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 for Ensuring the Fairness of the Tender Offer” 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 described in “(i) Business Environment Surrounding the Offeror and the Company” under “(II) The Background, Purposes and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” above, 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

As described above, since announcing the termination of its distribution agreement with Renesas, 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 12), analog semiconductors (Note 13), 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 12) “Discrete semiconductors” refer to semiconductor devices, such as diodes and transistors, that function independently as individual semiconductor elements.

(Note 13) “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, 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 plans to terminate the capital and business alliance with 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 today. 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 plans to transfer 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 for Ensuring the Fairness of the Tender Offer,” 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 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 today, 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.

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 for Ensuring the Fairness of the Tender Offer" below.

(3) Measures for Ensuring the Fairness of the Tender Offer

As of today, 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 1). Nevertheless, in light of the fact that the Tender Offer is conducted as part of the purpose of making the Company a wholly-owned subsidiary of the Offeror, the Offeror and the Company have taken the following measures 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. Of the matters described below, those relating to measures implemented by the Offeror are based on explanations received from the Offeror.

(Note 1) "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.

(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

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 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 for Ensuring the Fairness of the Tender Offer," 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).

(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 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 present. 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 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 public 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 public 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 Transactions 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 an 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.
 - (1) Restructuring the business portfolio (including co-creation with strategic partnership companies)
 - (2) Creation and expansion of new core products, and further expansion of products from existing prime suppliers

- (3) Area strategies, growth investments aimed at developing and creating new business areas, and M&As
 - (4) Initiatives for management focusing on capital cost and stock price (aiming for a PBR of 1x or higher)
 - (5) Investment in human capital (recruiting of diverse human resources, investment in education and training, and improvement of employee engagement)
 - (6) 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 "Fair M&A Guidelines" issued by the Ministry of Economy, Trade and Industry on June 28, 2019 (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. 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 Notification, 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 for 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 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.

- (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 “(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company” in “(2) Grounds and reasons for the opinion on the Tender Offer” 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 today 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.

- (VI) Setting of a minimum purchase target that exceeds the number equivalent to the “Majority of Minority”

According to the Offeror, it has set the minimum number of shares to be purchased in the Tender Offer at 19,226,700 shares (ownership ratio: 64.93%). If the total number of the Tendered Share Certificates, etc. is less than such minimum number of shares to be purchased (19,226,700 shares), the Offeror will not purchase any of the Tendered Share Certificates, etc. In addition, the minimum number of shares to be purchased, which is 19,226,700 shares (ownership ratio: 64.93%), exceeds the number obtained by dividing by two the number of shares calculated by subtracting the number of the Company Shares held by the Offeror (515,000 shares) and the Number of Tendered Shares (8,900,700 shares) from the Reference Share Number (the result of the subtraction: 20,196,899 shares) (the result of the division: 10,098,450 shares , rounded up to the nearest whole number, ownership ratio: 34.10%) and then adding the Number of

Tendered Shares (8,900,700 shares) (the total: 18,999,150 shares, ownership ratio: 64.16%). 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, the Offeror stated that it will respect the intention of the Company’s general shareholders and it will not implement the Transaction including the Tender Offer, unless the approval of a majority of the shareholders who do not have any material conflict of interests with the Offeror is obtained.

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

According to the Offeror, it has set the Tender Offer Period at 30 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.

(VIII) Elimination of coerciveness

As stated in “(4) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” above, the Offeror (i) intends to request the Company to, promptly after the settlement of the Tender Offer, file the Demand for Sale of Shares in proportion to the number of shares acquired by the Offeror through the completion of the Tender Offer, or, at the Extraordinary General Shareholders Meeting, to include in the agenda 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 its effectuation, 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, the Offeror stated that it 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) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)

According to the Offeror, as explained in section “(I) Tender Offer Overview” in “(2) Grounds and reasons for our opinion on the Tender Offer” above, if the Tender Offer is completed successfully but the Offeror cannot acquire all of the Company Shares (excluding, however, the Company Shares held by the Offeror and treasury shares held by the Company) through the Tender Offer, after the successful completion of the Tender Offer, the Offeror plans to carry out the following Squeeze-out Procedures.

(I) Demand for Sale of Shares

According to the Offeror, if, after the completion of the Tender Offer, the total number of voting rights of the Company held by the Offeror equals or exceeds 90% of the total voting rights of all shareholders of the Company, and the Offeror thereby becomes a special controlling shareholder as prescribed in Article 179, Paragraph 1 of the Companies Act, the Offeror plans to promptly, after completion of the settlement of the Tender Offer, pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, demand that all shareholders of the Company (excluding the Offeror and the Company) (the "Selling Shareholders") sell all of the Company Shares held by them (the "Demand for Sale of Shares"). In the Demand for Sale of Shares, it is planned to stipulate that, as consideration per Company Share, an amount of cash equal to the Tender Offer Price will be delivered to the Selling Shareholders. In such case, the Offeror plans to notify the Company to that effect and request the Company's approval of the Demand for Sale of Shares. If the Company approves the Demand for Sale of Shares by resolution of its Board of Directors, the Offeror will, in accordance with the procedures prescribed by applicable laws and regulations and without requiring the individual consent of the Selling Shareholders, acquire all of the Company Shares held by the Selling Shareholders on the acquisition date specified in the Demand for Sale of Shares. In such case, the Offeror plans to deliver to each Selling Shareholder, as consideration per Company Share held by such Selling Shareholder, an amount of cash equal to the Tender Offer Price. If the Demand for Sale of Shares is made by the Offeror, the Company's Board of Directors intends to approve such demand.

According to the Offeror, as a provision under the Companies Act intended to protect the rights of general shareholders in relation to the Demand for Sale of Shares, it is stipulated, pursuant to Article 179-8 of the Companies Act and other applicable laws and regulations, that the Selling Shareholders shall be entitled to file a petition with the court for a determination of the price of the Company Shares held by them. In addition, if such a petition is filed, the sale price of the Company Shares will ultimately be determined by the court.

(II) Share Consolidation

According to the Offeror, if, after the completion of the Tender Offer, the total number of voting rights of the Company held by the Offeror is less than 90% of the total voting rights of all shareholders of the Company, the Offeror plans to, promptly after completion of the settlement of the Tender Offer, request that the Company convene an extraordinary general shareholders meeting (the "Extraordinary General Shareholders Meeting") that includes, as an agenda item, a proposal to effect a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit, subject to the implementation and effectuation of the share consolidation of the Company Shares under Article 180 of the Companies Act (the "Share Consolidation"). The Offeror also plans to vote in favor of each of the above proposals at the Extraordinary General Shareholders Meeting.

According to the Offeror, if the resolution for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date that the Share Consolidation comes into effect, the Company shareholders will each come to possess a number of Company Shares in proportion to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If any fractional shares of less than one share arise from the Share Consolidation, in accordance with the procedures of Article 235 of the Companies Act and other related laws and regulations, the amount of money obtained by selling to the Company or the Offeror the Company Shares in a number equivalent to the total sum of such fractional shares (if the total sum includes a fractional share of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Company. With respect to the sale price for the Company Shares in the number equivalent to the total sum of such fractional shares, the Offeror plans to request the Company to file a petition for permission for sale by private contract with the court after setting such price so that the amount of money delivered as a result of such sale to the Company shareholders that did not tender their shares in the Tender Offer (excluding the Offeror and the Company) will be the same as the price obtained by multiplying the Tender Offer Price by the number of Company Shares each such shareholder possessed. Further, although the Company Shares consolidation ratio is undecided as of today, the Offeror plans to request that the Company decide the ratio so that the number of Company Shares held by the

Company shareholders (excluding the Offeror and the Company) that do not tender their shares in the Tender Offer will be a fraction equal to less than one share, so that the Offeror will own all of the Company Shares (excluding treasury shares held by the Company). If the Extraordinary General Shareholders Meeting is convened, it is scheduled to be held around late August, 2026, and the Company plans to promptly announce the specific procedures, implementation timing and other details thereof once determined after consultation with the Offeror. When the Tender Offer is successfully completed, the Company intends to comply with such request from the Offeror.

According to the Offeror, as a provision under the Companies Act intended to protect the rights of general shareholders in relation to the Share Consolidation, if any fractional shares of less than one share arise as a result of the Share Consolidation, it is stipulated, in accordance with Articles 182-4 and 182-5 of the Companies Act and other related laws and regulations, that the Company shareholders (excluding the Offeror and the Company) shall be entitled to demand that the Company purchase all of their Company Shares that are fractional shares at a fair price, and may file a petition for the court to determine the price of Company Shares.

According to the Offeror, as described above, because in the Share Consolidation the number of Company Shares held by the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Offeror and the Company) is planned to become fractional shares of less than one share, the shareholders of the Company who oppose the Share Consolidation (excluding the Offeror and the Company) are expected to be entitled to file the above petition. If such a petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

According to the Offeror, there is a possibility that due to reasons such as amendment, enactment, and interpretation by related authorities of related laws and regulations, the method of implementation and timing of each of the demand for sale of shares and share consolidation procedures described above will change. However, even in such a case, it is planned that ultimately the method of delivering money to the Company shareholders (excluding the Offeror and the Company) that did not tender their shares in the Tender Offer will be adopted, and it is planned that the amount of money that will be delivered to such shareholders of the Company will be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of Company Shares each such shareholder of the Company possessed. It is planned that the Company will publicly announce specific procedures, the timing for implementation, and other information on the above promptly after a decision is made through consultations with the Offeror and the Company.

Please note that with respect to tax treatment of the tendering of shares in the Tender Offer or any of the above procedures, the Company shareholders should consult with a tax professional at their own responsibility.

(5) Prospects for Delisting; Reasons

As of today, the Company Shares are listed on the TSE Prime Market, but because the Offeror has not set a maximum number of shares planned for purchase in the Tender Offer, depending on the result of the Tender Offer, there is a possibility that, in accordance with the delisting criteria provided by the TSE, the Company Shares will be delisted through prescribed procedures. Further, even if such criteria are not met at the time of the completion of the Tender Offer, if the Squeeze-out Procedures are carried out after the completion of the Tender Offer, the Company Shares will be delisted through prescribed procedures in accordance with the delisting criteria provided by the TSE. It should be noted that after the Company Shares are delisted, the Company Shares may no longer be traded on the TSE Prime Market.

(6) Important agreements relating to the Tender Offer

According to the Offeror, the Offeror has concluded the Tender Agreement with each of the Tendering Shareholders respectively as of May 15, 2026, as follows. The Offeror has not entered into any agreement to grant or provide any benefits to the Tendering Shareholders other than the consideration for the Tender Offer.

(i) Tender Agreement (CI11 Parties)

According to the Offeror, as of May 15, 2026, the Offeror has orally agreed with CI11 Parties (the total number of

shares held: 4,913,700 shares, ownership ratio: 16.59%) that (i) all of the Company Shares held by them will be tendered in the Tender Offer, and (ii) the CI11 Parties support the Tender Offer, which is intended to promote industry restructuring, and have no intention to impede the successful completion of the Tender Offer (however, it is possible that CI11 Parties may purchase or sell the Company Shares as investors, depending on the market share price following the commencement of the Tender Offer).

(ii) Tender Agreement (Restar)

According to the Offeror, the Offeror executed the Tender Agreement (Restar) as of May 15, 2026 with Restar, and Restar agreed to tender all of the Company Shares held by it (the total number of shares held: 1,550,000 shares, ownership ratio: 5.23%; hereinafter referred to as the “Shares Subject to Tender (Restar)”) in the Tender Offer. According to the Offeror, the principal terms of the Tender Agreement (Restar) are as follows:

- (A) If the Tender Offer is commenced, Restar shall, no later than 15 business days from the commencement date of the tender offer, etc. in connection with the Tender Offer (the “Commencement Date”), tender the Shares Subject to Tender (Restar) to the Tender Offer (the “Tendering (Restar)”), and shall not terminate the contract for the purchase of the Shares Subject to Tender (Restar) that is concluded as a result of such Tendering (Restar).
- (B) Notwithstanding the provision in (A) above, if, after the execution of the Tender Agreement (Restar) and until 7 business days prior to the last day of the tender offer period for the Tender Offer (the “Expiration Date”), a tender offer for cash consideration to acquire all of the Company Shares at a purchase price that exceeds the Tender Offer Price by 3% or more is commenced by a third party other than the Offeror (the “Competing Tender Offer”), Restar may notify the Offeror in writing and request consultation regarding a change to the Tender Offer Price.
- (C) If, by the earlier of (i) the date falling 7 business days after the date of the request set forth in (B) above and (ii) the day immediately preceding the Expiration Date, the Offeror does not change the Tender Offer Price to an amount exceeding the purchase price in the Competing Tender Offer, and if it is objectively recognized that there is a reasonable likelihood that Restar’s directors would breach their duty of care as prudent managers by performing the obligations set forth in (A) above, then, upon prior written notice to the Offeror, Restar shall not be obligated to tender the shares pursuant to the Tendering (Restar), and, if Restar has already made the Tendering (Restar), Restar may terminate, without paying any money to the Offeror, the contract for the purchase of the Shares Subject to Tender (Restar) concluded as a result of such Tendering (Restar).
- (D) The Tendering (Restar) shall be subject to the condition precedent that all of the following conditions have been satisfied; provided, however, that Restar may, at its sole discretion, waive any of the following conditions:
- (i) the Tender Offer has commenced and has not been withdrawn;
 - (ii) there is no material inaccuracy in any of the representations and warranties (Note 1) of the Offeror set forth in the Tender Agreement (Restar) as of the date of execution of the Tender Agreement (Restar) and as of the Commencement Date;
 - (iii) there is no material breach on the part of the Offeror of any of its obligations set forth in the Tender Agreement (Restar); and
 - (iv) the board of directors of the Company has, with the attendance of all directors (excluding those who did not participate in the resolution because they have, or may have, a conflict of interest in connection with the Tender Offer), unanimously resolved to support the Tender Offer, and such resolution has been announced, and the Company’s expression of support has not been withdrawn, withheld or modified.
- (E) Unless otherwise expressly provided in the Tender Agreement (Restar), Restar shall not transfer, create any security interest over, or otherwise dispose of all or any part of the Shares Subject to Tender (Restar) (including, without limitation, tendering such shares to any tender offer other than the Tender Offer), and shall not newly acquire any Company Shares or any rights pertaining to Company Shares.
- (F) Unless otherwise expressly provided in the Tender Agreement (Restar), Restar shall not, itself or through any other person, directly or indirectly, engage in any and all acts with any person other than the Offeror that compete with, conflict with, or are inconsistent with, or may compete with, conflict with, or be inconsistent with, the Tender Offer or any transaction contemplated by the Tender Agreement (Restar) (including, without limitation, entering into an

agreement with a third party, making a proposal toward an agreement, soliciting an offer, accepting an offer, engaging in discussions, negotiations or solicitations, or providing information), and if Restar receives any solicitation, proposal, provision of information, or offer concerning any such act from a third party other than the Offeror, Restar shall promptly notify the Offeror of such fact and the details thereof, to the extent that doing so would not violate any confidentiality obligation owed by Restar to the relevant proposer or provider, and shall consult with the Offeror in good faith regarding how to respond to such third party.

- (G) Unless otherwise expressly provided in the Tender Agreement (Restar), Restar shall not, without the prior written consent of the Offeror, exercise its right to demand convocation of a shareholders meeting of the Company (Article 297 of the Companies Act), its right to submit shareholder proposals (Articles 303 through 305 of the Companies Act), or any other minority shareholder rights; shall not solicit proxies from other shareholders; and shall not take any other action intended to influence control of the Company.
- (H) With respect to any shareholders meeting of the Company, if any, to be held after the execution of the Tender Agreement (Restar) and with a record date for the exercise of voting rights that falls on a date prior to the commencement date of settlement for the Tender Offer, if Restar has voting rights in relation to the Shares Subject to Tender (Restar), then, unless otherwise expressly provided in the Tender Agreement (Restar), Restar shall, in accordance with the instructions of the Offeror, either (i) exercise such voting rights in accordance with the instructions of the Offeror, or (ii) deliver to the Offeror or a person designated by the Offeror a proxy and any and all other necessary documents granting comprehensive proxy authority with respect to such voting rights; provided that, in the case of (ii), Restar shall not, under any circumstances, revoke such grant of proxy authority.

In addition, according to the Offeror, the Tender Agreement (Restar) contains representations and warranties by Restar and the Offeror (Note 1), indemnification provisions, provisions regarding termination rights (Note 2), termination of the agreement, confidentiality obligations, general provisions, and other terms.

(Note 1) Under the Tender Agreement (Restar), the Offeror makes representations and warranties with respect to: (i) execution and performance of the agreement; (ii) enforceability; (iii) obtaining permits and approvals; (iv) no conflict with laws and regulations; (v) no legal insolvency proceedings or similar proceedings; and (vi) relations with anti-social forces. According to the Offeror, under the Tender Agreement (Restar), Restar makes representations and warranties with respect to: (i) execution and performance of the agreement; (ii) enforceability; (iii) obtaining permits and approvals; (iv) no conflict with laws and regulations; (v) no legal insolvency proceedings or similar proceedings; (vi) relations with anti-social forces; and (vii) share ownership.

(Note 2) According to the Offeror, under the Tender Agreement (Restar), the following are specified as grounds for termination: (i) where a party becomes aware that the representations and warranties made by the other party under the Tender Agreement (Restar) contain a material inaccuracy; (ii) where the other party has materially breached any of its obligations set forth in the Tender Agreement (Restar), and, despite a written demand having been made to such other party, such breach is not cured by the date falling 10 business days after such demand; (iii) where bankruptcy proceedings, rehabilitation proceedings, corporate reorganization proceedings, special liquidation proceedings, or any other applicable similar legal insolvency proceedings are commenced against the other party; and (iv) in the case of Restar, where Restar is not obligated to make the Tendering (Restar) in accordance with the terms of the Tender Agreement (Restar), or where Restar has terminated the purchase agreement for the Shares Subject to Tender (Restar) concluded as a result of the Tendering (Restar).

(iii) Tender Agreement (Kitai & Company)

According to the Offeror, the Offeror executed the Tender Agreement (Kitai & Company) as of May 15, 2026 with Kitai & Company, and Kitai & Company agreed to tender all of the Company Shares held by it (the total number of shares held: 1,470,000 shares, ownership ratio: 4.96%; hereinafter referred to as the “Shares Subject to Tender (Kitai & Company)”) in the Tender Offer. The Offeror and Kitai & Company have agreed upon the following matters in the Tender Agreement (Kitai & Company).

In the Tender Agreement (Kitai & Company), no conditions precedent to Kitai & Company’s obligation to tender are provided. Also, according to the Offeror, the principal terms of the Tender Agreement (Kitai & Company) are as follows:

- (A) If the Tender Offer is commenced, Kitai & Company shall, promptly after the commencement of the Tender Offer, but no later than 5 business days from the Commencement Date, tender the Shares Subject to Tender (Kitai & Company) to the Tender Offer (the “Tendering (Kitai & Company)”), and shall not withdraw from the Tendering (Kitai & Company) thereafter.
- (B) Unless otherwise expressly provided in the Tender Agreement (Kitai & Company), Kitai & Company shall not transfer, create any security interest over, or otherwise dispose of all or any part of the Shares Subject to Tender (Kitai & Company) (including, without limitation, tendering such shares to any tender offer other than the Tender Offer), and shall not newly acquire any Company Shares or any rights pertaining to Company Shares.
- (C) Unless otherwise expressly provided in the Tender Agreement (Kitai & Company), Kitai & Company shall not, itself or through any other person, directly or indirectly, engage in any and all acts with any person other than the Offeror that compete with, conflict with, or are inconsistent with, or may compete with, conflict with, or be inconsistent with, the Tender Offer or any transaction contemplated by the Tender Agreement (Kitai & Company) (including, without limitation, entering into an agreement with a third party, making a proposal toward an agreement, soliciting an offer, accepting an offer, engaging in discussions, negotiations or solicitations, or providing information), and if Kitai & Company receives any solicitation, proposal, provision of information, or offer concerning any such act from a third party other than the Offeror, Kitai & Company shall promptly notify the Offeror of such fact and the details thereof and shall consult with the Offeror in good faith regarding how to respond to such third party.
- (D) Unless otherwise expressly provided in the Tender Agreement (Kitai & Company), Kitai & Company shall not, without the prior written consent of the Offeror, exercise its right to demand convocation of a shareholders meeting of the Company (Article 297 of the Companies Act), its right to submit shareholder proposals (Articles 303 through 305 of the Companies Act), or any other minority shareholder rights; shall not solicit proxies from other shareholders; and shall not take any other action intended to influence control of the Company.
- (E) With respect to any shareholders meeting of the Company, if any, to be held after the execution of the Tender Agreement (Kitai & Company) and with a record date for the exercise of voting rights that falls on a date prior to the commencement date of settlement for the Tender Offer, if Kitai & Company has voting rights in relation to the Shares Subject to Tender (Kitai & Company), then, unless otherwise expressly provided in the Tender Agreement (Kitai & Company), Kitai & Company shall, in accordance with the instructions of the Offeror, either (i) exercise such voting rights in accordance with the instructions of the Offeror, or (ii) deliver to the Offeror or a person designated by the Offeror a proxy and any and all other necessary documents granting comprehensive proxy authority with respect to such voting rights; provided that, in the case of (ii), Kitai & Company shall not, under any circumstances, revoke such grant of proxy authority.

In addition, according to the Offeror, the Tender Agreement (Kitai & Company) contains termination of the agreement, confidentiality obligations, general provisions, and other terms.

(iv) Tender Agreement (Mr. Akio Kitai)

According to the Offeror, the Offeror executed the Tender Agreement (Mr. Akio Kitai) as of May 15, 2026 with Mr. Akio Kitai, and Mr. Akio Kitai agreed to tender all of the Company Shares held by him (the total number of shares held: 967,000 shares, ownership ratio: 3.27%; hereinafter referred to as the “Shares Subject to Tender (Mr. Akio Kitai)”) in the Tender Offer.

In the Tender Agreement (Mr. Akio Kitai), no conditions precedent to Mr. Akio Kitai’s obligation to tender are provided. According to the Offeror, the principal terms of the Tender Agreement (Mr. Akio Kitai) are as follows:

- (A) If the Tender Offer is commenced, Mr. Akio Kitai shall, promptly after the commencement of the Tender Offer, but no later than 5 business days from the commencement date of the tender offer, etc. in connection with the Tender Offer (the “Commencement Date”), tender the Shares Subject to Tender (Mr. Akio Kitai) to the Tender Offer (the “Tendering (Mr. Akio Kitai)”), and shall not withdraw from the Tendering (Mr. Akio Kitai) thereafter.
- (B) Unless otherwise expressly provided in the Tender Agreement (Mr. Akio Kitai), Mr. Akio Kitai shall not transfer,

create any security interest over, or otherwise dispose of all or any part of the Shares Subject to Tender (Mr. Akio Kitai) (including, without limitation, tendering such shares to any tender offer other than the Tender Offer), and shall not newly acquire any Company Shares or any rights pertaining to Company Shares.

- (C) Unless otherwise expressly provided in the Tender Agreement (Mr. Akio Kitai), Mr. Akio Kitai shall not, himself or through any other person, directly or indirectly, engage in any and all acts with any person other than the Offeror that compete with, conflict with, or are inconsistent with, or may compete with, conflict with, or be inconsistent with, the Tender Offer or any transaction contemplated by the Tender Agreement (Mr. Akio Kitai) (including, without limitation, entering into an agreement with a third party, making a proposal toward an agreement, soliciting an offer, accepting an offer, engaging in discussions, negotiations or solicitations, or providing information), and if Mr. Akio Kitai receives any solicitation, proposal, provision of information, or offer concerning any such act from a third party other than the Offeror, Mr. Akio Kitai shall promptly notify the Offeror of such fact and the details thereof and shall consult with the Offeror in good faith regarding how to respond to such third party.
- (D) Unless otherwise expressly provided in the Tender Agreement (Mr. Akio Kitai), Mr. Akio Kitai shall not, without the prior written consent of the Offeror, exercise his right to demand convocation of a shareholders meeting of the Company (Article 297 of the Companies Act), his right to submit shareholder proposals (Articles 303 through 305 of the Companies Act), or any other minority shareholder rights; shall not solicit proxies from other shareholders; and shall not take any other action intended to influence control of the Company.
- (E) With respect to any shareholders meeting of the Company, if any, to be held after the execution of the Tender Agreement (Mr. Akio Kitai) and with a record date for the exercise of voting rights that falls on a date prior to the commencement date of settlement for the Tender Offer, if Mr. Akio Kitai has voting rights in relation to the Shares Subject to Tender (Mr. Akio Kitai), then, unless otherwise expressly provided in the Tender Agreement (Mr. Akio Kitai), Mr. Akio Kitai shall, in accordance with the instructions of the Offeror, either (i) exercise such voting rights in accordance with the instructions of the Offeror, or (ii) deliver to the Offeror or a person designated by the Offeror a proxy and any and all other necessary documents granting comprehensive proxy authority with respect to such voting rights; provided that, in the case of (ii), Mr. Akio Kitai shall not, under any circumstances, revoke such grant of proxy authority.

In addition, according to the Offeror, the Tender Agreement (Mr. Akio Kitai) contains termination of the agreement, confidentiality obligations, general provisions, and other terms.

(7) Other important matters regarding the Tender Offer

Not applicable

4. Details of benefits to be provided by the Offeror or its special related parties

Not applicable

5. Policy for responding under the basic policy to control of the Company

Not applicable

6. Questions to Offeror

Not applicable

7. Request for extension of Tender Offer Period

Not applicable

8. Future outlook

Please see “(ii) The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” in “(2) Grounds and reasons for our opinion on the Tender Offer,” and “(4) Post-Tender Offer

Reorganization Policy (Matters Relating to Two-Step Acquisition)” and “(5) Prospects for Delisting; Reasons” in “3. Details of, and grounds and reasons for, our opinion on the Tender Offer” above.

9. Other

- (i) Release of the Financial Results Summary for the Fiscal Year Ending March 2026
The Company released its consolidated financial results on May 15, 2026. For details, please refer to the released documents.
- (ii) Release of the Notice Concerning Dividends of Surplus
At the meeting of the Board of Directors held today, the Company resolved to pay a dividend from retained earnings of 12.50 yen per share, with a record date of March 31, 2026. For details, please refer to the content of the announcement.
- (iii) Release of the Notice Concerning the Termination of the Capital and Business Alliance with Restar Corporation
At the meeting of the Board of Directors held today, the Company resolved to terminate the capital and business alliance relationship with Restar Corporation in accordance with the Capital and Business Alliance Agreement with Restar Corporation concluded on October 31, 2024. For details, please refer to the content of the release.

End of Document

(Reference) Outlines of purchase (attached)

For the outlines of the Tender Offer, please refer to the attached “ (Summary) Notice Concerning Commencement of Tender Offer for the Common Share of Shinko Shoji Co., Ltd. (Securities Code: 8141)” released by the Offeror today.

May 15th, 2026

To whom it may concern

Name of Company	KAGA ELECTRONICS CO., LTD.
Representative	Ryoichi Kado, Representative Director, President & COO (Stock Code: 8154 Tokyo Stock Exchange, Prime Market)
Contact	Yasuhiro Ishihara, Director, Senior Executive Officer Head of Administration Headquarters Tel: +81-(0)3-5657-0111

**(Summary) Notice Concerning Commencement of Tender Offer for the Common Share of Shinko Shoji Co., Ltd.
(Securities Code: 8141)**

KAGA ELECTRONICS CO., LTD. (the “**Tender Offeror**”) by a resolution of its board of directors adopted on May 15th, 2026, resolved to acquire the common shares (the “**Target Company Shares**”) of Shinko Shoji Co., Ltd. (Securities Code: 8141, Prime Market of the Tokyo Stock Exchange, Inc. (the “**TSE**”), hereinafter the “**Target Company**”) through a tender offer (the “**Tender Offer**”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”).

1. Purpose of purchase, etc.

(1) Outline of the Tender Offer

By a resolution of its board of directors adopted on May 15th, 2026, the Tender Offeror resolved to conduct the Tender Offer as part of a transaction to acquire all of the Target Company Shares listed on the Prime Market of the TSE (excluding Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) and to make the Target Company a wholly-owned subsidiary of the Tender Offeror (the “**Transaction**”).

(2) Background and purpose of the Tender Offer and decision-making process leading to the implementation of the Tender Offer

The Tender Offeror expects that synergies can be achieved through collaboration between the Tender Offeror and the Target Company under unified decision-making, with the aim of expanding sales of each other's products and services, etc. On the other hand, if the Target Company's shares remain listed, it will be necessary to maintain an independent management structure from a governance perspective, and such capital relationship would prevent both companies from making flexible decisions. The Tender Offeror further came to believe that, by making the Target Company, which engages in the sale of electronic components such as integrated circuits and semiconductor devices, a wholly-owned subsidiary of the Tender Offeror, it would be able to strengthen the electronic components business of the Tender Offeror Group, including its semiconductor business. At the same time, the Target Company Group would also be able to further strengthen its business by implementing measures that leverage the networks, resources, and expertise possessed by the Tender Offeror Group. The Tender Offeror has concluded that, in order to create numerous synergies that will contribute to the further growth and enhancement of corporate value of both companies, it is necessary to establish a management structure that enables more rapid and flexible decision-making through the tender offeror's acquisition of the target company as a wholly-owned subsidiary. As a result of these considerations, the Tender Offeror has concluded that the following specific synergies can be expected from the Transaction.

- (i) Mutual supplementation of product lineups
- (ii) Mutual supplementation of sales channels and enhancement of sales capabilities by leveraging the technological expertise of both parties
- (iii) Strengthening of the Target Company Group's EMS business through the use of the Tender Offeror Group's manufacturing bases and procurement capabilities
- (iv) Exploration of new business opportunities through collaboration with the Tender Offeror Group's CVC (Corporate Venture Capital) business

As a result of the above considerations, Tender Offeror resolved by a resolution of its board of directors adopted on May 15th, 2026, to implement the Tender Offer as part of the Transaction.

(3) Matters concerning so-called two-step acquisition

As described in "(1) Outline of the Tender Offer" above, if the Tender Offer is consummated but the Tender Offeror is unable to acquire all of the Target Company Shares (excluding Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror intends to implement the following procedures after the completion of the Tender Offer (the "**Squeeze-Out Procedures**").

(i) Demand for Share Cash-Out

If, following the consummation of the Tender Offer, the aggregate number of voting rights in the Target Company held by the Tender Offeror for 90% or more of the voting rights of all shareholders of the Target Company, thereby causing the Tender Offeror to become a "Special Controlling Shareholder" as prescribed in Article 179, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**"), the Tender Offeror intends, promptly after the completion of the settlement of the Tender Offer, pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act, to demand that all shareholders of the Target Company (excluding, the Tender Offeror and the Target Company, as amended; the "**Shareholders Subject to the Cash-Out**") sell all shares of the Target Company held by them (the "**Demand for Share, etc. Cash-Out**").

In the Demand for Share, etc. Cash-Out, the Tender Offeror intends to provide that, as consideration for each share of the Target Company, cash in an amount equal to the purchase price per share of the Target Company in the Tender Offer (the "**Tender Offer Price**") will be delivered to the Shareholders Subject to the Cash-Out. In such case, the Tender Offeror intends to notify the Target Company to that effect and request the Target Company's approval of the Share Sale Demand. If the Target Company approves the Demand for Share, etc. Cash-Out by a resolution of its board of directors, then, in accordance with the procedures prescribed by applicable laws and regulations, the Tender Offeror will acquire all shares of the Target Company held by the Shareholders Subject to the Cash-Out as of the acquisition date specified in Demand for Share, etc. Cash-Out, without requiring the individual consent of the Shareholders Subject to the Cash-Out. In such case, the Tender Offeror intends to deliver to each Shareholder Subject to the Cash-Out cash in an amount equal to the Tender Offer Price as consideration for each share of the Target Company formerly held by such the Shareholder Subject to the Cash-Out.

According to the Target Company's press release, if the Target Company receives from the Tender Offeror notice of its intention to make the Demand for Share, etc. Cash-Out and the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act, the Target Company plans to approve the Demand for Share, etc. Cash-Out by a resolution of its board of directors.

As provisions of the Companies Act intended to protect the rights of minority shareholders in connection with the Share Sale Demand, Article 179-8 of the Companies Act and other applicable laws and regulations provide that

the Shareholders Subject to the Cash-Out may petition the court for a determination of the sale price of the Target Company shares held by them. In the event such petition is filed, the sale price of the Target Company shares will ultimately be determined by the court.

(ii) Share Consolidation

If, following the consummation of the Tender Offer, the aggregate number of voting rights in the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company, promptly after the completion of the settlement of the Tender Offer, the Tender Offeror plans to request the Target Company, to hold an extraordinary shareholders' meeting (the "**Extraordinary Shareholders' Meeting**"), at which the items for resolution shall include the implementation of consolidation of the shares of the Target Company Shares (the "**Share Consolidation**") pursuant to Article 180 of the Companies Act, and on condition that the Share Consolidation takes effect, partial amendment of the articles of incorporation to abolish the provision concerning share units. The Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved, then on the date on which the Share Consolidation takes effect, the Target Company's shareholders will hold the shares of the Target Company Shares in the number corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If any fraction of a share less than one share is generated from the Share Consolidation, an amount of money obtained by selling to the Target Company or the Tender Offeror the shares of Target Company Shares equivalent to the total number of such fractional shares (any fractional shares less than one share created by aggregating those fractional shares shall be discarded; the same applies hereinafter) shall be delivered to the Target Company's shareholders for whom a fraction of less than one share is generated, in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations.

With respect to the sale price of the shares of the Target Company Shares equivalent to such total number of fractional shares, it is scheduled that this price shall be set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the shareholders of the Target Company who did not tender in the Tender Offer shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the shares of the Target Company Shares held by such shareholders. After the above process, the Tender Offeror intends to request the Target to file a petition to obtain permission for voluntary sale to the court. In addition, although the ratio of the Share Consolidation has not yet been determined as of today, the Tender Offeror plans to request to determine the number of the shares of the Target Company Shares held by the Target Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) to be a fraction of less than one share, so that the Tender Offeror will hold all of the issued shares of the Target Company Shares (excluding treasury shares held by the Target Company). The Target plans to promptly announce the specific procedures for the consolidation of shares after the decision has been made through discussions between the Tender Offeror and the Target Company. According to the Target Company's press release, in the event the Tender Offer is completed, the Target Company plans to accede to the requests made by the Tender Offeror. If the Extraordinary Shareholders' Meeting is to be held, it is expected to be held around early September, 2026. The specific procedures and timing of the Extraordinary Shareholders' Meeting will be announced by the Target Company promptly after it is determined upon consultation with the Target Company.

The provisions of the Companies Act that protect the rights of the minority shareholders in connection with the Share Consolidation stipulate that when fractional shares of less than one share are created as a result of the Share Consolidation, the Target's shareholders (excluding the Tender Offeror and the Target Company) may request the Target Company to purchase all fractional shares that they hold at a fair price and that they may file with the court a petition to determine the price of the shares of the Target Company Shares pursuant to Article 182-4 and Article

182-5 of the Companies Act and other relevant laws and regulations.

As described above, in the Share Consolidation, the number of shares of the Target Company Shares held by the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror, and the Target Company) is expected to be fractions of less than one share, and therefore, the Target Company's shareholders who oppose to the Share Consolidation may file the above petition. If such petition is filed, the purchase price of the shares of the Target Company Shares will ultimately be determined by the court.

With respect to the above procedures, the method and timing of implementation may change, depending on the situations such as amendments, effectuation, and interpretation by the authorities of relevant laws and regulations. Even in such case, the method of finally delivering money to the Target Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) will be adopted, and in such case, the amount of money to be delivered to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of the shares of the Target Company Shares held by each such shareholder.

The Target Company will promptly announce the specific procedures and timing of implementation in the above cases as soon as they are determined upon discussion between the Tender Offeror and the Target Company.

The shareholders of the Target are requested to confirm with professionals, such as tax accountants, at their responsibility concerning tax treatment for tendering in the Tender Offer or in the procedures above

(4) Prospect and reason for delisting

As of the date today, the Target Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has not set an upper limit of the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted depending on the results of the Tender Offer following the designated procedures pursuant to the delisting standards of the TSE. Even if the delisting standards do not apply to the Target Company Shares at the time of completion of the Tender Offer, the Squeeze-Out Procedures as described in “(3) Matters concerning so-called two-step acquisition” above will be implemented upon the successful completion of the Tender Offer; therefore, in that case, the Target Company Shares will be delisted following the designated procedures pursuant to the delisting standards of the TSE. The Target Company Shares cannot be traded on the Prime Market of the TSE after they are delisted.

2. Outline of Purchase

(1) Outline of the Target Company

(i) Name	Shinko Shoji Co., Ltd.
(ii) Description of business	Sales of electronic components such as integrated circuits and semiconductor elements, assembly products and electronic equipment, as well as related import/export operations and businesses incidental thereto.

(2) Schedule

(i) Schedule

Date of resolution by board of directors	May 15th, 2026 (Friday)
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(ii) Purchase period originally specified in the registration statement

From May 18, 2026 (Monday) to June 26, 2026 (Friday) (30 business days)

(3) Purchase Price

1,580 yen per share of common shares

(4) Number of shares, etc. intended to be purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
29,097,599 shares	19,226,700 shares	—

(Note 1) If the total number of share certificates, etc., tendered in the Tender Offer (the “Tendered Share Certificates, etc.”) is less than the minimum number of shares to be purchased (19,226,700 shares), the Tender Offeror will not conduct the purchase, etc., of all of the Tendered Share Certificates, etc. If the total number of Tendered Share Certificates, etc., is equal to or greater than the minimum number of shares to be purchased (19,226,700 shares), the Tender Offeror will conduct the purchase, etc., of all of the Tendered Share Certificates, etc.

(Note 2) Since the Tender Offer does not set the maximum number of shares to be purchased, the number of shares to be purchased is stated as 29,097,599 shares, which is the maximum number of share certificates, etc. of the Target Company to be acquired by the Tender Offeror through the Tender Offer. This is the number of shares obtained by subtracting the number of shares of the Target Company owned by the Tender Offeror as of today (515,000 shares) from the number of shares obtained by deducting the number of treasury shares held by the Target Company as of March 31, 2026 (1,397,967 shares) from the total number of issued shares of the Target Company as of March 31, 2026 (31,010,566 shares) as stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]” announced by the Target Company on May 15, 2026 (29,612,599 shares. For the avoidance of doubt, the number of treasury shares does not include the Target Company’s shares (1,062,700 shares) held by Custody Bank of Japan, Ltd. (Trust E Account), as trustee of the “Board Benefit Trust (BBT)” and the “Employee Stock Ownership Plan (J-ESOP)” established by the Target Company.).

(Note 3) There are no plans to acquire treasury shares owned by the Target Company through the Tender Offer.

(Note 4) Shares constituting less than one unit of shares are also subject to the Tender Offer. If shareholders exercise their right to demand the purchase of shares constituting less than one unit of shares in accordance with the Companies Act, the Target Company may purchase its own shares during the tender offer period, in accordance with the procedures set forth in laws and regulations.

3. Policies, etc. after the tender offer and future outlook

For the policy, etc. after the Tender Offer and future outlook, please refer to “(3) Matters concerning so-called two-step acquisition” and “(4) Prospect and reason for delisting” in “1. Purpose of purchase, etc.” above.

End.

[Restrictions on Solicitation]

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first be sure to read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not

constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to purchase, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of any such agreement.