



July 31, 2020

For Immediate Release

Company Name: NICHIIIGAKKAN CO., LTD.
Representative: Nobusuke Mori, Representative Director and President
(Securities Code: 9792, First Section of the Tokyo Stock Exchange)
Inquiries: Mitsuo Kaise, Executive Division Director
Corporate Governance Headquarters
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Company Name: K.K. BCJ-44
Representative: Yuji Sugimoto, Representative Director

Notice Concerning K.K. BCJ-44's Amendment to Terms of Tender Offer for Shares etc. of NICHIIIGAKKAN CO., LTD. (Securities Code: 9792)

We hereby announce that effective today, K.K. BCJ-44 has decided to amend the Terms of Tender Offer for outstanding common shares and stock acquisition rights in NICHIIIGAKKAN CO., LTD. implemented by K.K. BCJ-44 from May 11, 2020.

End

This Notice is a public announcement made pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act pursuant to a request from K.K. BCJ-44 (the tender offeror) to NICHIIIGAKKAN CO., LTD. (the target of the tender offer).

Attached Documents

“Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of Nichiigakkan Co., Ltd. (Securities Code: 9792)” dated July 31, 2020

July 31, 2020

To whom it may concern

Company K.K. BCJ-44
Representative Yuji Sugimoto, Representative Director

**Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of
Nichiigakkan Co., Ltd. (Securities Code: 9792)**

K.K. BCJ-44 (the “**Offeror**”) hereby announces to amend the content of “Notice Regarding Commencement of a Tender Offer of Shares, Etc. of Nichiigakkan Co., Ltd. (Securities Code: 9792)” (including the amendments by “Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of Nichiigakkan Co., Ltd. (Securities Code: 9792)” announced as of June 22, 2020 and July 9, 2020) as follows, as today the Offeror has decided to extend the last day of the purchase period (the “**Purchase Period**”) of the tender offer (the “**Tender Offer**”) of the common shares (the “**Target Shares**”) which are listed on the First Section of the Tokyo Stock Exchange Inc., and the stock acquisition rights, of Nichiigakkan Co., Ltd. (the “**Target**”), which the Offeror commenced on May 11, 2020. The amendments are underlined.

1. Details of the Tender Offer

(3) Purchase Period

(Before Amendment)

From May 11, 2020 (Monday) to August 3, 2020 (Monday) (59 business days)

(After Amendment)

From May 11, 2020 (Monday) to August 17, 2020 (Monday) (68 business days)

(4) Purchase Price

(Before Amendment)

Common shares	<u>1,500</u> yen per share
Series 1 Stock Acquisition Rights	<u>392</u> yen per stock acquisition right
Series 2 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 3 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 4 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 5 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 6 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right

(After Amendment)

Common shares	<u>1,670</u> yen per share
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Series 1 Stock Acquisition Rights	<u>562</u> yen per stock acquisition right
Series 2 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 3 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 4 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 5 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 6 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right

(7) Commencement Date of the Settlement

(Before Amendment)

August 11, 2020 (Tuesday)

(After Amendment)

August 24, 2020 (Monday)

2. Overview of the Tender Offer

(Before Amendment)

The Offeror is a wholly-owned subsidiary of K.K. BCJ-43, whose issued shares of are indirectly owned solely by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (collectively, “**Bain Capital**”), and the Offeror is a stock company that was established on April 23, 2020 and whose main purpose is owning all of the Target Shares and controlling and managing the business activities of the Target. As of today, none of Bain Capital, K.K. BCJ-43, or the Offeror owns any Target Shares.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

The Offeror will make this Tender Offer as part of a series of transactions (the “**Transaction**”) for a so-called management buyout (MBO) (Note 1) for the purpose of acquiring and owning all of the Target Shares listed on the First Section of the Tokyo Stock Exchange (including the Target Shares to be delivered upon exercise of the Stock Acquisition Rights, and excluding the treasury shares owned by the Target and the Target Shares owned by Meiwa Co., Ltd. (“**Meiwa**”) described below) and the Stock Acquisition Rights.

It is expected Mr. Nobusuke Mori (“**Mori**”), President and Representative Director of the Target, will continue to be a member of the management of the Target even after the completion of the Tender Offer and Mr. Mori is

considering making a direct or indirect capital contribution to the Offeror so that they have a common goal of enhancing the corporate value of the Target (the specific amount and timing of that capital contribution have not yet been determined, but it is expected each of Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada, who are to make reinvestments, will contribute part of the consideration they have obtained as a result of tendering the Target Shares and Stock Acquisition Rights they own in the Tender Offer, hereinafter the same with respect to each reinvestment by Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada). Further, Mr. Daisuke Terada, Vice President and Representative Director of the Target (Note 2), is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Ms. Akihiko Terada (“**Former Chairman Terada**”), who is the founder and the former Chairman and Representative Director of the Target. Mr. Tsuyoshi Terada, who is a Managing Director of the Target (Note 3), is also considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he will continue to be involved in the management of the Target, he shares a common goal of enhancing the corporate value of the Target, and he intends to continue to support the Target as a relative of Former Chairman Terada. Further, Mr. Keisuke Terada who is a relative of Former Chairman Terada is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Former Chairman Terada.

Further, in making the Tender Offer, the Offeror executed tender offer agreements dated May 8, 2020 with each of Mr. Mori, President and Representative Director of the Target, (number of shares owned (Note 4): 55,508 shares, number of Stock Acquisition Rights owned: 67,500 stock acquisition rights (number of underlying shares: 67,500 shares), ownership ratio (Note 5): 0.19%), Mr. Daisuke Terada, who is a relative of Former Chairman Terada and Vice President and Representative Director of the Target, (number of shares owned: 4,699,124 shares, number of Stock Acquisition Rights owned: 105,900 stock acquisition rights (number of underlying shares: 105,900 shares), ownership ratio: 7.30%), Mr. Tsuyoshi Terada, who is a relative of Former Chairman Terada and a Managing Director of the Target, (number of shares owned: 3,581,724 shares, number of Stock Acquisition Rights owned: 38,600 stock acquisition rights (number of underlying shares: 38,600 shares), ownership ratio: 5.50%), Ms. Kuniko Terada, who is a relative of Former Chairman Terada, (number of shares owned: 5,074 shares, ownership ratio: 0.01%), Mr. Keisuke Terada, who is a relative of Former Chairman Terada, (number of shares owned: 2,737,174 shares, ownership ratio: 4.16%), Ms. Ayako Terada, who is a relative of Former Chairman Terada, (number of shares owned: 688,100 shares, ownership ratio: 1.05%), Ms. Akemi Takato, who is a relative of Former Chairman Terada, (number of shares owned: 698,249 shares, ownership ratio: 1.06%), and Yugen Kaisha Meiko, which is an asset management company all of whose issued shares are owned by Mr. Keisuke Terada and Ms. Ayako Terada, (number of shares owned: 82,800 shares, ownership ratio: 0.13%) (collectively, the “**Tendering Shareholders**”), and the Tendering Shareholders agreed to tender in the Tender Offer all of the Target Shares and the Stock Acquisition Rights they own (excluding 39,650 shares with restrictions on transfer owned by Mr. Mori, 19,975 shares with restrictions on transfer owned by Daisuke Terada and 9,625 shares with restrictions on transfer owned by Tsuyoshi Terada, which constitute stock compensation with restrictions on transfer that have been allocated to Mr. Daisuke Terada and Mr. Tsuyoshi Terada as directors of the Target. According to the Target, the Target plans to acquire without contribution as of August 3, 2020, 13,825 shares with restrictions on transfer owned by Mr. Mori, 6,625 shares with restrictions on transfer owned by Mr. Daisuke Terada, and 3,125 shares with restrictions on transfer owned by Mr. Tsuyoshi Terada, which are the performance target commitment-based restricted shares, in accordance with the share allotment agreements with Mr. Mori, Mr. Daisuke Terada and Mr. Tsuyoshi Terada.) (Target Shares: 12,478,503 shares, number of Stock Acquisition Rights: 212,000 stock acquisition rights (number of underlying shares: 212,000 shares), ownership ratio: 19.28%).

The Offeror also agreed with Kuniko Terada, who is the sole shareholder of Meiwa, (the “**Meiwa Shareholder**”) on May 8, 2020 to acquire as part of the Transaction all of the issued shares of Meiwa (the “**Meiwa Shares**”) from the Meiwa Shareholder on the commencement date of the settlement pertaining to the Tender Offer (the “**Meiwa Share**

Transfer Date”) with respect to Meiwa, which is an asset management company whose issued shares are solely owned by Kuniko Terada and which is the largest shareholder which is a major shareholder of the Target and which owns 16,303,849 shares of the Target Shares (shareholding ratio: 24.76%, the **“Meiwa Owned Target Shares”**). The Meiwa Shareholder made a request to the Offeror in early February 2020 as part of the Transaction for the Offeror to acquire the Meiwa Shares instead of the Offeror acquiring the Meiwa Owned Target Shares through the Tender Offer, and the Offeror executed a share transfer agreement with the Meiwa Shareholder regarding the transfer of the Meiwa Shares dated May 8, 2020 (the **“Share Transfer Agreement”**), determining that if the transfer value of the Meiwa Shares to be paid by the Offeror to the Meiwa Shareholder as agreed below (the **“Meiwa Share Transfer Value”**) will be set as an amount calculated by deducting (i) all of the debts owed by Meiwa on the Meiwa Share Transfer Date from (ii) the amount obtained by multiplying the price for purchase, etc. of the Target Shares in the Tender Offer (the **“Tender Offer Price”**) by the Meiwa Owned Target Shares (16,303,849 shares) (JPY1,500 per share) (JPY 24,455,773,500), and then adding (iii) the amount of the cash and cash equivalents and the tax assets of Meiwa on the Meiwa Share Transfer Date, the same economic value as the value that would be received by the Meiwa Shareholder if Meiwa tendered the Target Shares in the Tender Offer and that is not inconsistent with the “equal price doctrine” under Article 27-2, paragraph (3) of the Act and Article 8, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as revised) after repeated discussions with the Meiwa Shareholder on matters such as the acquisition value and the acquisition procedure of the Meiwa Shares in light of the fact that the Offeror believes that the purpose of the Transaction can be achieved by acquisition of the Meiwa Shares, and that as of today Meiwa is an asset holding company that does not own any assets other than the Meiwa Shares, cash and cash equivalents, and tax assets. The Offeror agrees in the Share Transfer Agreement, as well as the calculation method of the Meiwa Share Transfer Value above, that the Meiwa Shareholder will cause Meiwa not to tender all of the Meiwa Owned Target Shares (number of shares owned: 16,303,849 shares, ownership ratio: 24.76%) in the Tender Offer, and that the Meiwa Shares owned by the Meiwa Shareholder will be transferred to the Offeror and the Offeror will acquire those shares on the Meiwa Share Transfer Date on the condition of completion of the Tender Offer and satisfaction of the other agreed items.

(Note 1) “Management buyout (MBO)” is a transaction where the Offeror is a person that conducts a tender offer based on an agreement with certain officers of the Target and that has a common interest with such officers of the Target.

(Note 2) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Daisuke Terada plans to retire the representative director and director of the Target as of June 24, 2020.

(Note 3) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Tsuyoshi Terada plans to be appointed as the representative director of the Target as of June 24, 2020.

(Note 4) “Number of shares owned” does not include shares indirectly owned by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada through a cumulative stock investment in the Target.

(Note 5) “Ownership ratio” means the ratio (rounded to two decimal places) of shareholding to the number of shares (65,834,847 shares) (**“Total Number of Shares After Taking Potential Shares of the Target Into Consideration”**) obtained by deducting (i) the number of treasury shares owned by the Target as of March 31, 2020 set out in the “Summary of Consolidated Financial Statements for the business year ended March 31, 2020 [Japanese GAAP]” published by the Target on May 8, 2020 (the **“Target Summary of Financial Statements”**) (7,682,005 shares) from (ii) the number of shares 73,516,852 shares) that is equal to the sum of (a) the number of shares (498,900 shares) underlying the Stock

Acquisition Rights as of May 7, 2020 (498,900 stock acquisition rights) that is equal in number to the sum of the number of Series 6 Stock Acquisition Rights (according to the Target, 19,000 stock acquisition rights (number of underlying shares: 19,000 shares)) obtained by deducting the Series 6 Stock Acquisition Rights that have been exercised or have expired during the period from July 23, 2019 until May 7, 2020 (according to the Target, 13,800 stock acquisition rights (number of underlying shares: 13,800 shares)) from all of the Series 6 Stock Acquisition Rights as of July 22, 2019 set out in the Second Quarterly Report for the 48th Business Year submitted by the Target on November 13, 2019 (32,800 stock acquisition rights, number of underlying shares: 32,800) and (b) the number of the Stock Acquisition Rights (479,900 stock acquisition rights (according to the Target, 370,200 Series 1 Stock Acquisition Rights (number of underlying shares: 370,200 shares), 27,700 Series 2 Stock Acquisition Rights (number of underlying shares: 27,700 shares), 28,200 Series 3 Stock Acquisition Rights (number of underlying shares: 28,200 shares), 28,400 Series 4 Stock Acquisition Rights (number of underlying shares: 28,400 shares), 25,400 Series 5 Stock Acquisition Rights (number of underlying shares: 25,400 shares))) obtained by deducting the Stock Acquisition Rights that have been exercised or have expired during the period from April 1, 2019 until May 7, 2020 (980,400 stock acquisition rights (according to the Target, 923,400 Series 1 Stock Acquisition Rights (number of underlying shares: 923,400 shares), 10,800 Series 2 Stock Acquisition Rights (number of underlying shares: 10,800 shares), 13,700 Series 3 Stock Acquisition Rights (number of underlying shares: 13,700 shares), 15,300 Series 4 Stock Acquisition Rights (number of underlying shares: 15,300 shares), 17,200 Series 5 Stock Acquisition Rights (number of underlying shares: 17,200 shares))) from all of the Stock Acquisition Rights as of March 31, 2019 set out in the Annual Securities Report for the 47th business year submitted by the Target on June 26, 2019 (1,460,300 stock acquisition rights (number of underlying shares: 1,460,300 shares) and (iii) the number of issued shares of the Target as of March 31, 2020 set out in the Target Summary of Financial Statements (73,017,952 shares), hereinafter the same.

[Omitted]

If the Tender Offer is completed, the Offeror expects to receive a capital contribution of JPY 27,000,000,000 from K.K. BCJ-43 and loans totaling up to JPY 98,600,000,000 from MUFG Bank, Ltd. (“**MUFG Bank**”), Mizuho Bank, Ltd. (“**Mizuho Bank**”), Sumitomo Mitsui Banking Corporation (“**SMBC**”), and Nomura Capital Investment Co., Ltd. (“**Nomura Capital Investment**”) (the “**Acquisition Loan**”), and the Offeror plans on allocating that money to the settlement funds, etc. of the Tender Offer. The details of the loan terms pertaining to the Acquisition Loan are to be set out in the loan agreement pertaining to the Acquisition Loan upon separate consultation with MUFG Bank, Mizuho Bank, SMBC, and Nomura Capital Investment, but it is expected the loan agreement pertaining to the Acquisition Loan will provide that the shares of the Offeror and the Meiwa Owned Target Shares owned by K.K. BCJ-43 and the Target Shares, etc. to be acquired by the Offeror in the Tender Offer are to be provided as security.

[Omitted]

Thereafter, on June 22, 2020, the Offeror decided to extend the last day of the purchase period to July 9, 2020 in order to provide with the shareholders of the Target an opportunity for decision-making, considering the fact that the market price of the shares of the Target kept moving above the Tender Offer Price (the “**First Extension**”), and further, on July 9, 2020, the Offeror decided to extend the last day of the purchase period to August 3, 2020 for the same reason. As of both June 22, 2020, when the Offeror decided the First Extension, and the date of this Amendment, respectively, the Offeror doesn’t consider changing the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

(After Amendment)

The Offeror is a wholly-owned subsidiary of K.K. BCJ-43, whose issued shares of are indirectly owned solely by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (collectively, “**Bain Capital**”), and the Offeror is a stock company that was established on April 23, 2020 and whose main purpose is owning all of the Target Shares and controlling and managing the business activities of the Target. Further, Effissimo Capital Management Pte. Ltd. (“Effissimo”) is expected to cause ECM Master Fund, which is an investment fund to which Effissimo provides investment advice under a discretionary investment contract (Note 1), to make a capital contribution to K.K. BCJ-43 no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer subject to successful completion of the Tender Offer. As of today, none of Bain Capital, K.K. BCJ-43, or the Offeror owns any Target Shares, and Effissimo owns 100 Target Shares itself (shareholding ratio (defined below, hereinafter the same): 0.00%) and 8,321,600 Target Shares through ECM Master Fund (shareholding ratio (defined below, hereinafter the same): 12.64%). Effissimo first acquired the Target Shares itself or through ECM Master Fund when it acquired 36,400 Target Shares (shareholding ratio: 0.06%) on January 9, 2014, and following that it acquired the Target Shares on the market on multiple occasions, and it came to own 4,445,500 Target Shares as of September 15, 2014 (shareholding ratio: 6.75%), it came to own 7,869,200 Target Shares (shareholding ratio: 11.95%) as of June 30, 2015, and it came to own 8,321,700 Target Shares (shareholding ratio: 12.64%) as of June 14, 2019, which is the number of Target Shares it currently owns.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

Effissimo is an investment management company that was established in 2006 under the laws of the Republic of Singapore, and it operates funds that receive capital contributions from institutional investors with long-term funds, which are mainly North American pension funds and university foundations, in order to invest mainly in shares of listed Japanese companies. Effissimo basically makes investments in shares that are undervalued compared to the corporate value where it is expected the value of those shares will increase and dividends will be paid in association with an improvement in the corporate value over the medium to long term.

The Offeror will make this Tender Offer as part of a series of transactions (the “**Transaction**”) for a so-called management buyout (MBO) (Note 2) for the purpose of acquiring and owning all of the Target Shares listed on the First Section of the Tokyo Stock Exchange (including the Target Shares to be delivered upon exercise of the Stock Acquisition Rights, and excluding the treasury shares owned by the Target and the Target Shares owned by Meiwa Co., Ltd. (“**Meiwa**”) described below) and the Stock Acquisition Rights.

It is expected Mr. Nobusuke Mori (“**Mori**”), President and Representative Director of the Target, will continue to be a member of the management of the Target even after the completion of the Tender Offer and Mr. Mori is considering making a direct or indirect capital contribution to the Offeror so that they have a common goal of enhancing the corporate value of the Target (the specific amount and timing of that capital contribution have not yet been determined, but it is expected each of Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada, who are to make reinvestments, will contribute part of the consideration they have obtained as a result of

tendering the Target Shares and Stock Acquisition Rights they own in the Tender Offer, hereinafter the same with respect to each reinvestment by Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada). Further, Mr. Daisuke Terada, then Vice President and Representative Director of the Target as of May 8, 2020 (Note 3), is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Ms. Akihiko Terada (“**Former Chairman Terada**”), who is the founder and the former Chairman and Representative Director of the Target. Mr. Tsuyoshi Terada, who is Vice President and Representative Director of the Target and was then Managing Director of the Target as of May 8, 2020 (Note 4), is also considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he will continue to be involved in the management of the Target, he shares a common goal of enhancing the corporate value of the Target, and he intends to continue to support the Target as a relative of Former Chairman Terada. Further, Mr. Keisuke Terada who is a relative of Former Chairman Terada is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Former Chairman Terada.

Further, in making the Tender Offer, the Offeror executed tender offer agreements dated May 8, 2020 with each of Mr. Mori, President and Representative Director of the Target, (number of shares owned (Note 5): 55,508 shares, number of Stock Acquisition Rights owned: 67,500 stock acquisition rights (number of underlying shares: 67,500 shares), ownership ratio (Note 6): 0.19%), Mr. Daisuke Terada, who is a relative of Former Chairman Terada and was then Vice President and Representative Director of the Target as of May 8, 2020, (number of shares owned: 4,699,124 shares, number of Stock Acquisition Rights owned: 105,900 stock acquisition rights (number of underlying shares: 105,900 shares), ownership ratio: 7.30%), Mr. Tsuyoshi Terada, who is a relative of Former Chairman Terada and was then Managing Director of the Target as of May 8, 2020, (number of shares owned: 3,581,724 shares, number of Stock Acquisition Rights owned: 38,600 stock acquisition rights (number of underlying shares: 38,600 shares), ownership ratio: 5.50%), Ms. Kuniko Terada, who is a relative of Former Chairman Terada, (number of shares owned: 5,074 shares, ownership ratio: 0.01%), Mr. Keisuke Terada, who is a relative of Former Chairman Terada, (number of shares owned: 2,737,174 shares, ownership ratio: 4.16%), Ms. Ayako Terada, who is a relative of Former Chairman Terada, (number of shares owned: 688,100 shares, ownership ratio: 1.05%), Ms. Akemi Takato, who is a relative of Former Chairman Terada, (number of shares owned: 698,249 shares, ownership ratio: 1.06%), and Yugen Kaisha Meiko, which is an asset management company all of whose issued shares are owned by Mr. Keisuke Terada and Ms. Ayako Terada, (number of shares owned: 82,800 shares, ownership ratio: 0.13%) (collectively, the “**Tendering Shareholders**”), and the Tendering Shareholders agreed to tender in the Tender Offer all of the Target Shares and the Stock Acquisition Rights they own (excluding 39,650 shares with restrictions on transfer owned by Mr. Mori, 19,975 shares with restrictions on transfer owned by Daisuke Terada and 9,625 shares with restrictions on transfer owned by Tsuyoshi Terada, which constitute stock compensation with restrictions on transfer that have been allocated to Mr. Daisuke Terada and Mr. Tsuyoshi Terada as directors of the Target. According to the Target, the Target plans to acquire without contribution as of August 3, 2020, 13,825 shares with restrictions on transfer owned by Mr. Mori, 6,625 shares with restrictions on transfer owned by Mr. Daisuke Terada, and 3,125 shares with restrictions on transfer owned by Mr. Tsuyoshi Terada, which are the performance target commitment-based restricted shares, in accordance with the share allotment agreements with Mr. Mori, Mr. Daisuke Terada and Mr. Tsuyoshi Terada.) (Target Shares: 12,478,503 shares, number of Stock Acquisition Rights: 212,000 stock acquisition rights (number of underlying shares: 212,000 shares), ownership ratio: 19.28%).

The Offeror also agreed with Kuniko Terada, who is the sole shareholder of Meiwa, (the “**Meiwa Shareholder**”) on May 8, 2020 to acquire as part of the Transaction all of the issued shares of Meiwa (the “**Meiwa Shares**”) from the Meiwa Shareholder on the commencement date of the settlement pertaining to the Tender Offer (the “**Meiwa Share Transfer Date**”) with respect to Meiwa, which is an asset management company whose issued shares are solely owned by Kuniko Terada and which is the largest shareholder which is a major shareholder of the Target and which

owns 16,303,849 shares of the Target Shares (shareholding ratio: 24.76%, the “**Meiwa Owned Target Shares**”). The Meiwa Shareholder made a request to the Offeror in early February 2020 as part of the Transaction for the Offeror to acquire the Meiwa Shares instead of the Offeror acquiring the Meiwa Owned Target Shares through the Tender Offer, and the Offeror executed a share transfer agreement with the Meiwa Shareholder regarding the transfer of the Meiwa Shares dated May 8, 2020 (the “**Share Transfer Agreement**”), determining that if the transfer value of the Meiwa Shares to be paid by the Offeror to the Meiwa Shareholder as agreed below (the “**Meiwa Share Transfer Value**”) will be set as an amount calculated by deducting (i) all of the debts owed by Meiwa on the Meiwa Share Transfer Date from (ii) the amount obtained by multiplying the price for purchase, etc. of the Target Shares in the Tender Offer (the “**Tender Offer Price**”) by the Meiwa Owned Target Shares (16,303,849 shares) (JPY1,670 per share) (JPY 27,227,427,830), and then adding (iii) the amount of the cash and cash equivalents and the tax assets of Meiwa on the Meiwa Share Transfer Date, the same economic value as the value that would be received by the Meiwa Shareholder if Meiwa tendered the Target Shares in the Tender Offer and that is not inconsistent with the “equal price doctrine” under Article 27-2, paragraph (3) of the Act and Article 8, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as revised) after repeated discussions with the Meiwa Shareholder on matters such as the acquisition value and the acquisition procedure of the Meiwa Shares in light of the fact that the Offeror believes that the purpose of the Transaction can be achieved by acquisition of the Meiwa Shares, and that as of today Meiwa is an asset holding company that does not own any assets other than the Meiwa Shares, cash and cash equivalents, and tax assets. The Offeror agrees in the Share Transfer Agreement, as well as the calculation method of the Meiwa Share Transfer Value above, that the Meiwa Shareholder will cause Meiwa not to tender all of the Meiwa Owned Target Shares (number of shares owned: 16,303,849 shares, ownership ratio: 24.76%) in the Tender Offer, and that the Meiwa Shares owned by the Meiwa Shareholder will be transferred to the Offeror and the Offeror will acquire those shares on the Meiwa Share Transfer Date on the condition of completion of the Tender Offer and satisfaction of the other agreed items.

Further, after comprehensively taking into account the circumstances of market transactions of the Target Shares after the commencement of the Tender Offer and the need to ensure the successful completion of the Tender Offer and to reflect the intent of the shareholders and stock acquisition right holders that support the purpose of the Tender Offer and that have tendered shares and stock acquisition rights in the Tender Offer as much as possible, on July 31, 2020, the Offeror received from Effissimo (which holds 8,321,700 shares, shareholding ratio: 12.64%) a written pledge providing that Effissimo tenders or cause ECM Master Fund to tender all of the Target Shares Effissimo owns itself or through ECM Master Fund (8,321,700 shares, shareholding ratio of those tendered shares: 12.64%, the “**Effissimo Tender-Agreed Shares**”) in the Tender Offer, and Effissimo will cause ECM Master Fund to subscribe for non-voting right shares issued by K.K. BCJ-43, on the condition that the Tender Offer is successfully completed, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer (the “**Written Pledge**”), and on that day, K.K. BCJ-43 and Effissimo executed a subscription agreement pertaining to the subscription for those non-voting right shares (the “**Subscription Agreement**”).

(Note 1) ECM Master Fund is a trust-type investment fund established under the laws of the Cayman Islands that receives investment advice from Effissimo under a discretionary investment contract, and Effissimo has the authority to administer and to give instructions to ECM Master Fund as an asset management company and it invests and administers the assets of ECM Master Fund. ECM Master Fund is a trust and it does not have any shares or capital in the manner of a stock company, so it does not have a capital relationship with Effissimo, and Effissimo does not have a capital relationship with SMP Partners (Cayman) Limited, which is the Trustee of ECM Master Fund.

(Note 2) “Management buyout (MBO)” is a transaction where the Offeror is a person that conducts a tender offer based on an agreement with certain officers of the Target and that has a common interest with such officers of the Target.

(Note 3) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr.

Daisuke Terada retired the representative director and director of the Target as of June 24, 2020.

- (Note 4) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Tsuyoshi Terada was appointed as the representative director of the Target as of June 24, 2020.
- (Note 5) “Number of shares owned” does not include shares indirectly owned by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada through a cumulative stock investment in the Target.
- (Note 6) “Ownership ratio” means the ratio (rounded to two decimal places) of shareholding to the number of shares (65,834,847 shares) (“**Total Number of Shares After Taking Potential Shares of the Target Into Consideration**”) obtained by deducting (i) the number of treasury shares owned by the Target as of March 31, 2020 set out in the “Summary of Consolidated Financial Statements for the business year ended March 31, 2020 [Japanese GAAP]” published by the Target on May 8, 2020 (the “**Target Summary of Financial Statements**”) (7,682,005 shares) from (ii) the number of shares 73,516,852 shares) that is equal to the sum of (a) the number of shares (498,900 shares) underlying the Stock Acquisition Rights as of May 7, 2020 (498,900 stock acquisition rights) that is equal in number to the sum of the number of Series 6 Stock Acquisition Rights (according to the Target, 19,000 stock acquisition rights (number of underlying shares: 19,000 shares)) obtained by deducting the Series 6 Stock Acquisition Rights that have been exercised or have expired during the period from July 23, 2019 until May 7, 2020 (according to the Target, 13,800 stock acquisition rights (number of underlying shares: 13,800 shares)) from all of the Series 6 Stock Acquisition Rights as of July 22, 2019 set out in the Second Quarterly Report for the 48th Business Year submitted by the Target on November 13, 2019 (32,800 stock acquisition rights, number of underlying shares: 32,800) and (b) the number of the Stock Acquisition Rights (479,900 stock acquisition rights (according to the Target, 370,200 Series 1 Stock Acquisition Rights (number of underlying shares: 370,200 shares), 27,700 Series 2 Stock Acquisition Rights (number of underlying shares: 27,700 shares), 28,200 Series 3 Stock Acquisition Rights (number of underlying shares: 28,200 shares), 28,400 Series 4 Stock Acquisition Rights (number of underlying shares: 28,400 shares), 25,400 Series 5 Stock Acquisition Rights (number of underlying shares: 25,400 shares))) obtained by deducting the Stock Acquisition Rights that have been exercised or have expired during the period from April 1, 2019 until May 7, 2020 (980,400 stock acquisition rights (according to the Target, 923,400 Series 1 Stock Acquisition Rights (number of underlying shares: 923,400 shares), 10,800 Series 2 Stock Acquisition Rights (number of underlying shares: 10,800 shares), 13,700 Series 3 Stock Acquisition Rights (number of underlying shares: 13,700 shares), 15,300 Series 4 Stock Acquisition Rights (number of underlying shares: 15,300 shares), 17,200 Series 5 Stock Acquisition Rights (number of underlying shares: 17,200 shares))) from all of the Stock Acquisition Rights as of March 31, 2019 set out in the Annual Securities Report for the 47th business year submitted by the Target on June 26, 2019 (1,460,300 stock acquisition rights (number of underlying shares: 1,460,300 shares) and (iii) the number of issued shares of the Target as of March 31, 2020 set out in the Target Summary of Financial Statements (73,017,952 shares), hereinafter the same.

[Omitted]

If the Tender Offer is completed, the Offeror expects to receive a capital contribution of JPY 28,100,000 (including JPY 1,550,000,000 as the amount to be contributed by ECM Master Fund to K.K. BCJ-43, on the condition that the Tender Offer is successfully completed, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer) from K.K. BCJ-43 and loans totaling up to JPY 102,500,000 from MUFG Bank, Ltd. (“**MUFG Bank**”), Mizuho Bank, Ltd. (“**Mizuho Bank**”), Sumitomo Mitsui

Banking Corporation (“**SMBC**”), and Nomura Capital Investment Co., Ltd. (“**Nomura Capital Investment**”) (the “**Acquisition Loan**”), and the Offeror plans on allocating that money to the settlement funds, etc. of the Tender Offer. The details of the loan terms pertaining to the Acquisition Loan are to be set out in the loan agreement pertaining to the Acquisition Loan upon separate consultation with MUFG Bank, Mizuho Bank, SMBC, and Nomura Capital Investment, but it is expected the loan agreement pertaining to the Acquisition Loan will provide that the shares of the Offeror and the Meiwa Owned Target Shares owned by K.K. BCJ-43 and the Target Shares, etc. to be acquired by the Offeror in the Tender Offer are to be provided as security.

[Omitted]

Thereafter, on June 22, 2020, the Offeror decided to extend the last day of the purchase period to July 9, 2020 in order to provide with the shareholders of the Target an opportunity for decision-making, considering the fact that the market price of the shares of the Target kept moving above the Tender Offer Price, and further, on July 9, 2020, the Offeror decided to extend the last day of the purchase period to August 3, 2020 for the same reason.

Following that further extension of the purchase period, considering the fact that the market price of the shares of the Target has continued to move above the Tender Offer Price, in order to increase the likelihood of the successful completion of the Tender Offer, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo on July 14, 2020, which continues to own the Target Shares since it started to make investments in the Target in 2014 and currently owns 8,321,700 Target Shares (shareholding ratio: 12.64%), and they requested Effissimo to tender in the Tender Offer all of the Target Shares it owns. In response, Effissimo expressed a desire to continue to invest in the Target over the medium to long term and an intention to jointly support various measures to be implemented by Bain Capital after the Tender Offer with the aim of improving the corporate value of the Target. In response, in light of factors such as the fact that Effissimo owns the Target Shares over the medium to long term, from before the announcement of the Tender Offer, there have been repeated discussions and negotiations with the Target on measures aimed at improving the corporate value of the Target including structural reforms from the perspective of endeavoring to improve the corporate value of the Target, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital decided to support the Target jointly with Effissimo and on July 21, 2020, they made a proposal to Effissimo for a scheme where the Target will be supported by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital jointly with Effissimo in a form where Effissimo continues to make investments in the Target even after the implementation of the Transaction by making capital contributions to K.K. BCJ-43 after Effissimo has tendered all of the Target Shares it owns itself or through ECM Master Fund in the Tender Offer. Following that, after repeated negotiations with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Target private through the Transaction based on that scheme and the Offeror received the Written Pledge from Effissimo and the Subscription Agreement was executed between K.K. BCJ-43 and Effissimo. Further, given that the most recent market price of the Target Shares has moved above JPY 1,500 which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo believe it is necessary to provide the existing shareholders of the Target with an opportunity to sell the Target Shares for an amount that is higher than the Tender Offer Price before the change and they have conducted repeated negotiations with the Target, and finally, on July 31, 2020, the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670, and to change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670, which is the Tender Offer Price after the change, and the exercise price per share of the Target Shares for each series of the Stock Acquisition Rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Offeror set the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562, which is an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights, and the Stock Acquisition Right Purchase Price for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights at JPY 1,669, which is an amount obtained by multiplying JPY 1,669, which is the difference between the

Tender Offer Price after the change and JPY 1, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, by 1, respectively. Further, in connection with that, the Offeror decided to extend the last day of the purchase period to August 17, 2020, which is the day that is 10 business days from July 31, 2020, which is the submission date of the Amendment to Tender Offer Registration Statement pertaining to this revision.

Further, according to the “(Amendment) Partial Amendment to the Notice Regarding Implementation of the MBO and Recommendation of the Tender Offer” announced by the Target on July 31, 2020 (the “**Amended Target Press Release**”), after careful consideration at the meeting of the board of directors of the Target held on July 31, 2020 with respect to implementing the Tender Offer jointly with Effissimo as described above and increasing the Tender Offer Price (the “**Change to Purchase Conditions**”), the Target resolved to maintain an opinion approving the Tender Offer and maintain an opinion recommending all of the shareholders of the Target and all of the Stock Acquisition Right Holders to tender their shares and stock acquisition rights in the Tender Offer as announced in the Target Press Release. For details, see the Target Press Release and the Amended Target Press Release.

3. Basis of the Calculation

(1) Common Shares

(Before Amendment)

When determining the Tender Offer Price, the Offeror conducted a multifaceted and comprehensive analysis of the business status and financial condition of the Target based on materials such as financial information disclosed by the Target and the results of due diligence of the Target conducted from the middle of February until late April 2020. Further, in light of the fact that the Target Shares are traded on a financial instruments exchange, the Offeror referred to the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer (JPY1,094) and changes in the simple average closing prices of the Target Shares (JPY1,080, JPY1,123, and JPY1,377) (rounded to the nearest whole number; the same applies to the calculation of simple average closing prices below) for the most recent month (April 8, 2020 to May 7, 2020), the most recent three months (February 10, 2020 to May 7, 2020), and the most recent six months (November 8, 2019 to May 7, 2020). The Offeror also analyzed the share value of the Target by comparing financial indices such as the market prices and profitability of listed companies that are comparable to the Target in terms of business details and size and earnings status.

Further, the Offeror determined the Tender Offer Price by comprehensively considering whether the Tender Offer will be approved by the Target and the prospect of the completion of the Tender Offer and through discussions and consultation with the Target, and the Offeror has not obtained a share valuation report from an independent valuation agent.

The Tender Offer Price of 1,500 yen includes a premium of (i) 37.11% (rounded to two decimal places; the same applies to the numbers of premiums on stock prices below) on JPY1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 38.89% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 33.57% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (vi) 8.93% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020).

(After Amendment)

When determining the Tender Offer Price before the change, the Offeror conducted a multifaceted and comprehensive analysis of the business status and financial condition of the Target based on materials such as financial information disclosed by the Target and the results of due diligence of the Target conducted from the middle of February until late April 2020. Further, in light of the fact that the Target Shares are traded on a financial instruments exchange, the Offeror referred to the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer (JPY1,094) and changes in the simple average closing prices of the Target Shares (JPY1,080, JPY1,123, and JPY1,377) (rounded to the nearest whole number; the same applies to the calculation of simple average closing prices below) for the most recent month (April 8, 2020 to May 7, 2020), the most recent three months (February 10, 2020 to May 7, 2020), and the most recent six months (November 8, 2019 to May 7, 2020). The Offeror also analyzed the share value of the Target by comparing financial indices such as the market prices and profitability of listed companies that are comparable to the Target in terms of business details and size and earnings status.

Following that further extension of the purchase period, considering the fact that the market price of the shares of the Target has continued to move above the Tender Offer Price, in order to increase the likelihood of the successful completion of the Tender Offer, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo on July 14, 2020, which continues to own the Target Shares since it started to make investments in the Target in 2014 and currently owns 8,321,700 Target Shares (shareholding ratio: 12.64%), and they requested Effissimo to tender in the Tender Offer all of the Target Shares it owns. In response, Effissimo expressed a desire to continue to invest in the Target over the medium to long term and an intention to jointly support various measures to be implemented by Bain Capital after the Tender Offer with the aim of improving the corporate value of the Target. In response, in light of factors such as the fact that Effissimo owns the Target Shares over the medium to long term, from before the announcement of the Tender Offer, there have been repeated discussions and negotiations with the Target on measures aimed at improving the corporate value of the Target including structural reforms from the perspective of endeavoring to improve the corporate value of the Target, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital decided to support the Target jointly with Effissimo and on July 21, 2020, they made a proposal to Effissimo for a scheme where the Target will be supported by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital jointly with Effissimo in a form where Effissimo continues to make investments in the Target even after the implementation of the Transaction by making capital contributions to K.K. BCJ-43 after Effissimo has tendered all of the Target Shares it owns itself or through ECM Master Fund in the Tender Offer. Following that, after repeated negotiations with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Target private through the Transaction based on that scheme and the Offeror received the Written Pledge from Effissimo and the Subscription Agreement was executed between K.K. BCJ-43 and Effissimo. Further, given that the most recent market price of the Target Shares has moved above JPY 1,500 which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo believe it is necessary to provide the existing shareholders of the Target with an opportunity to sell the Target Shares for an amount that is higher than the Tender Offer Price before the change and they have conducted repeated negotiations with the Target, and finally, on July 31, 2020, the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670.

Further, the Offeror determined the Tender Offer Price before the change by comprehensively considering whether the Tender Offer will be approved by the Target and the prospect of the completion of the Tender Offer and through discussions and consultation with the Target, and the Offeror has not obtained a share valuation report from an independent valuation agent. Further, the Offeror did not obtain a share valuation report from an independent valuation agent when it changed the Tender Offer Price to JPY 1,670.

The Tender Offer Price before the change of 1,500 yen includes a premium of (i) 37.11% (rounded to two decimal places; the same applies to the numbers of premiums on stock prices below) on JPY1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 38.89% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 33.57% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (vi) 8.93% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020).

On the other hand, the Tender Offer Price after the change of JPY 1,670 includes a premium of (i) 52.65% on JPY 1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 54.63% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 48.71% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (iv) 21.28% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020). Further, the Tender Offer Price after the change of JPY 1,670 includes a premium of 7.74% on JPY 1,550 as the closing price of the Target Shares on July 30, 2020, which is the business day immediately preceding the submission date of this Amendment to Tender Offer Registration Statement.

(2) Stock Acquisition Rights

(Before Amendment)

With respect to the Stock Acquisition Rights, as of today, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: 1,108 yen, Series 2 Stock Acquisition Rights: 1 yen, Series 3 Stock Acquisition Rights: 1 yen, Series 4 Stock Acquisition Rights: 1 yen, Series 5 Stock Acquisition Rights: 1 yen, Series 6 Stock Acquisition Rights: 1 yen) is less than the Tender Offer Price (1,500 yen). Hence, the Offeror has set the purchase price per Stock Acquisition Right in the Tender Offer (the “**Stock Acquisition Right Purchase Price**”) at an amount obtained by multiplying the difference between 1,500 yen, which is the Tender Offer Price, and the exercise price per share of the Target Shares for each Stock Acquisition Right by 1, which is the number of common shares underlying each Stock Acquisition Right. Specifically, the Offeror set the purchase price for the Series 1 Stock Acquisition Rights at 392 yen, which is an amount obtained by multiplying 392 yen, which is the difference between the Tender Offer Price and 1,108 yen, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights by 1, and the purchase price for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at 1,499 yen, which is an amount obtained by multiplying 1,499 yen, which is the difference between the Tender Offer Price and 1 yen, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights by 1.

Further, all of the Stock Acquisition Rights were issued to officers and employees of the Target and officers of subsidiaries of the Target as stock options, and an approval of the board of directors of the Target is necessary to acquire the Stock Acquisition Rights by way of transfer under the Terms and Conditions of the Issuance of Stock Acquisition Rights, and moreover, transfers of the Stock Acquisition Rights are prohibited in a Stock Acquisition Right Allotment Agreement. In order to make it possible to transfer the Stock Acquisition Rights, the Target adopted, on the condition that the Tender Offer is complete, a resolution at the meeting of the board of directors held on May 8, 2020 to give comprehensive approval for all of the Stock Acquisition Right Holders to transfer the Stock Acquisition Rights they own to the Offeror by tendering those Stock Acquisition Rights in the Tender Offer and making it possible to amend the terms of the Stock Acquisition Right Allotment Agreements

with the Stock Acquisition Right Holders that desire to transfer the Stock Acquisition Rights so that it is possible to transfer those Stock Acquisition Rights.

Further, given that when determining the Stock Acquisition Right Purchase Price, the Offeror calculated that price based on the Tender Offer Price, so the Offeror has not obtained a valuation report from an independent valuation agent.

(After Amendment)

With respect to the Stock Acquisition Rights, as of today, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: 1,108 yen, Series 2 Stock Acquisition Rights: 1 yen, Series 3 Stock Acquisition Rights: 1 yen, Series 4 Stock Acquisition Rights: 1 yen, Series 5 Stock Acquisition Rights: 1 yen, Series 6 Stock Acquisition Rights: 1 yen) is less than the Tender Offer Price before the change (1,500 yen). Hence, the Offeror has set the purchase price per Stock Acquisition Right in the Tender Offer (the “**Stock Acquisition Right Purchase Price**”) at an amount obtained by multiplying the difference between 1,500 yen, which is the Tender Offer Price before the change, and the exercise price per share of the Target Shares for each Stock Acquisition Right by 1, which is the number of common shares underlying each Stock Acquisition Right.

Specifically, the Offeror set the purchase price for the Series 1 Stock Acquisition Rights at 392 yen, which is an amount obtained by multiplying 392 yen, which is the difference between the Tender Offer Price and 1,108 yen, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights by 1, and the purchase price for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at 1,499 yen, which is an amount obtained by multiplying 1,499 yen, which is the difference between the Tender Offer Price and 1 yen, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights by 1.

Following that, since the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670, it also decided to change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670, which is the Tender Offer Price after the change and the exercise price per share of the Target Shares for each series of stock acquisition rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Offeror set the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562, which is an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights, and the Stock Acquisition Right Purchase Price for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights at JPY 1,669, which is an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, by 1, respectively.

Further, all of the Stock Acquisition Rights were issued to officers and employees of the Target and officers of subsidiaries of the Target as stock options, and an approval of the board of directors of the Target is necessary to acquire the Stock Acquisition Rights by way of transfer under the Terms and Conditions of the Issuance of Stock Acquisition Rights, and moreover, transfers of the Stock Acquisition Rights are prohibited in a Stock Acquisition Right Allotment Agreement. In order to make it possible to transfer the Stock Acquisition Rights, the Target adopted, on the condition that the Tender Offer is complete, a resolution at the meeting of the board of directors held on May 8, 2020 to give comprehensive approval for all of the Stock Acquisition Right Holders to transfer the Stock Acquisition Rights they own to the Offeror by tendering those Stock Acquisition Rights in the Tender Offer and making it possible to amend the terms of the Stock Acquisition Right Allotment Agreements with the Stock Acquisition Right Holders that desire to transfer the Stock Acquisition Rights so that it is possible to transfer those Stock Acquisition Rights.

Further, given that when determining the Stock Acquisition Right Purchase Price before the change, the Offeror calculated that price based on the Tender Offer Price before the change, so the Offeror has not obtained a valuation report from an independent valuation agent. Further, the Offeror did not obtain a valuation report from an independent valuation agent when it changed the Stock Acquisition Right Purchase Price as described above.

4. Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

(ii) Consolidation of Shares

(Before Amendment)

If the total number of voting rights owned by the Offeror and Meiwa (wholly-owned subsidiary corporation of a special controlling shareholder) after the completion of the Tender Offer is less than 90% of the voting rights of all shareholders of the Target, the Offeror will, promptly after the completion of the settlement of the Tender Offer and under the provisions of Article 180 of the Companies Act, make a request to the Target to hold an extraordinary shareholders meeting (the “**Extraordinary Shareholders Meeting**”) and to propose as agenda items at the Extraordinary Shareholders Meeting a consolidation of the Target Shares (the “**Share Consolidation**”) and a partial amendment to its Articles of Incorporation to abolish the provision on share units on the condition of the Share Consolidation taking effect.

The Offeror believes it would be preferable for the Extraordinary Shareholders Meeting to be held as soon as possible from the perspective of enhancement of the corporate value of the Target, so the Offeror will make a request to the Target to make an Announcement of Establishment of a Record Date so that the date promptly following the commencement date of the settlement of the Tender Offer (as of today, late-August, 2020) will be the record date of the Extraordinary Shareholders Meeting. According to the Target Press Release, if the Target receives such a request from the Offeror, it will comply with that request. It is also expected that the Offeror and Meiwa will approve each of the above proposals at the Extraordinary Shareholders Meeting.

[Omitted]

(After Amendment)

If the total number of voting rights owned by the Offeror and Meiwa (wholly-owned subsidiary corporation of a special controlling shareholder) after the completion of the Tender Offer is less than 90% of the voting rights of all shareholders of the Target, the Offeror will, promptly after the completion of the settlement of the Tender Offer and under the provisions of Article 180 of the Companies Act, make a request to the Target to hold an extraordinary shareholders meeting (the “**Extraordinary Shareholders Meeting**”) and to propose as agenda items at the Extraordinary Shareholders Meeting a consolidation of the Target Shares (the “**Share Consolidation**”) and a partial amendment to its Articles of Incorporation to abolish the provision on share units on the condition of the Share Consolidation taking effect.

The Offeror believes it would be preferable for the Extraordinary Shareholders Meeting to be held as soon as possible from the perspective of enhancement of the corporate value of the Target, so the Offeror will make a request to the Target to make an Announcement of Establishment of a Record Date so that the date promptly following the commencement date of the settlement of the Tender Offer (as of today, early-September, 2020) will be the record date of the Extraordinary Shareholders Meeting. According to the Target Press Release, if the Target receives such a request from the Offeror, it will comply with that request. It is also expected that the Offeror and Meiwa will approve each of the above proposals at the Extraordinary Shareholders Meeting.

[Omitted]

-End-

Restrictions on Solicitation

This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If any shareholder desires to sell his or her shares, the shareholder should review the Tender Offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or as a solicitation of a purchase offer, and does not constitute any such part. This press release (or any part thereof) or the fact of its distribution does not provide a basis of any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Forward Looking Statements

This press release contains “forward looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties, or other factors, it is possible that actual results may differ materially from the projections expressly or implicitly indicated by such “forward looking statements”. Neither the Tender Offeror nor its affiliates guarantee that the projections expressly or implicitly indicated by such “forward looking statements” will be correct. The “forward looking statements” in this press release were prepared based on information available to the Tender Offeror as of the date of this press release, and neither the Tender Offeror nor its affiliates undertake any obligation to update or modify such statements to reflect events or circumstance that may arise after this release.