

August 3, 2021

To whom it may concern

Name of Company: GCA Corporation
 Name of Representative: Akihiro Watanabe,
 Representative Director
 (Code: 2174; First Section of Tokyo Stock Exchange)
 Contact: Masaya Kato, Leader, IR Office
 (TEL. 03-6212-7140)

Announcement of Opinion to Endorse Tender Offer for Our Shares, Etc. by Houlihan Lokey, Inc. and Recommendation for Our Shareholders to Tender Their Shares in Tender Offer

GCA Corporation (the “Company”) hereby announces that at a meeting of its board of directors held today, the Company resolved (i) to express its opinion to endorse the tender offer (the “Tender Offer”) for the Company’s common shares (the “Shares”) and the Stock Options (as defined in “2. Purchase Price” below) by Houlihan Lokey, Inc. (the “Offeror”); and (ii) to recommend our shareholders and the holders of the Stock Options (the “Stock Options Holders”) to tender their shares and Stock Options in the Tender Offer, as follows.

The above resolution of the board of directors was made based on the Offeror’s plan to make the Company a wholly owned subsidiary of the Offeror through the Tender Offer and a series of subsequent procedures, and that the Shares are scheduled to be delisted.

1. Outline of Offeror

(1)	Name	Houlihan Lokey, Inc.
(2)	Location	251 Little Falls Drive, Wilmington, New Castle County, Delaware, USA (The above place is the registered location of the Offeror’s head office, and the actual business operations are conducted at the headquarters in California, the United States)
(3)	Title and Name of Representative	Chief Executive Officer Scott L. Beiser
(4)	Description of Business	M&A, capital markets, financial restructurings, and financial and valuation advisory services
(5)	Paid-in Capital	US\$803,573,000 (As of March 31, 2021)
(6)	Date of Incorporation	1972
(7)	Major Shareholders and Shareholding Percentage	Class A Shares (As of March 31, 2021) The Vanguard Group, Inc. 9.9% Black Rock Fund Advisors 7.4% EARNEST Partners, LLC 7.2% Kayne Anderson Rudnick Investment Management, LLC 6.1% Class B shares (As of June 30, 2021) Houlihan Lokey Voting Trust 100%
(8)	Relationship between the Company and the Offeror	
	Capital Relationship	N/A
	Personal	N/A

Relationship	
Business Relationship	N/A
Whether or not to fall under related parties	N/A

2. Purchase Price

- (1) JPY1,380 per share of common stock (the “TOB Price”)
- (2) Stock Options (the stock options set out in (I) through (VIII) below shall be hereinafter collectively the “Stock Options”; the price for purchase, etc. in the Tender Offer per Stock Option shall be hereinafter collectively the “Stock Option TOB Price”)
 - (I) JPY155 per one unit of Series 7 Stock Options issued based on the resolution at the Board Meeting on May 1, 2013 (the “Series 7 Stock Options”) (Exercise Period: From April 1, 2014 to March 31, 2023)
 - (II) JPY155 per one unit of Series 8 Stock Options issued based on the resolution at the Board Meeting of May 1, 2013 (the “Series 8 Stock Options”) (Exercise Period: From April 1, 2014 to March 31, 2023)
 - (III) JPY565 per one unit of Series 9 Stock Options issued based on the resolution at the Board Meeting on February 20, 2014 (the “Series 9 Stock Options”) (Exercise Period: From April 1, 2015 to March 31, 2024)
 - (IV) JPY532 per one unit of Series 10 Stock Options issued based on the resolution at the Board Meeting of February 20, 2014 (the “Series 10 Stock Options”) (Exercise Period: From April 1, 2015 to March 31, 2024)
 - (V) JPY137,900 per one unit of RSU-1 Stock Options issued based on the resolution at the Board Meeting on February 23, 2016 (the “RSU-1 Stock Options”) (Exercise Period: From February 23, 2017 to March 8, 2026)
 - (VI) JPY137,900 per one unit of RSU-3 Stock Options issued based on the resolution at the Board Meeting on September 23, 2016 (the “RSU-3 Stock Options”) (Exercise Period: From February 23, 2017 to March 8, 2026)
 - (VII) JPY1,379 per one unit of RSU-4 Stock Options issued based on the resolution at the Board Meeting on May 12, 2017 (the “RSU-4 Stock Options”) (Exercise Period: From February 23, 2018 to March 8, 2027)
 - (VIII) JPY1,379 per one unit of RSU-5 Stock Options issued based on the resolution at the Board Meeting on June 18, 2018 (the “RSU-5 Stock Options”) (Exercise Period: From February 23, 2019 to March 8, 2028)

3. Contents, Basis and Reasons of Opinion Concerning Tender Offer

(1) Contents of Opinion Concerning Tender Offer

At a meeting of the Board of Directors held today, the Company resolved to express its opinion to endorse the Tender Offer and to recommend that the Company’s shareholders and the Stock Options Holders tender their shares or stock options in the Tender Offer, based on the grounds and reasons stated in “(2) Basis and Reasons for Opinion Concerning Tender Offer” below.

Please note that the above-mentioned resolution at the Board of Directors meeting was adopted by the method set out in “(IV) Approval of All Company Directors (Including Audit Committee

Members) Not Having a Conflict of Interest” in “(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below.

(2) Basis and Reasons for Opinion Concerning Tender Offer

Of the following statements, those regarding the Offeror are based on the explanations received from the Offeror.

(I) Overview of the Tender Offer

The Offeror decided to implement the Tender Offer as part of the transactions for the purpose of acquiring all of the issued Shares (excluding treasury stock held by the Company) of common stock of the Company (including the Shares to be delivered upon exercise of the Stock Options) listed on the First Section of the Tokyo Stock Exchange Inc. (the “TSE”) and all of the Stock Options, and making the Company a wholly owned subsidiary of the Offeror (the “Transactions”). As of today, the Offeror does not own any Shares.

In conducting the Tender Offer, the Offeror has entered into a Transaction Agreement for the Tender Offer (the “Transaction Agreement”) on August 3, 2021 with the Company. For details of the Transaction Agreement, please see “(I) Transaction Agreement” in “4. Material Agreements Concerning the Tender Offer” below.

The Offeror has also entered into a Tender Offer Support Agreement (the “Tender Offer Support Agreement”) on August 3, 2021 with certain directors of the Company who hold the Shares or the Stock Options (the “Tendering Directors”) (Note 1), respectively, to the effect that the Tendering Directors will tender the Shares or the Stock Options (the Shares and the Stock Options to be tendered pursuant to the Support Agreement, collectively, “Tendering Directors’ Shares, Etc.” The number of shares pertaining to the Tendering Directors’ Shares, Etc. herein refers to the number of shares including potential shares reflecting the number of shares issuable upon exercise of stock options, unless otherwise specified.). The ownership ratio (Note 2) represented by the Shares included in the Tendering Directors’ Shares, Etc. equals to 18.12%, and the ownership ratio represented by the Stock Options included in the Tendering Directors’ Shares, Etc. equals to 2.62%. For details of the Tender Offer Support Agreement, please see “(II) Tender Offer Support Agreement” in “4. Material Agreements Concerning the Tender Offer” below.

(Note 1) “Tendering Directors” means Mr. Akihiro Watanabe (the number of owned shares: 3,853,900; the number of owned stock options: 121,464; the ownership ratio: 8.05%), Mr. Todd J. Carter (the number of owned shares: 1,591,489; the number of owned stock options: 261,189; the ownership ratio: 3.75%), Mr. Geoffrey D. Baldwin (the number of owned shares: 377,313; the number of owned stock options: 271,486; the ownership ratio: 1.31%), Mr. Phil Adams (the number of owned shares: 732,660; the number of owned stock options: 59,982; the ownership ratio: 1.61%), Mr. Sascha Pfeiffer (the number of owned shares: 1,055,661; the number of owned stock options: 59,983; the ownership ratio: 2.26%), Mr. Alexander M. Grünwald (the number of owned shares: 1,178,575; the number of owned stock options: 59,983; the ownership ratio: 2.51%), Ms. Ritsuko Nonomiya (the number of owned shares: 0; the number of owned stock options: 140,685; the ownership ratio: 0.42%), Mr. John F. Lambros (the number of owned shares: 85,981; the number of owned stock

options: 167,014; the ownership ratio: 0.51%) and Mr. Akikazu Ida (the number of owned shares: 72,500; the number of owned stock options: 82,500; the ownership ratio: 0.31%), individually or collectively.

- (Note 2) The “ownership ratio” herein means the ratio (rounded to two decimal places) of shareholding in relation to the number (49,382,808 shares) (the “Total Number of Shares After Taking Potential Shares of the Company Into Consideration”) obtained by deducting (i) the number of shares issuable (1,254,048 shares) upon exercise of the Stock Options that the Company resolved to cancel at the Board of Directors meeting held today (1,203,609 units) from (ii) the number of shares of the Company (50,636,856 shares) (“Total Number of Shares After Taking Potential Shares of the Company Into Consideration”) obtained by adding (x) the number of total outstanding common shares of the Company as of June 30, 2021 (44,755,153 shares) described in the Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year 2021 (IFRS; consolidated) disclosed by the Company on August 3, 2021 (“2Q Financial Results Summary”) and (y) the number of underlying shares (5,881,703 shares) of all outstanding Stock Options (5,373,415 units) as of June 30, 2021. The same applies hereunder. The Company holds no treasury stock as of June 30, 2021 and the date hereof.

The Offeror has set the minimum number of shares to be purchased (Note 3) in the Tender Offer (the “Minimum Number of Shares to Be Purchased”) at 32,921,900 shares (shareholding ratio of 66.67%), and if the total number of shares, etc. tendered in the Tender Offer (the “Tendered Shares, Etc.”) is less than the Minimum Number of Shares to Be Purchased, the Offeror will not purchase any of the Tendered Shares, Etc. At the same time, the Offeror intends to purchase all of the Shares (including the Shares to be delivered upon exercise of the Stock Options, and excluding the treasury shares owned by the Company) and all of the Stock Options, so a maximum number of shares to be purchased has not been set, and if the number of Tendered Shares, Etc. is equal to or more than the Minimum Number of Shares to Be Purchased (32,921,900 shares), the Offeror will purchase all of the Tendered Shares, Etc. In addition, if the Tender Offer is successful, the Offeror plans to implement a series of procedures to make the Offeror the only shareholder of the Company, as described in “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-called Two-Step Acquisition)” below.

- (Note 3) The “Minimum Number of Shares to Be Purchased” (32,921,900 shares) is calculated, for the purpose of ensuring that the procedures required to complete the 100% acquisition of the Company following the Tender Offer, by multiplying the number of voting rights (493,828 voting rights) pertaining to the Total Number of Shares After Taking Potential Shares of the Company Into Consideration by two-thirds (2/3) (329,219 voting rights; rounded up to the nearest whole number) and by 100 shares.

(II) Background, Purposes, and Decision-Making Process behind the Implementation by the Offeror of the Tender Offer

Established in 1972, the Offeror is a global independent investment bank with expertise in mergers and acquisitions (M&A), capital markets, financial restructurings, and financial and valuation advisory services. As of March 31, 2021, the Offeror had a team of 1,132

financial professionals across 23 offices globally, serving more than 1,000 clients annually over the past several years, ranging from closely held companies to Fortune Global 500 corporations. Through its offices in the United States, Europe, Asia, Australia, and Dubai, the Offeror serves a diverse set of clients worldwide, including corporations, financial sponsors and government agencies. The Offeror markets its services through its product areas, its industry groups and its Financial Sponsors group, serving its clients in three primary business practices: Corporate Finance (“CF”), encompassing M&A and capital markets advisory, Financial Restructuring (“FR”), encompassing both out-of-court and formal bankruptcy or insolvency proceedings, and Financial and Valuation Advisory (“FVA”), including financial opinions and a variety of valuation and financial consulting services.

(i) Corporate Finance

As of March 31, 2021, the Offeror had 120 CF Managing Directors providing the firm’s clients with extensive industry and product expertise in a wide variety of M&A and capital markets transactions. One of the key services that the Offeror’s CF group provides is M&A advisory services. The firm provides advice and services to a diverse set of clients, including public and private company executives, boards of directors, special committees and financial sponsors. In addition to M&A advisory services, the Offeror’s CF group provides capital-raising advisory services for a broad range of corporate and private equity clients across most industry sectors, from large, publicly-held, multinational corporations to financial sponsors to privately-held companies founded and run by entrepreneurs.

(ii) Financial Restructuring

As of March 31, 2021, the Offeror had 47 FR Managing Directors working around the globe, which constitutes one of the largest restructuring groups in the investment banking industry. The firm’s FR group has advised on many of the largest restructurings in the United States, Canada, Europe, Asia, Australia, the Middle East, Latin America and Africa. Multi-jurisdictional restructurings represent an attractive opportunity for the Offeror’s FR group. From 2000 to 2021 the Offeror has advised on 12 of the last 15 largest bankruptcies, including Lehman Brothers, Worldcom, and Enron. The Offeror’s FR group advises companies and creditor constituencies at all levels of the capital structure, in both out-of-court negotiations and in formal bankruptcy or insolvency proceedings.

(iii) Financial and Valuation Advisory

As of March 31, 2021, the Offeror had 31 Managing Directors in its FVA group, which the Offeror believes represents one of the largest and most respected valuation and financial opinion practices in the United States. The Offeror’s core competencies in its FVA practice are its ability to analyze and value companies, security interests, and different types of assets, including intellectual property and liabilities, as well as its ability to analyze the financial aspects of transactions.

Meanwhile, the Company is a global independent investment bank that provides strategic M&A and capital markets advisory services, having established a business presence in Asia (including Japan), North America and Europe. The Company is the holding company of a corporate group that offers coverage across 13 countries, with over 450 professionals in

24 offices. Since GCA Co., Ltd., the entity to which the Company is the successor, was incorporated in April 2004 (whose corporate name was later changed to GCA Holdings Corporation in September 2007; hereinafter “Former-GCA”), Former-GCA has operated its business consistently in accordance with its management philosophy of placing its highest priority on its clients’ satisfaction and best interests, and has always sought, as its long-term goal, to grow to become the global No. 1 independent M&A advisory firm. Consistent with this management philosophy and long-term goal, Former-GCA was listed on the Tokyo Stock Exchange Mothers market in October 2006, and subsequent thereto, has also achieved results in a variety of industries, in both domestic and cross-border deals, and has established itself as one of the leading Japanese M&A advisory firms. In March 2008, Former-GCA and Savvian LLC, a major US M&A advisory firm, integrated their businesses in pursuit of an enhanced business presence in the United States, which is the world’s largest M&A market (According to Mergermarket’s “Global & Regional M&A Report 2020,” the U.S. market accounted for 39.9% of global M&A value in 2020, the largest share in the world). As a result, its offices located in Japan and the United States work closely to support its clients such that Former-GCA substantially improved its ability to handle cross-border M&A transactions between Japan and the United States, and also established a platform to pursue growth in the US M&A market. In July 2016, the Company and Altium Corporate Finance Group Limited, an independent European M&A advisory firm, integrated their businesses, welcoming more than 100 professionals located across 5 European countries in 7 offices (at the time of integration), and thereby establishing a firm platform in Europe, as well as the United States. In April 2020, the Company acquired Stella EOC Limited, an independent Northern European M&A advisory firm, such that the Company finally gained a Northern European platform, which it had previously lacked. Each of these three companies that were integrated into the Company’s group has contributed to generating significant synergies, because all of them have concentrated on M&A deals in the technology industry such as IT and software and achieved results therefrom which match the Company’s strategy, and complement each other across different regions. Specifically, in current circumstances where the society and the economy have been increasingly driven to automation and digitization due to, among others, the COVID-19 pandemic, there has been a surge in the number of technology-related M&A transactions that the Company group has handled since the third quarter of its 2020 financial year (ending in December 2020), which has resulted in JPY15.5 billion of sales in the second half of its 2020 financial year, ranked as the Company’s second largest historical semi-annual sales; and, its sales have surged to approximately JPY18.7 billion during the first half of its 2021 financial year as well.

In the Offeror’s understanding, the strategic benefits of having a strong global technology investment banking practice, together with a strong media practice, continue to grow with the ever-increasing reliance on technology across all industries. The Offeror believes that through its industry groups, it has meaningful global coverage in most of the major industry segments. The Offeror, however, desires to further expand its coverage specifically in the technology and media sectors in both the U.S. and Europe, by further increasing the number of dedicated bankers covering these sectors.

With the continued globalization of businesses, the importance of having a global footprint has increased. Similarly the Offeror’s client’s desire to access a more globally diverse group of partners and investors has also continued to increase. Lastly, with the increasing competition in the investment banking industry, global coverage capabilities have become

a strong differentiator among the Offeror's competitors. While the Offeror believes it has had a strong presence in the United States for many years, its presence and expansion in Europe and the Middle East has only come recently (through both the Offeror's organic growth and acquisitions), and to this day is still limited in Asia.

The Offeror believes that the 100% acquisition of the Company represents an opportunity to address some of the challenges described above. A 100% acquisition of the Company allows the Offeror to fully integrate the Company's business into the Offeror's business, which is critical to unlocking the synergies between the Offeror and the Company. A full integration of the two businesses will allow the investment bankers from the Offeror and the Company to work seamlessly together to provide the market with the full resources and expertise of the combined firms. Furthermore, a full integration will completely eliminate any potential conflicts that might exist if the Offeror and the Company were separate firms with different investor bases. The specific synergies expected from the Transaction are as follows:

- (A) Establishing a Strong Global Technology Investment Banking Practice:** Over the last several years, the Company has built a global investment banking practice that is predominantly focused on the technology sector (56% of the Company's fee revenues in 2020 were generated from the technology sector). The Company represents an opportunity for the Offeror to significantly expand its investment banking coverage of the technology sector. While the Offeror does have an existing technology investment banking practice, it is smaller than that of the Company, and less global in nature. The Offeror believes the combination of the technology practices of the Offeror and the Company will establish one of the pre-eminent global technology investment banking practices.
- (B) Broad and Deep Global Coverage of Three Major Continents:** The Offeror believes it is a dominant middle-market investment banking firm within the United States. Over the last several years, through a combination of organic growth and acquisitions, the Offeror has continued to expand and grow its presence in Europe and to a limited extent in Asia. The Company is headquartered in Tokyo, Japan, with an investment banking operation in Japan and a broad network of offices in Asia. In addition, the Company has developed an investment banking practice in the UK and Continental Europe through a series of acquisitions over the last few years. The combination of the Offeror and the Company will result in an investment banking practice that has deep coverage across the U.S., Europe and Asia, with a broad portfolio of investment banking products and services. In addition, the acquisition will further expand the Offeror's European coverage of the industrials, consumer, healthcare, and business services industries, while also increasing the Offeror's debt placement and restructuring advisory capabilities in Europe. Lastly, the Company's access to large domestic Japanese corporates will enhance the global sell-side practice of the Offeror and provide it with a point of differentiation over its competitors.

Acquisitions represent a key part of the growth strategy for the Offeror. As part of this strategy, the Offeror, regularly reaches out to potential acquisition targets to establish a dialogue. As described above, a key area of focus for the Offeror has been to expand its coverage of the technology and media sectors. As a result, in early January 2020, the Offeror began actively searching for acquisition targets in the technology and media investment banking space. In early March of 2020, the Company with its global platform

and its strong focus in the technology and media sectors was identified by the Offeror as a potentially attractive acquisition target. In the middle of April 2020, the Offeror reached out to the Company to determine whether they would entertain any conversations regarding a combination of the two firms. The dialogue between the Offeror and the Company was initially focused on exploring the various ways to partner/combine the businesses and the potential benefits that would result from such combination. Various forms of business combinations were explored, from strategic alliances (without capital relationship) to 100% acquisition of the Company by the Offeror. As the dialogue between the Offeror and the Company became more serious since early May, the strategic fit that existed between the Offeror and the Company, and the attractive opportunities that could be pursued through combining the two businesses, became increasingly apparent to the Offeror. On May 27, 2020, the Offeror and the Company executed a mutual Confidentiality and Non-Disclosure Agreement, and began sharing more detailed information regarding their respective businesses. In early June of 2020, the Offeror retained Latham & Watkins as its legal counsel to advise it on the potential acquisition of the Company. However, due to the impact of the COVID-19 pandemic, the discussions were put on hold until early February 2021. Between middle February and late April of 2021, the Offeror and the Company held seven separate discussions to further discuss the details about a potential acquisition of the Company.

With the expectation of generating synergies and improving corporate value as described above, on May 10, 2021 the Offeror verbally informed the Company that it would, in the near future, officially provide an initial indication of interest. And subsequently on May 21, 2021, the Offeror delivered to the Company a non-binding proposal setting forth among other details, that: the Offeror would purchase all the Shares at purchase price equal to JPY1,200 per share, which price was determined considering a preliminary valuation reflecting the synergies expected to be created through a 100% acquisition of the Company, historical stock prices, and forward expectations for the business following a 100% acquisition of the Company, etc.; and the plan for the Offeror and the Company to negotiate during a 60-day exclusivity period, for the purpose of completing due diligence and executing definitive agreements (“Initial Proposal”). With the consultation of the Offeror’s legal counsel, it was determined that the structure for acquiring 100% of the Company would be through a tender offer process for the Shares.

Directors of the Company except for outside directors held a meeting, considered the Initial Proposal, taking into consideration the proposed purchase price offering a premium equal to 29% compared to the closing price of the Shares as of the date of the Initial Proposal (JPY932), and equal to 54% compared to the simple average of closing prices for the past six months as of the date of the Initial Proposal (JPY781), and confirmed their intent to proceed with discussions with the Offeror, and thereafter, outside directors were informed of the Initial Proposal at a meeting of the Company’s Board of Directors held on June 1, 2021. Subsequently, the Offeror discussed with the Company how to proceed based on the Initial Proposal, and on June 14, 2021, the Offeror and the Company executed an agreement setting forth the 60-day exclusivity period.

Subsequently, the Offeror and the Company started discussions and consideration of the details of the Transaction. Specifically, in late June of 2021, the Company retained Mitsubishi UFJ Morgan Stanley Securities to act as its financial advisor in the Transaction, which is independent from the Company, Offeror, and the Tendering Directors. Similarly

on June 29, 2021 the Offeror retained Daiwa Securities Co., Ltd. as its financial advisor and tender offer agent for the Transaction, which is independent from the Company, the Offeror and the Tendering Directors. The Offeror conducted due diligence to thoroughly examine the feasibility of the Transaction from June 14, 2021 through August 2, 2021, and in parallel, conducted several in-depth discussions with the Company to consider the goals and purpose of the Transaction, the post-Transaction management structure and business policy, and the terms of the Transaction.

The Offeror's and the Company's negotiations of the TOB price per share took into account, among other factors: the increase, starting in early July, 2021, in the stock price of the Shares; the competitive as compared to the premiums paid in tender offers through which bidders made the Company their wholly-owned subsidiaries; whether or not the proposed terms of the TOB could be supported by the Company's Board of Directors; the prospects of the TOB with respect to the number of shares tendered; and strength of the Company's current business performance and having exceeding prospected performance. On July 14, 2021 the Offeror increased its proposed price to JPY1,350 per share. On July 29, 2021, the Company again requested an upward revision in price explaining that the Company's business performance had continued to strengthen and that the Company might further revise its consolidated earnings forecast announced by the Company in the "FY2021 Upward Revised Earning Forecast" announcement on June 2, 2021. The Offeror and the Company held further negotiations taking such revision into account, and ultimately, it was agreed between the Offeror and the Company that an offer price of JPY1,380 per share would represent an appropriate valuation and premium for the Shares. The Offeror intends to solicit tenders of stock options in the TOB, and accordingly considered the TOB price per stock option ("Stock Option TOB Price"), and in early July 2021, the Offeror proposed to the Company to fix the Stock Option TOB Price as being equal to the difference between the Per Share TOB Price and the exercise price per share, which difference shall be multiplied by the number of shares issuable upon exercise of each stock option.

As a result of these discussions and negotiations: the Offeror and the Company reached a mutual understanding, based on the reasons outlined above, that a 100% acquisition of the Company, which would allow the Offeror to fully integrate the Company's business into the Offeror's business is critical to unlock the synergies between the Offeror and the Company, and accordingly would be the best way to improve the corporate value of the two companies; and on August 1, 2021, the Offeror and the Company agreed to fix the TOB price per share (the "Per Share TOB Price") as JPY1,380. On the same date, the Offeror and the Company agreed to fix the Stock Option TOB Price as being equal to the difference between the Per Share TOB Price and the exercise price per share, which difference shall be multiplied by the number of shares issuable upon exercise of each stock option. As a result, the Offeror made a determination to launch the TOB pursuant to resolutions adopted by the Offeror's Board of Directors at a meeting held on August 3, 2021.

(III) Management Policy after Tender Offer

The Offeror expects that, through discussions between the management of the Offeror and the key management of the Company, it would work directly with the Company to create an integration plan that would make the transition as smooth and efficient as possible, while maximizing the potential synergies between the two companies. The Offeror intends to designate directors to the Company's board after the consummation of the Transaction, but

the Offeror currently does not have any specific plan on the number of directors, the timing of election, nor the specific candidates that would be selected, etc.

The Offeror and the Company intend to continue to discuss in good faith, aiming for the actual implementation of measures to create synergies in connection with the execution of the Transaction, which may include, without limitation:

- Combining the respective technology investment banking practices of each of the Offeror and the Company into a single Global Technology Practice with the Company's and Offeror's management team in various leadership positions;
- Establishing global co-heads of the technology practice along with co-heads for the regional technology practices in the U.S., Europe, and Asia with the Company's and the Offeror's management team in various leadership positions;
- Establishing an Executive Technology Committee, consisting of management from the Offeror and the Company, to support and facilitate coordination and communication across the Global Technology Practice;
- Merging the Offeror's Japan and Asia operations into the larger Japan/Asia operations of the Company (as the Offeror's Japan and Asia operations are significantly smaller than those of the Company);
- The Offeror and the Company will work together to determine a plan for integrating the Company's non-technology investment banking practices into the Offeror's existing industry practices (Each non-technology practice will be evaluated independently to determine the most smooth transition for those practices.); and
- Integrating the back-office functions of the Offeror and the Company (The Offeror believes that much of the back-office functions of the Company will be necessary for the efficient operation of the business going forward and will work with the Company to determine how to effectively integrate the combined back-office functions.)

(IV) Background, Purpose, and Decision-Making Process of the Company to Endorse the Tender Offer

(i) Background to the establishment of the review team

As described in "(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below, in reviewing the Initial Proposal received from the Offeror on May 21, 2021 and in proceeding with discussions with the Offeror, the Company appointed Morrison & Foerster as its legal advisor independent of the Company, the Offeror and the Tendering Directors in early June 2021. The Company established a project team, as described in "(III) Establishment of an independent review team at the Company" in "(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below, to examine the Tender Offer with advice from Morrison & Foerster. In addition, in late June 2021, the Company appointed Mitsubishi UFJ Morgan Stanley Securities as a financial advisor and third-party appraiser independent of the Company, the Offeror and the Tendering Directors; in late July 2021, the Company appointed Plutus Consulting Co., Ltd. ("Plutus") as a third-party appraiser independent of the Company, the Offeror and the Tendering Directors; the Company requested Mitsubishi UFJ Morgan Stanley Securities, a third-party appraiser, to submit a share valuation report

on the Company's shares ("MUMSS Valuation Report"); and the Company requested Plutus, a third-party appraiser, to submit a share valuation report on the Company's shares ("Plutus Valuation Report") as well as an opinion to the effect that the price of the Shares in the Transactions (the "Transaction Price") is not disadvantageous and is fair to the Company's minority shareholders from a financial point of view ("Fairness Opinion").

(ii) Background of discussion and negotiation

The Company carefully considered the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction after several rounds of discussions and examinations with the Offeror, taking into account the outline of the Tender Offer including the purpose of the Transaction, the impact of the Transaction on the Company, the content of the management policy after the Transaction and the current stock price trend of the Company, as described in "(II) Background, Purpose, and Decision-Making Process behind the Implementation by the Offeror of the Tender Offer" above. In doing so, the Company received a report from Mitsubishi UFJ Morgan Stanley Securities on the results of the valuation of the Company's shares, advice on the negotiation policy with the Offeror and other advice from a financial point of view, as well as guidance on measures to ensure the fairness of the procedures in the Transaction and other legal advice from Morrison & Foerster.

(iii) Details of the decision

The Board of Directors of the Company carefully discussed and deliberated at its meeting held on August 3, 2021 whether the Transactions including the Tender Offer would contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transactions including the Per Share TOB Price are appropriate, based on the legal advice received from Morrison & Foerster, the financial advice received from Mitsubishi UFJ Morgan Stanley Securities, the MUMSS Valuation Report submitted on August 2, 2021, and the Plutus Valuation Report along with the Fairness Opinion, in each case, submitted by Plutus on August 2, 2021.

As a result, it was concluded that, as described below, the Company would be able to anticipate the creation of synergies by becoming a wholly-owned subsidiary of the Offeror, which would contribute to the enhancement of the Company's corporate value.

The M&A advisory business, which is the main business of the Company, may have growth potential as the number of cross-border deals is expected to increase further in the future both in Japan, the U.S. and Europe. It is, however, also high cyclical and is an area of intense competition from large global investment banks and local M&A advisory firms in various countries. The M&A advisory business is difficult to predict because the M&A market is heavily influenced by economic and financial trends, and the market has repeatedly experienced booms and busts in the past. Although the Company has strength in the field of technology at present, it would be advantageous for the Company to conduct M&A with M&A advisory firms that are highly complementary to the Company in terms of the industries and regions in which the Company specializes and that have highly specialized professionals in order for the Company to achieve its goal of becoming the world's number one independent M&A advisory firm by achieving further growth and increasing its corporate value. This is

why the Company has been pursuing and considering various M&A opportunities. The Offeror is a global investment bank with more than 1,100 professionals in 23 offices in 13 countries around the world, covering clients in a wide range of industries, mainly in the U.S. The Offeror has offices in Australia and the Middle East as well as in the U.S., Europe and Asia. The Company thought that the Company, having strength in Japan and Europe, and a strong presence in the US and Europe, focusing on the technology industry, and the Offeror having a strong presence in the U.S. and extensive customer coverage in non-technology industries, are highly complementary to each other and have the potential to generate significant synergies.

The primary synergies that the Company believes are feasible are as follows:

- (A) Enhancing ability to win projects by expanding presence in the U.S.
The Offeror is a leading investment bank with an active presence in the U.S. market, and the addition of the Offeror's presence in the U.S. market, the world's largest M&A market, is expected to significantly enhance the Company's ability to develop deals in the U.S. In addition, the addition of the Offeror's achievements and credibility with customers and the market is expected to strengthen the relationship with customers at the Company and increase the number of projects accordingly.
- (B) Increase in cross-border projects for Japanese companies by expanding industry coverage
The addition of the Offeror's broad industry coverage, including manufacturing, consumer goods, healthcare, business services, and financial sponsorship, is expected to significantly increase business opportunities related to cross-border M&A for leading Japanese companies, which is an area of strength for the Company.
- (C) Increase in cross-border deals by expanding regional coverage
The addition of the Offeror's offices in Sydney, Hong Kong, and Dubai is expected to increase the number of potential M&A deals that can be proposed to the Company's clients. In addition, the Company's direct access to buyer companies will be expanded globally, including in its European business, where the majority of its deals are on the seller side, which is expected to make the Company more competitive in acquiring deals on the seller side.
- (D) Establishment of a foundation for stable growth through diversification of business lines
The Offeror has strengths in providing a variety of services such as capital raising, financial restructuring, and valuation, in addition to M&A advisory services, and is one of the best in the world at financial restructuring. The utilization of the Offeror's knowledge could contribute to the expansion of the Company's M&A advisory business and increase business opportunities during the economic downturn.

The Company determined that, based on the following and other factors, the Per Share TOB Price of JPY1,380 per share is a reasonable price that ensures the benefits to be enjoyed by the Company's general shareholders, and that the Tender Offer provides the Company's general shareholders with a reasonable opportunity to sell their shares at an appropriate premium.

- (i) The Per Share TOB Price has been agreed to by the Company as a result of thorough negotiations with the Offeror, with sufficient measures taken to ensure the fairness of the terms and conditions of the Transaction, including the TOB Price, as described in “(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below.
- (ii) The Per Share TOB Price is higher than the results of the valuation of the Company's Shares by Mitsubishi UFJ Morgan Stanley Securities in the MUMSS Valuation Report obtained by the Company from Mitsubishi UFJ Morgan Stanley Securities, as described in “(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company” in “(3) Matters Concerning Calculations” below, using the market price analysis and the comparable companies analysis, and is also within the range of the value calculated by the comparable companies method and the discounted cash flow analysis (“DCF analysis”).
- (iii) The Per Share TOB Price is above the range of valuations based on the market price analysis and comparable companies analysis, and within the range of valuations based on the DCF analysis according to the results of valuation of the Shares by Plutus, which is in the Plutus Valuation Report as described in “(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company” in “(3) Matters Concerning Calculations” below. Additionally, as described in “(II) Outline of Fairness Opinion” in “(3) Matters Concerning Calculations” below, Plutus issued an opinion to the effect that the Transaction Price is not disadvantageous and is fair to the Company’s minority shareholders from a financial point of view.
- (iv) The Per Share TOB Price represents a premium of 31.30% (The figures are rounded to the second decimal place. The same applies to the calculation of the premium rate below.) on the closing price of JPY1,051 of the Company's shares on the First Section of the Tokyo Stock Exchange on August 2, 2021, the business day immediately preceding the announcement of the Tender Offer, a premium of 28.85% on the simple average closing price of JPY1,071 for the most recent one month from August 2, 2021, a premium of 40.39% on the simple average closing price of JPY983 for the most recent three months from August 2, 2021, and a premium of 54.02% on the simple average closing price of JPY896 for the most recent six months from August 2, 2021. These premiums are comparable to the level of premiums in other tender offer cases for the purpose of making a wholly-owned subsidiary, and are considered to be a reasonable level.

The Company determined that the Tender Offer provides a reasonable opportunity to sell the Stock Options to the Stock Options Holders of the Company, because the purchase price of the Stock Options is calculated based on the difference between the Per Share TOB Price and the exercise price per share of the Company for each Stock Option multiplied by the number of the Shares to be acquired upon exercise of each such Stock Option.

Based on the above, the Company determined that the Transaction would contribute to

the enhancement of the Company's corporate value and that the terms and conditions of the Transaction, including the Per Share TOB Price, are appropriate. The Company resolved at the meeting of its Board of Directors held on August 3, 2021 to express its opinion to endorse the Tender Offer and to recommend that the Company's shareholders and Stock Options Holders tender their shares or Stock Options in the Tender Offer. For the method of resolution at such meeting of the Board of Directors, please refer to “(IV) Approval of All Company Directors (Including Audit Committee Members) Not Having a Conflict of Interest” of “(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below.

(3) Matters Concerning Calculations

(I) Procuring Share Valuation Reports from Independent Third-Party Valuation Agencies by the Company

(i) Name of Valuation Agencies and Relationship with the Company, the Offeror and the Tendering Directors

In expressing its opinion regarding the Tender Offer, the Company selected Mitsubishi UFJ Morgan Stanley Securities and Plutus, as third-party appraisers independent of the Company, the Offeror and the Tendering Directors, and obtained valuation reports on the value of the Shares from Mitsubishi UFJ Morgan Stanley Securities as of August 2, 2021 and from Plutus as of August 2, 2021, respectively. Neither Mitsubishi UFJ Morgan Stanley Securities nor Plutus falls under the category of a related party of either the Company or the Offeror, and has any material interest in the Transactions including the Tender Offer.

(ii) Outline of Calculation for the Shares

(A) Outline of MUMSS Valuation Report

Mitsubishi UFJ Morgan Stanley Securities, after considering the calculation method for the Tender Offer, used (i) market price analysis because the Company's shares are listed on the First Section of the Tokyo Stock Exchange and a market price is available, (ii) comparable companies analysis because there are several listed companies engaged in relatively similar businesses to that of the Company and it is possible to infer the stock value by comparing similar companies, and (iii) DCF analysis to reflect the evaluation of the intrinsic value based on future business activities in calculating the value of the Company's shares, based on the belief that it is appropriate to evaluate the value of the Company's shares from various perspectives.

The range of values per share of the Shares calculated using each of the above methods is as follows:

Market price analysis: Between JPY896 and JPY1,071

Comparable companies analysis: Between JPY834 and JPY1,432

DCF analysis: Between JPY1,224 and JPY1,436

Under the market price analysis, the values per share of the Shares was calculated to be in the range of JPY896 to JPY1,071, by setting the reference date on August

2, 2021, and calculating based on (i) JPY1,071 which is the simple average closing price of the Shares on the First Section of the Tokyo Stock Exchange for the one-month period immediately preceding the reference date, (ii) JPY983 which is the simple average closing price of the Shares for the three-month period immediately preceding the reference date, and (iii) JPY896 which is the simple average closing price of the Shares for the six-month period immediately preceding the reference date.

Under the comparable companies analysis, the values per share of the Shares was calculated to be in the range of JPY834 to JPY1,432, by comparing the market share price and financial indicators such as profitability of listed companies engaged in relatively similar businesses to those of the Company.

Under the DCF analysis, the value per share of the Shares was calculated to be in the range of JPY1,224 to JPY1,436, by analyzing the Company's corporate value and equity value through certain financial adjustments, such as adding the value of surplus cash and cash equivalents held by the Company, to the business value calculated by discounting the free cash flow expected to be generated by the Company to the present value at a certain discount rate, taking into account various factors such as the business plans prepared by the Company for the fiscal years ending on December 31, 2021 through December 31, 2026, recent performance trends, and other publicly available information.

The business plan prepared by the Company (which was used by Mitsubishi UFJ Morgan Stanley Securities for the calculation by the DCF analysis) has taken into account the earning forecast for the fiscal year ending December 31, 2021 described in “FY2021 Upward Revised Earning Forecast” announced today by the Company, and includes a fiscal year in which a significant increase or decrease in profit is expected. Specifically, in the fiscal year ending December 31, 2021, the Company expects a significant increase in profit compared to the previous fiscal year (operating income of JPY5,500 million (non-GAAP basis), up 103% year-on-year), due to factors such as the global stagnation of economic activities caused by the COVID-19 pandemic in the fiscal year ending December 31, 2020, and the rebound from the interruption or postponement of many M&A projects and the recovery of business performance in the fiscal year ending December 31, 2021 due to the increase in M&A activities in Japan, the United States and Europe. In addition, since most of the factors contributing to the recovery of business performance in the fiscal year ending December 31, 2021 are expected to be temporary, the Company assumes that profits will return nearer to pre-pandemic levels in the fiscal year ending December 31, 2022, and expects a significant decrease in profits compared to the previous year (operating income of JPY3,600 million (non-GAAP basis), a 35% decrease compared to the previous year). Further, the synergies expected to be realized through the Transaction have not been taken into account in the business forecasts used by Mitsubishi UFJ Morgan Stanley Securities for the DCF analysis, as it is difficult to estimate such synergies in detail at this time.

(Note) In evaluating the equity value of the Shares, in principle, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the Company, publicly available information, and other relevant materials, and, assuming that all of such information and

materials are accurate and complete, has not independently verified the accuracy or completeness of such information and materials. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information related to the financial forecasts of the Company has been reasonably prepared by the Company based on best forecasts and judgments currently available to them. With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliated companies, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third party institution. The evaluation by Mitsubishi UFJ Morgan Stanley Securities reflects the afore-mentioned information up to August 2, 2021.

(B) Outline of Plutus Valuation Report

Plutus, after considering the calculation method for the Tender Offer, used (i) market price analysis because the Company's shares are listed on the First Section of the Tokyo Stock Exchange and a market price is available, (ii) comparable companies analysis because there are several listed companies engaged in relatively similar businesses to that of the Company and it is possible to infer the stock value by comparing similar companies, and (iii) the DCF analysis to reflect the future business activities in the valuation, based on the belief that it is appropriate to evaluate the value of the Company's shares from various perspectives.

The range of values per share of the Shares calculated using each of the above methods is as follows:

Market price analysis: Between JPY896 and JPY1,071

Comparable companies analysis: Between JPY919 and JPY1,361

DCF analysis: Between JPY983 and JPY1,453

Under the market price analysis, the values per share of the Shares was calculated to be in the range of JPY896 to JPY1,071, by setting the reference date on August 2, 2021, and calculating based on (i) JPY1,071 which is the simple average closing price of the Shares on the First Section of the Tokyo Stock Exchange for the one-month period immediately preceding the reference date, (ii) JPY983 which is the simple average closing price of the Shares for the three-month period immediately preceding the reference date, and (iii) JPY896 which is the simple average closing price of the Shares for the six-month period immediately preceding the reference date.

Under the comparable companies analysis, the values per share of the Shares were calculated to be in the range of JPY919 to JPY1,361, by comparing the market share price and financial indicators such as profitability of listed companies engaged in relatively similar businesses to those of the Company.

Under the DCF analysis, the values per share of the Shares were calculated to be in the range of JPY983 to JPY1,453, by analyzing the Company's corporate value and equity value by discounting the free cash flow expected to be generated by the Company to the present value at a certain discount rate, taking into account

various factors such as the business plans prepared by the Company for the fiscal years ending on December 31, 2021 through December 31, 2026, recent performance trends, and other publicly available information.

The business plan prepared by the Company (which was used by Plutus for the calculation by the DCF analysis) has taken into account the earning forecast for the fiscal year ending December 31, 2021 described in “FY2021 Upward Revised Earning Forecast” announced today by Company, and includes fiscal years in which a significant increase or decrease in profit is expected. Specifically, in the fiscal year ending December 31, 2021, the Company expects a significant increase in profit compared to the previous fiscal year (operating income of JPY5,500 million (non-GAAP basis), up 103% year-on-year), due to factors such as the global stagnation of economic activities caused by the COVID-19 pandemic in the fiscal year ending December 31, 2020, and the rebound from the interruption or postponement of many M&A projects and the recovery of business performance in the fiscal year ending December 31, 2021 due to the increase in M&A activities in Japan, the United States and Europe. In addition, since most of the factors contributing to the recovery of business performance in the fiscal year ending December 31, 2021 are expected to be temporary, the Company assumes that profits will return nearer to pre-pandemic levels in the fiscal year ending December 31, 2022, and expects a significant decrease in profits compared to the previous year (operating income of JPY3,600 million (non-GAAP basis), a 35% decrease compared to the previous year). Further, the synergies expected to be realized through the Transaction, except for the reduction of cost to remain as a listed company, have not been taken into account in the business forecasts used by Plutus for the DCF analysis, as it is difficult to estimate such synergies in detail at this time.

(iii) Summary of Calculation of Stock Options

With respect to the purchase price of the Stock Options, as it is determined to be the amount obtained by multiplying the difference between the TOB Price and the exercise price per one Share for each Stock Option by the number of the Shares to be delivered upon exercise of each such Stock Option, the Company has not obtained a valuation report or an opinion (fairness opinion) on the purchase price of the Stock Options from a third-party valuation agencies.

Although any acquisition by transfer of any of the Stock Options requires the approval of the Board of Directors of the Company, the Company, at the meeting of the Board of Directors held today, resolved to comprehensively approve the transfer of the Stock Options held by all the Stock Options Holders to the Offeror by tendering their respective Stock Options in the Tender Offer, conditional upon the completion of the Tender Offer.

(II) Outline of Fairness Opinion

The Company has received from Plutus, as of August 2, 2021, a fairness opinion on whether the Transaction Price is not disadvantageous and is fair to the Company’s minority shareholders from a financial point of view (Fairness Opinion) (Note). The Fairness Opinion represents the opinion, to the effect, that the Transaction Price is not disadvantageous and is fair to the

Company's minority shareholders from a financial point of view, considering, among others, the valuation of the Shares based on the financial forecast prepared by the Company. The Fairness Opinion was issued based on the results of a valuation of the Shares that was conducted by Plutus after receiving disclosure from the Company of, among other things, the current status of the business and the future business plan, as well as explanations from the Company relating thereto, and following a process consisting of question-and-answer sessions with the Company regarding the overview, background and purpose of the Transactions, consideration within the scope deemed necessary by Plutus of the Company's business environment and economic, market and financial situation, etc., and a review process conducted by an examination board at Plutus independent of its engagement team.

(Note) In preparing and submitting the Fairness Opinion and evaluating the share value underlying it, Plutus relied on the information and basic materials provided by or discussed with the Company, as well as publicly-available materials, on the assumption that they were accurate and complete, and that there were no facts that had not been disclosed to Plutus that could materially affect the analysis and evaluation of the value of the Shares, and Plutus has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

Plutus has assumed that the Company's business forecast and other materials used as the basis for the Fairness Opinion have been reasonably prepared by the Company's management based on the best currently-available estimates and judgements, and Plutus does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or premises on which they are based.

The Fairness Opinion expresses Plutus' opinion as of the date of preparation as to whether the Transaction Price is not disadvantageous and is fair to the Company's minority shareholders from a financial point of view, based on financial and capital markets, economic, conditions and other circumstance as of the date of preparation, and information available to Plutus up to the date of preparation, and while the content of the Fairness Opinion may be affected by subsequent changes in conditions, Plutus has no obligation to amend, change or supplement the content of the Fairness Opinion even in such cases. The Fairness Opinion does not infer or indicate any opinion, other than that expressly stated in the Fairness Opinion, with respect to any matter after the date of submission of the Fairness Opinion. The Fairness Opinion only expresses the opinion that the Transaction Price is not disadvantageous and is fair to the Company's minority shareholders from a financial point of view, and does not express opinions or make recommendations concerning the propriety of implementing the Transactions, nor the tendering in the Tender Offer or other actions with respect to the Transactions, and does not express any opinion to the holders of securities issued by the Company, creditors or other related parties.

The Fairness Opinion was provided by Plutus for the purpose of being used as a basis for decisions made by the Company's board regarding the Transaction Price and is not to be relied upon by any other party.

(III) Method of Calculation by the Offeror

In determining the TOB Price, the Offeror conducted due diligence to thoroughly examine the feasibility of the Transaction from June 14, 2021 through August 2, 2021, and analyzed the Company's business and financial conditions from various perspectives and in a comprehensive manner. The analysis of each of the Shares and the Stock Options is as follows.

(i) Shares

The Offeror took into consideration the fact that the Shares are traded through financial instruments exchanges, and referred to (i) the closing price of the Shares on the Tokyo Stock Exchange on August 2, 2021, the business day prior to the announcement date of the Tender Offer (JPY1,051); (ii) simple average of closing prices for the past one (1) month as of such date (JPY1,071); (iii) simple average of closing prices for the past three (3) months as of such date (JPY983); and (iv) simple average of closing prices for the past six (6) months as of such date (JPY896).

Furthermore, after comprehensively taking into consideration the likelihood of the Company's endorsement of the Tender Offer and the prospects for the completion of the Tender Offer, and after discussions and negotiations with the Company, the Offeror determined the TOB Price to be JPY1,380 on August 2, 2021. The Offeror has not obtained a share valuation report from any third party appraiser because the Offeror determined the TOB Price by comprehensively considering the above factors and through discussions and negotiations with the Company.

The TOB Price has: (i) a premium of 31.30% compared to the closing price of the Shares on the TSE on August 2, 2021, the business day immediately preceding the announcement of the Tender Offer (JPY1,051); (ii) a premium of 28.85% compared to the simple average of closing prices for the past one (1) month as of such date (JPY1,071); (iii) a premium of 40.39% compared to the simple average of closing prices for the past three (3) months as of such date (JPY983); and (iv) a premium of 54.02% compared to the simple average of closing prices for the past six (6) months as of such date (JPY896).

(ii) Stock Options

As for the Stock Options, the exercise price per share (Seventh Series Stock Options: JPY1,225; Eighth Series Stock Options: JPY1,225; Ninth Series Stock Options: JPY815; Tenth Series Stock Options: JPY848; RSU-1 Stock Options: JPY1; RSU-3 Stock Options: JPY1; RSU-4 Stock Options: JPY1; RSU-5 Stock Options: JPY1) is lower than the Per Share TOB Price (JPY1,380) as of the date of submission of this document.

Therefore, the Offeror decided to set the Purchase Price for the Stock Options at the amount equal to the difference between the Per Share TOB Price and the exercise price per share, which difference shall be multiplied by the number of shares issuable upon exercise of each Stock Option (1 for the Seventh Series Stock Options, Eighth Series Stock Options, Ninth Series Stock Options, Tenth Series Stock Options, RSU-4 Stock Options and RSU-5 Stock Options, and 100 for RSU-1 Stock Options and RSU-3 Stock Options).

Specifically, (i) for the Seventh Series Stock Options, the amount was determined to be JPY155, which is the difference between the exercise price per share equal to JPY1,225 and JPY1,380 multiplied by 1; (ii) for the Eighth Series Stock Options, the amount was determined to be JPY155, which is the difference between the exercise price per share equal to JPY 1,225 and JPY1,380 multiplied by 1; (iii) for the Ninth Series Stock Options, the amount was determined to be JPY565, which is the difference between the exercise price per share equal to JPY 815 and JPY1,380 multiplied by 1; (iv) for the Tenth Series Stock Options, the amount was determined to be JPY532,

which is the difference between the exercise price per share equal to JPY 848 and JPY1,380 multiplied by 1, (v) for the RSU-1 Series Stock Options, the amount was determined to be JPY137,900, which is the difference between the exercise price per share equal to JPY1 and JPY1,380 multiplied by 100; (vi) for the RSU-3 Series Stock Options, the amount was determined to be JPY137,900, which is the difference between the exercise price per share equal to JPY 1 and JPY1,380 multiplied by 100; (vii) for the RSU-4 Series Stock Options, the amount was determined to be JPY1,379, which is the difference between the exercise price per share equal to JPY 1 and JPY1,380 multiplied by 1; and (viii) for the RSU-5 Series Stock Options, the amount was determined to be JPY1,379, which is the difference between the exercise price per share equal to JPY 1 and JPY1,380 multiplied by 1.

(4) Prospects for Delisting and Reasons Therefor

The Shares are currently listed on the First Section of the TSE as of submission of this document. However, since the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Shares may be delisted through prescribed procedures in accordance with the delisting criteria, depending on the results of the Tender Offer. Also, if the Tender Offer is completed, even in the case that the delisting criteria are not met upon completion of the Tender Offer, the Offeror intends to subsequently hold all of the Shares (excluding treasury shares held by the Company) in accordance with applicable laws and regulations and the Squeeze-Out Procedures described in “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below, in which case the Shares will be delisted through the prescribed procedures in accordance with the delisting criteria. If the Shares are delisted, they will no longer be traded on the First Section of the TSE.

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

As described in “(I) Overview of the Tender Offer” of “(2) Basis and Reasons for Opinion Concerning Tender Offer” above, the Offeror intends to make the Company a wholly-owned subsidiary of the Offeror. In the event that the Offeror is unable to acquire all of the Company's shares in the Tender Offer, the Offeror plans to implement the procedures to make the Company its wholly-owned subsidiary after the completion of the Tender Offer, with the aim of acquiring all of the Shares and the Stock Options in the following manner.

(I) Share, Etc. Sale Demand

If, as a result of the completion of the Tender Offer, the total number of voting rights in the Company held by the Offeror becomes 90% or more of the number of the voting rights of all shareholders of the Company, and the Offeror becomes a special controlling shareholder as provided for in Article 179, Paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the same applies below), the Offeror intends to, promptly after the completion of the settlement of the Tender Offer, demand that all of the shareholders of the Company (excluding the Offeror and the Company; the same applies below) sell all of the Shares they hold (the “Share Sale Demand”), and all of the Stock Option Holders (excluding the Offeror,

the “Stock Option Holders Subject To Sale Demand”) sell all of their Stock Options (the “Stock Option Sale Demand”, together with the Share Sale Demand, the “Share, Etc. Sale Demand”) in accordance with the provisions of Section 4-2 of Chapter II of Part II of the Companies Act. In the case of Share Sale Demand, the Offeror intends to determine that it will deliver to each shareholder of the Company the amount of cash equal to the Per Share TOB Price as consideration for one Share. Also, in the case of Stock Option Sale Demand, the Offeror intends to determine that it will deliver to each of Stock Option Holders Subject To Sale Demand the amount of cash equal to the Stock Option TOB Price as a consideration for Stock Option per unit. In this case, the Offeror will notify the Company to that effect and request the Company to approve the Share, Etc. Sale Demand. If the Company approves the Share, Etc. Sale Demand by a resolution of the board of directors of the Company, the Offeror will acquire all of the Shares owned by them from all of the shareholders of the Company, and all of the Stock Options owned by Stock Option Holders Subject To Sale Demand, in each case, on the acquisition date specified in the Share, Etc. Sale Demand, in accordance with the procedures prescribed in the relevant laws and regulations without any individual approval of the shareholders of the Company and Stock Option Holders Subject To Sale Demand. Then, the Offeror will deliver the amount of cash equal to the Per Share TOB Price to each shareholder of the Company as consideration for one Share held by such shareholder, and deliver to each of Stock Option Holders Subject To Sale Demand the amount of cash equal to the Stock Option TOB Price as a consideration for Stock Option per unit owned thereby.

Further, if the Company receives from the Offeror a notice regarding the fact that the Offeror intends to make the Share, Etc. Sale Demand and regarding a matter set out in any item of Article 179-2, Paragraph (1) of the Companies Act, it will approve the Share, Etc. Sale Demand at a meeting of the board of directors of the Company.

In accordance with the provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share, Etc. Sale Demand, including Article 179-8 of the Companies Act, and other relevant laws and regulations, each of the shareholders of the Company and Stock Option Holders Subject To Sale Demand will be able to file a petition with a court for a determination of the sale price for their Shares and Stock Options. If such petition is filed, the sale price will be finally determined by the court.

(II) Reverse Stock Split

If, after the completion of the Tender Offer, the total number of voting rights pertaining to the Shares held by the Offeror is less than 90% of the number of the voting rights of all shareholders of the Company, the Offeror will, pursuant to Article 180 of the Companies Act, request the Company to hold an extraordinary shareholders’ meeting of the Company promptly after the settlement of the Tender Offer at which proposals for a reverse stock split with respect to the Shares (the “Reverse Stock Split”) and an amendment to the Company’s Articles of Incorporation that would abolish the share unit number provisions on the condition that the Reverse Stock Split becomes effective will be submitted (the

“Extraordinary Shareholders’ Meeting”). Although the timing of holding the Extraordinary Shareholders’ Meeting will depend on the date of the completion of the Tender Offer, the Offeror currently intends to hold the Extraordinary Shareholders’ Meeting in late October 2021.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Company will, on the effective date of the Reverse Stock Split, hold the number of the Shares proportionate to the ratio of the Reverse Stock Split that is approved at the Extraordinary Shareholders’ Meeting. If, due to the Reverse Stock Split, the number is a fraction less than one, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling the Shares equivalent to the total number of fractional shares less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies below) to the Company or the Offeror as per Article 235 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of fractional shares less than one share in the Shares will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Offeror and the Company) as a result of the sale will be equal to the price obtained by multiplying the Per Share TOB Price by the number of the Shares held by each such shareholder. The Offeror intends to request the Company to file a petition to a court for permission to purchase such Shares on this basis.

Although the ratio of the Reverse Stock Split of the Shares has not been determined as of today, it is intended that shareholders (excluding the Offeror and the Company) who hold shares in the Company and do not tender in the Tender Offer will have their shares classified as fractional shares less than one share in order for the Offeror to become the only owner of all of the Shares (excluding treasury shares held by the Company).

In the interest of protecting the rights of minority shareholders in circumstances involving the Share Consolidation, the Companies Act provides that if the Share Consolidation occurs and there are fractional shares less than one share as a result thereof, each shareholder of the Company who does not tender its shares in the Tender Offer (excluding the Offeror and the Company) may request that the Company purchase all such fractional shares less than one share at a fair price, and such shareholders may file a petition to a court to determine the price of the Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As explained above, it is intended that, as a result of the Share Consolidation, any of the shareholders (excluding the Offeror and the Company) who hold shares in the Company and do not tender in the Tender Offer will result in having their shares classified as fractional shares less than one share; accordingly, it is intended that a Company shareholder dissenting with the Share Consolidation will be eligible to file such petition to determine the price pursuant to the Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If such petition is filed, the purchase price will be finally determined by the court.

With regard to the procedures described in (A) and (B) above, it is possible that, depending on circumstances such as amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, it will require time to implement the procedures or the methods of implementation may be altered. However, even in such a case, upon completion of the Tender Offer, it is intended that a method will be used whereby the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Company) will ultimately receive cash consideration equal to the number of the Shares held by such shareholder multiplied by the Per Share TOB Price in exchange for their shares. Also, it is intended that, in cases where the cash will be delivered to the Stock Option Holders who do not tender in the TOB, the amount of such cash will be calculated as equal to the Stock Option TOB Price multiplied by the number of Stock Options owned by such Stock Option Holder.

The specific details and expected timing for the procedures described above will be determined through consultation with the Company and then promptly announced by the Company.

It is further noted that the Tender Offer is not intended to solicit shareholders of the Company to agree to the proposals at the Extraordinary Shareholders' Meeting. All shareholders of the Company are solely responsible for seeking advice from a certified tax accountant or other specialists with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

(6) Measures for Ensuring the Fairness of the TOB Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer

As of today, the Offeror does not hold any Shares, and the Offer does not constitute a tender offer by a controlling shareholder. In addition, the Transactions including the Tender Offer do not constitute a so-called "management buy-out (MBO) transaction."

Nevertheless, the Company and the Offeror have taken the following measures in order to further enhance the fairness of the Transaction including the Per Share TOB Price. Of the following statements, those concerning the measures taken by the Offeror are based on the explanations received from the Offeror.

(I) Procuring Share Valuation Reports and Fairness Opinion from Independent Third-Party Valuation Agencies by the Company

As stated in "(3) Matters Concerning Calculations" above, as a measure to ensure fairness in considering the Per Share TOB Price presented by the Offeror and in expressing its opinion regarding the Tender Offer, the Company requested Mitsubishi UFJ Morgan Stanley Securities and Plutus, as third-party appraisers independent of the Company, the Offeror and the Tendering Directors, to calculate value the Shares, and requested Plutus to submit the Fairness Opinion. The Company obtained the MUMSS Valuation Report from Mitsubishi UFJ Morgan Stanley Securities as of August 2, 2021; and obtained the Plutus

Valuation Report and the Fairness Opinion from Plutus as of August 2, 2021. Neither Mitsubishi UFJ Morgan Stanley Securities nor Plutus falls under the category of a related party of either the Company or the Offeror, and has any material interest in the Transactions including the Tender Offer. The compensation to be paid to Plutus in relation to the Transaction is a flat fee, which will be paid regardless of whether the Transaction is consummated, and does not include a contingent fee conditioned on the consummation of the Transaction, etc. For the MUMSS Valuation Report and the Plutus Valuation Report obtained by the Company, please see “(3) Matters Concerning Calculations” above.

(II) Seeking Advice from an Independent Law Firm by the Company

In early June 2021, the Company selected Morrison & Foerster as a legal advisor independent of the Company, the Offeror and Tendering Directors and has received legal advice from Morrison & Foerster regarding the decision-making process, decision-making methods, and other points to be considered in making decisions regarding the Transactions including the Tender Offer. Morrison & Foerster is not a related party of the Company, the Offeror and the Tendering Directors, and does not have any material interest in the Transaction including the Tender Offer.

(III) Establishment of an independent review team at the Company

As described in “(IV) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” above, the Company has established a team within the Company to examine, negotiate, and make decisions regarding the Transaction from the perspective of improving the corporate value of the Company and securing the interests of the general shareholders of the Company from a standpoint independent of the Offeror. Specifically, promptly after receiving the initial proposal from the Offeror regarding the transaction to acquire the Shares, the Company set up a project team with Mr. Geoffrey D Baldwin, Mr. Phil Adams, and Ms. Ritsuko Nonomiya, all of whom are directors of the Company, as the lead negotiators for the terms of the Tender Offer. The reason why the Company decided to have these three directors lead the negotiations is because the Company believes that they are the most suitable directors to negotiate a higher Tender Offer price for the benefit of the general shareholders in light of their experience as investment bankers and their familiarity with the Company’s business. In addition, in consideration of Mr. Akihiro Watanabe's influence within the Company due to his being the founder and representative director of the Company and a major shareholder of the Company with an ownership ratio of 8.05%, Mr. Watanabe has not been involved in the negotiations with the Offeror since the beginning of the negotiations with the Offeror, or the discussions at the Company's board of directors meetings, in order to further enhance the fairness of the negotiation process.

(IV) Approval of All Company Directors (Including Audit Committee Member) Not Having a Conflict of Interest

As described in “(IV) Background, Purpose, and Decision-Making Process of the Company to Endorse the Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” above, the board of directors of the Company carefully discussed and deliberated whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Per Share TOB Price, were appropriate, taking into account the legal advice received from Morrison & Foerster, the advice from a financial point of view and MUMSS Valuation Report received from Mitsubishi UFJ Morgan Stanley Securities, and the Plutus Valuation Report along with the Fairness Opinion received from Plutus.

As a result, for the basis and reasons as described in “(IV) Background, Purpose, and Decision-Making Process of the Company to Endorse the Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” above, at a meeting of the Company's board of directors held on August 3, 2021, the directors (including those who are members of the Audit Committee) who participated in the deliberations and the resolution unanimously expressed an opinion endorsing the Tender Offer and recommending all of the shareholders of the Company and all of the owners of the Stock Options (the “Stock Option Holders”) to tender their shares and stock Options in the Tender Offer.

The aforementioned resolution of the Company's board of directors meeting held on August 3, 2021 was passed by the unanimous approval of all directors who participated in the deliberation, which was attended by 12 directors (including those who are members of the Audit Committee), excluding Mr. Akihiro Watanabe, the representative director, out of 13 directors of the Company. As described in (III) Establishment of an independent review system at the Company above, Mr. Akihiro Watanabe has not been involved in the negotiations with the Offeror since the beginning of the negotiations with the Offeror or the discussions at the Company's board of directors meetings held on August 3, 2021, in order to further enhance the fairness of the negotiation process. For each of Company's directors, including Mr. Akihiro Watanabe, there is no individual agreement between such director and the Offeror regarding their treatment post-TOB and none of the Tender Offer Support Agreements include such individual agreement. Note that Offeror and Company agreed to grant equity compensation using the Offeror's stock to Company group's employees (whose individual identity will be determined in the future and who meet mid and long term employment requirements) as a whole, however, there is no individual agreement between any of such employees and the Offeror/Company regarding such equity compensation (for the avoidance of doubt, none of Tender Offer Support Agreement sets forth such arrangement).

(V) Measures for Securing Opportunities for the Shareholders of the Company to Tender Their Shares in the Tender Offer by the Other Offeror

The Offeror has set the Tender Offer Period at 36 business days, where the minimum period

stipulated by law is 20 business days. By setting a comparatively long tender offer period of 36 business days, the Offeror secures an appropriate opportunity for the shareholders of the Company to make a decision in regard to tendering shares in response to the Tender Offer, considering the pros and cons of the Transactions and the appropriateness of the TOB Price and the Stock Option TOB Price, while also securing an opportunity for parties other than the Offeror to make counter-offers, and the Offeror ensures the fairness of the Tender Offer. As described in “(I) Transaction Agreement” in “4. Material Agreements Concerning the Tender Offer” below, the Company is obliged to maintain an endorsement opinion on the Tender Offer. However, if a competing proposal is received from a third party without active solicitation by the Company, the Company's Board of Directors may discuss and negotiate with the third party that made the competing proposal and further change or withdraw its affirmative opinion on the Tender Offer, if the board of directors of the Company deems it necessary to comply with the directors' duty of care based on the advice of the Company's legal advisors. The Company has taken care to ensure the fairness of the Tender Offer by securing opportunities for takeover bids by parties other than the Offeror in this manner. In addition, as described in “(II) Tender Offer Support Agreement” in “4. Material Agreements Concerning the Tender Offer” below, the Tendering Directors are required to tender the Company's shares and stock Options in the Tender Offer. However, if the Board of Directors of the Company changes or withdraws its opinion in favor of the Tender Offer, the directors may withdraw such tender and tender the Company's shares and stock Options in the Competing Proposal.

(VI) Setting of Minimum Number to Satisfy the Majority-of-Minority Condition

As described in “(I) Overview of this Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” above, in the Tender Offer, the “Minimum Number of Shares to Be Purchased” (32,921,900 shares; ownership ratio is 66.67%) exceeds the sum of: (a) the so-called “majority of minority” (i.e., 19,571,315 shares; ownership ratio is 39.63%), which means the majority of the number of shares of the Company held by the Company's shareholders who do not have an interest in the Offeror, which is 39,142,628 shares, calculated as equal to the sum of: (i) the Total Number of Shares After Taking Potential Shares of the Company Into Consideration (49,382,808 shares) minus (ii) the aggregate number of Tendering Directors' Shares, Etc. (10,240,180 shares); plus (b) the aggregate number of Tendering Directors' Shares, Etc. (10,240,180 shares; ownership ratio is 20.74%); for the clarity, resulting in the sum of (a) plus (b) equal to 29,811,495 shares (ownership ratio 60.37%). The Offeror believes that the Tender Offer respects the decision of the minority shareholders of the Company because the Tender Offer will not be consummated unless the Tender Offer is supported by the majority of the shareholders of the Company who do not have an interest in the Offeror.

(VII) Measures to ensure that shareholders of the Company have an opportunity to make an

appropriate decision on whether or not to tender their shares in the Tender Offer

As described in “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above, the Offeror plans to (i) make a demand for the sale of all of the Shares (excluding the Shares owned by the Offeror and the Company’s treasury shares) and all of the Stock Options promptly after the completion of the settlement of the Tender Offer, or (ii) request the Company to hold the Extraordinary Shareholders’ Meeting, which will include reverse stock split and the partial amendment to the Articles of Incorporation to abolish the provision of the number of shares constituting one unit of stock as a condition for the reverse stock split to take effect, as agenda items, in accordance with the number of shares to be acquired by the Offeror upon completion of the Tender Offer. The Offeror will not adopt any method that does not ensure that the shareholders of the Company have the right to request the purchase of shares or the right to request a price fixing. In addition, the amount of money to be delivered to the shareholders of the Company as consideration in the event of a Share Sale Demand or the reverse stock split will be calculated to be the same as the Per Share TOB Price multiplied by the number of shares of the Company held by each such shareholder. If cash is to be delivered to the Stock Options Holders of the Company as consideration, the price shall be calculated to be the same as the Stock Option TOB Price multiplied by the number of Stock Options held by the Stock Options Holders. Thus, the Offeror has ensured that the shareholders and stock Option holders of the Company have an opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer, and has taken care not to create any coercion by doing so.

4. Material Agreements Concerning the Tender Offer

(1) Transaction Agreement

The Offeror has entered into a Transaction Agreement regarding the Tender Offer with the Company as of August 3, 2021. The Transaction Agreement provides that, if the Offeror commences the Tender Offer, the Company shall (a) not actively solicit, negotiate, or agree with any third party regarding any proposal to acquire the shares, business, or assets of the Company or any of its subsidiaries (the “Competing Offer”); or (b) maintain an endorsement opinion with respect to the Tender Offer.

However, in the event of such a competing proposal without active solicitation by the Company, and if the Company (i) notifies the Offeror of the proposal, and (ii) determines that the Competing Offer is reasonably likely to be more favorable to the shareholders of the Company than the Tender Offer, and deems it necessary in order to comply with the directors’ duty of care, based on the advice of the Company’s legal counsel, the Company may consult and negotiate with the third party who has made the Competing Offer. In such event, the Company will notify the Offeror of the contents of the competing proposal, and also discuss and negotiate with the Offeror to obtain more favorable terms for public shareholders of the Company. The Company may change or withdraw the endorsement of the Tender Offer, if the Company determines that such action is necessary to comply with its directors’ fiduciary duties after its discussion and

negotiation with each of the parties who made such competing proposal and the Offeror, unless the competing proposal is for a partial acquisition of the Company; in such event, the Offeror may terminate the Transaction Agreement and receive the Breakup Fee in an amount equal to 1.33% of JPY65,026,239,135. In addition, under the Transaction Agreement, the Company has agreed to conduct the Company's business in the ordinary course of business until the completion of making the Company a wholly-owned subsidiary, and not to take any material actions such as issuing shares, merging, transferring material assets, delivering dividends, or incurring material liabilities without the consent of the Offeror. Other provisions of the Transaction Agreement include the Offeror's obligation to commence the Tender Offer, the Company's obligation to cooperate in arranging for holders of the Company's Stock Options and restricted stock to tender their shares in the Tender Offer, the obligation of the Offeror and the Company to implement procedures necessary to make the Company a wholly-owned subsidiary in the event that the Offeror acquires two-thirds or more of the Company's shares, and the obligation of confidentiality.

(2) Tender Offer Support Agreement

As described in “(I) Overview of the Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” in “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” above, the Offeror has entered into a Tender Offer Support Agreement dated as of August 3, 2021 with each of the Tendering Directors, to the effect that each Tendering Director will tender all of the common stock and Stock Options held by such Tendering Director. The Support Agreement stipulates the obligation of the Offeror to commence the Tender Offer, the obligation of the Tendering directors of the Offeror to tender their shares (Note), the prohibition of the directors of the Offeror from actively soliciting, negotiating or agreeing to a competing proposal, non-compete, and the obligation of confidentiality. However, the Tendering Directors who have tendered their shares in the Tender Offer may withdraw their tender if the Board of Directors of the Company changes or withdraws the endorsement of the Tender Offer.

(Note) The obligation of the tendering directors to tender their shares is subject to the following conditions: (i) the Offeror's representations and warranties (setting forth the Offeror's incorporation and valid existence, the completion of Offeror's corporate actions required for the authorization to execute the Tender Offer Support Agreement, the validity of the Tender Offer Support Agreement, and no violation of applicable laws by the execution, etc. of Tender Offer Support Agreement) are true and accurate in all material respects; (ii) the Offeror has performed its obligations under the Tender Agreement (the obligations to launch the Tender Offer and to file the statutorily required disclosure documents) in all material respects; (iii) the Company approves the Tender Offer; (iv) there are no judgments of any court or authority prohibiting the tendering of shares in the Tender Offer; and (v) the Company has confirmed that there are no undisclosed material facts.

5. Details of Profit Sharing by Offeror or Specially Related parties

Not applicable

6. Response Policy for Basic Policy on Corporate Control

Not applicable

7. Questions to Offeror

Not applicable

8. Request for Extension of Tender Offer Period

Not applicable

9. Future Outlook

Please refer to “(II) Background, Purposes, and Decision-Making Process behind the Implementation by the Offeror of the Tender Offer”, “(III) Management Policy after Tender Offer” and “(IV) Background, Purpose, and Decision-Making Process of the Company to Endorse the Tender Offer” in “(2) Basis and Reasons for Opinion Concerning Tender Offer” in “3. Contents, Basis and Reasons of Opinion Concerning Tender Offer” above, and “(4) Prospects for Delisting and Reasons Therefor” and “(5) Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above.

10. Other Matters

(1) Announcement of the Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year ending December 2021 (IFRS; consolidated)

The Company publicly announced the 2Q Financial Results Summary on the date hereof. Please see such announcement for the details.

(2) Announcement of “FY2021 Upward Revised Earning Forecast”

On the date hereof, the Company announced today an upward revision to its consolidated earnings forecast for the fiscal year ending December 31, 2021 (From January 1, 2021 through December 31, 2021). Please see such announcement for the details.

(3) Announcement of Notice regarding Dividend Distribution (Interim Dividend) and Revision to Forecast of Year-End Dividend Distribution for FY2021 (No Dividend)

The Company resolved at the meeting of the Board of Directors held today to pay an interim dividend with the reference date of June 30, 2021, and not to pay a year-end dividend of surplus for the Fiscal Year ending December 2021 conditional upon the completion of the Tender Offer. Please see such announcement for the details.

End

(Reference) Overview of the Tender Offer, Etc. (Attachment)

Please see the “Announcement of Launch of Tender Offer for Shares Certificates, Etc. of GCA Corporation (Code: 2174)” as attached hereto, which was released by the Offeror today.

This press release is made for the purpose of announcing the Company's position with respect to the Tender Offer and not for the purpose of soliciting an offer to sell nor offering to purchase any securities in the Tender Offer. Any shareholder who intends to apply for the sale, etc. of any securities should make sure to act at its own discretion after reviewing the Tender Offer Explanation Statement as to the Tender Offer.

This press release does not constitute a solicitation of sale of, or an offer for purchase of, any securities, nor a part thereof, and neither this press release (or a part thereof) nor the delivery thereof shall provide a basis for any agreement for the Tender Offer and may be relied upon for executing any such agreement.

The Tender Offer is conducted to purchase common stock and stock options of the Company, a corporation incorporated in Japan. Although the Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act, these procedures and standards may differ from the procedures and standards in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. All of the financial information contained in this press release is based on Japanese accounting standard, not U.S. accounting standards, and may not necessarily be comparable to financial information based on U.S. accounting standards.

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. Known or unknown risks, uncertainties and other factors could cause actual results to substantially differ from the projections and other matters expressly or impliedly set forth herein as "forward-looking statements." Neither the Tender Offeror nor the Company, nor any of their respective affiliated parties, assumes that such express or implied projections, etc. set forth herein as "forward-looking statements" will eventually prove to be correct. The "forward-looking statements" contained in this press release have been prepared based on the information held by the Tender Offeror and the Company as of the date hereof and, unless otherwise required under applicable laws and regulations, neither the Tender Offeror nor the Company, nor any of their respective affiliated parties, assumes any obligation to update or revise this press release to reflect any future events or circumstances.

There is a possibility that the Tender Offeror, any of the Company's financial advisors or the tender offer agent (including their respective related parties) may conduct purchases of common stock of the Company not under the Tender Offer for its or their own account or on the account of its or their clients, or may take any action toward such purchase, prior to the commencement of the Tender Offer or during the tender offer period, in the ordinary course of business in accordance with the requirements under Article 5(b) of Rule 14(e) of the U.S. Securities Exchange Act of 1934, to such extent as is permitted by Japanese legislation related to financial instruments transactions and other applicable laws and regulations.

To whom it may concern

Name	Houlihan Lokey, Inc.
Representative	Chief Financial Officer Lindsey Alley

Announcement of Launch of Tender Offer for Shares Certificates, Etc. of GCA Corporation (Code: 2174)

Houlihan Lokey, Inc. (the “**Offeror**”) hereby announces that the Offeror has decided to launch the tender offer (“**Tender Offer**”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) for the shares of common stock (including shares of common stock issuable upon exercise of the Stock Options, the “**Target Shares**”) of GCA Corporation (securities code: 2174; listed on the First Section of the Tokyo Stock Exchange Inc., the “**Target**”), and the stock options listed in the item (i) through (viii) set out in the Section (b) of the Section 2 “Class of Share Certificates, Etc. to be Purchased, Etc.” (the “**Stock Options**”)

Established in 1972, the Offeror is a global independent investment bank with expertise in mergers and acquisitions (M&A), capital markets, financial restructurings, and financial and valuation advisory services. Through its offices in the United States, Europe, Asia, Australia, and Dubai, the Offeror serves a diverse set of clients worldwide, including corporations, financial sponsors and government agencies. As of today, the Offeror owns none of Target Shares nor Stock Options.

The Offeror has decided to launch the Tender Offer for the purpose of acquiring all of the Target Shares (excluding treasury stock held by the Target) and all of the Stock Options, and making the Target a wholly-owned subsidiary of the Offeror (the “**Transactions**”).

An overview of the Tender Offer, which is a part of the Transactions, is as follows:

1. Name of Target

GCA Corporation

2. Class of Share Certificates, Etc. to be Purchased, Etc.

a) Common Stock

b) Stock Option (as listed below; the “**Stock Options**”)

i. The Seventh Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on May 1, 2013 (the “**Seventh Stock Options**”).

ii. The Eighth Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on May 1, 2013 (the “**Eighth Stock Options**”).

iii. The Ninth Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on February 20, 2014 (the “**Ninth Stock Options**”).

iv. The Ten Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on February 20, 2014 (the “**Tenth Stock Options**”).

v. The RSU-1 Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on February 23, 2016 (the “**RSU-1 Stock Options**”).

- vi. The RSU-3 Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on September 23, 2016 (the “**RSU-3 Stock Options**”).
- vii. The RSU-4 Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on May 12, 2017 (the “**RSU-4 Stock Options**”).
- viii. The RSU-5 Series Stock Options issued pursuant to a resolution of the Target Company's board of directors' meeting held on June 18, 2018 (the “**RSU-5 Stock Options**”).

3. Purchase Price

Common Stock	JPY 1,380 per share
Stock Options	JPY 155 per Seventh Stock Option JPY 155 per Eighth Stock Option JPY 565 per Ninth Stock Option JPY 532 per Tenth Stock Option JPY 137,900 per RSU-1 Stock Option JPY 137,900 per RSU-3 Stock Option JPY 1,379 per RSU-4 Stock Option JPY 1,379 per RSU-5 Stock Option

4. Tender Offer Period

From August 4, 2021 (Wednesday) to September 27, 2021 (Monday) (36 business days)

5. Commencement Date of the Settlement

October 4, 2021 (Mon)

6. Number of Share Certificates, Etc. to Be Purchased

Number of Share Certificates, Etc. to be purchased	Minimum Number of Shares to Be Purchased	Maximum number of Share Certificates, Etc. to be purchased
49,382,808 Shares	32,921,900 Shares	—

7. Tender Offer Agent

Daiwa Securities Co. Ltd.

1-9-1 Marunouchi Chiyoda-ku Tokyo

For the details of the Tender Offer, please see the Tender Offer Registration Statement the Offeror will file on August 4, 2021 concerning the Tender Offer.

End.

[US regulations]

- The subject of this Tender Offer is the common shares and stock options of the Target, which is a company established under the laws of Japan. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards prescribed under Japanese law, and these procedures and standards are not necessarily equivalent to the procedures and information disclosure standards in the United States. Except as expressly specified to the contrary, the financial data included in this document or published by the Target was prepared in accordance with the accounting standards in Japan, and there is a possibility that such Japanese accounting standards may be substantially different from the general accounting standards in the U.S. or other countries.
- This document and the documents to which it refers contain “forward-looking statements”, as defined in the U.S. Private Securities Litigation Reform Act of 1995, regarding potential transactions between the Offeror and the Target. All the readers of this document should not to rely on such “forward-looking statements”. These “forward-looking statements” are based on the current projections on the future events. If the facts underlying are found to be inaccurate, or known or unknown risks or uncertainties become apparent, actual results may differ materially from the projections and plans of the Offeror and the Target. Such risks and uncertainties include, without limitation: (i) risks related to the satisfaction of the conditions to closing the Tender Offer within the anticipated timeframe, or at all; (ii) the risk that the Minimum Number of Share Certificates, Etc. to Be Purchased in the Tender Offer are not tendered, and the Tender Offer is not completed within the anticipated timeframe, or at all; (iii) risks relating to the possibility that a competing proposal will be made; (iv) risks related to the ability to realize the anticipated benefits of the Tender Offer and the related transactions, including the possibility that the expected benefits from the Tender Offer and the related transactions will not be realized or will not be realized within the expected time period; (v) the risk that the employees and business operations of Offeror and the Target will not be integrated successfully; (vi) disruption from the Tender Offer and the related transactions making it more difficult to maintain business and operational relationships; (vii) significant transaction costs; (viii) future foreign exchange rates and interest rates; (ix) the risk of litigation and/or regulatory actions related to the Tender Offer or the related transactions; (x) unknown liabilities; (xi) other business effects, including the effects of industry, market, economic, social, political or regulatory conditions or relating to outbreaks or natural disasters; (xii) changes in tax and other laws, regulations, rates and policies; (xiii) future business combinations or disposals; and (xiv) competitive developments. The Offeror does not assume any obligation to update any forward-looking statements based on new information or future events or developments.
- The respective financial advisor or the tender offer agent to the Offeror and the Target (including advisor’s or agent’s affiliates) may, within their ordinary course of business and to the extent permitted under Japan’s financial instruments laws and other applicable laws and regulations and in accordance with the requirement of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934, purchase or take any action toward such purchase of Target Shares for its own account or that of its customers, prior to the commencement of the Tender Offer or during the Tender Offer period. Such purchases may be made at market prices in transaction through the securities markets or those determined through negotiation outside markets. If any information concerning such purchase is disclosed in Japan, disclosure will also be made in the United States in the English language on the website(s) of the financial advisor(s) or tender offer agent which made such purchase (or through other disclosure methods).

[Other jurisdictions]

In some jurisdictions, the announcement, issuance, or distribution of this press release may be subject to legal restrictions. In such case, please take care of such restrictions and comply therewith. This press release shall not be deemed to constitute solicitation of the offer to sell or purchase the Share Certificates, Etc. and shall be deemed to constitute the distribution of material only for the readers’ information.