



FOR IMMEDIATE RELEASE

December 22, 2022

Company Name: Conexio Corporation
Representative: Hiroshi Suguta, President and Representative Director
Listed Exchange: Tokyo Stock Exchange Prime Market
Code No.: 9422
Inquiries: Shinya Nakada, Acting General Manager, Financial Planning DX
Division
Tel.: 03-5408-3105

**Notice of Statement of Opinion Concerning the Tender Offer for Shares of the Company by
NCX Corporation**

Conexio Corporation (hereinafter “the Company”) hereby issues notice that, by resolution of its Board of Directors effective December 22, 2022, the Company has made the decision to state its opinion in favor of the tender offer (hereinafter “the Tender Offer”) for the common stock of the Company (hereinafter “the shares of the Company”) put forth by the NCX Corporation (hereinafter “the Tender Offeror”), a corporation established and wholly owned by the Nojima Corporation (hereinafter “Nojima”), and has made the decision to recommend that shareholders tender their shares in the Tender Offer, as follows.

The above resolution of the Board of Directors is premised on the assumption that the Tender Offeror intends to make the Company a wholly owned subsidiary of the Tender Offeror following the Tender Offer and subsequent scheduled procedures (see “1) Overview of the Tender Offer” in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” in “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer” below for details), and on the assumption that shares of the Company will be delisted.

1. Overview of the Tender Offeror

(1) Name	NCX Corporation
(2) Address	1-1-1 Minami-Saiwai, Nishi-ku, Yokohama City, Kanagawa Prefecture
(3) Name and Title of Representative	Hiroshi Nojima, Representative Director
(4) Overview of Business	Acquisition and holding of the shares of the Company
(5) Capitalization	50,000 Yen
(6) Date of Establishment	November 22, 2022
(7) Major Shareholders and Shareholding Ratios	Nojima Corporation 100.00%
(8) Relationship Between the Listed Company and the Tender Offeror	
Capital Relations	None
Personal Relations	None
Business Relations	None
Conditions applicable to the Concerned Parties	None

2. Price of the Tender Offer, etc.

1,911 Yen per share of the stock of the Company

3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer

(1) Content of the Opinion Concerning the Tender Offer

By resolution of the Board of Directors effective December 22, 2022, the Company has decided to state its opinion in favor of the Tender Offer and to recommend that shareholders of the Company tender their shares in the Tender Offer, based on the grounds and reasons stated in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” below.

The above resolution of the Board of Directors was resolved in the manner described in “(6) Approval by all Directors with No Interests in the Company, and the Opinion of Non-Objection by all Company Auditors” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer

1) Overview of the Tender Offer

The Company has received the following explanation from the Tender Offeror regarding an overview of the Tender Offer.

The Tender Offeror is a joint stock company incorporated on November 22, 2022 with the primary purpose of acquiring and owning all of the shares of the Company through the Tender Offer. As of today, all of the Tender Offeror’s outstanding shares are owned by Nojima.

The Tender Offeror resolved at a meeting of its Board of Directors held on December 22, 2022 that the Tender Offeror will acquire all shares of the Company’s common stock (excluding treasury stock held by the Company) listed on the Tokyo Stock Exchange Prime Market, and will execute the Tender Offer as a part of transactions for the purpose of making the Company a wholly-owned subsidiary of the Tender Offeror (hereinafter “the Transactions”). As of today, neither Nojima, the wholly owning parent company of the Tender Offeror, nor any subsidiary or affiliate of Nojima, including the Tender Offeror, owns any shares of the Company.

In connection with the Tender Offer, the Tender Offeror has concluded an agreement (hereinafter “the Tender Offer Agreement”), effective December 22, 2022, with the ITOCHU Corporation (hereinafter “ITOCHU”), the parent company and largest shareholder of the Company, to tender all shares of the Company held by ITOCHU (26,996,000 shares; ownership ratio (Note 1): 60.34%). In connection with the Tender Offer, the Tender Offeror has reached an agreement (hereinafter “the Letter of Agreement”) with Nojima and with the Company, effective December 22, 2022, regarding the terms and conditions of employment of the employees of the Company and its subsidiaries following the Transactions. “4. Matters Concerning Material Agreements Regarding the Tender Offer” below for details of the Tender Offer Agreement and the Letter of Agreement”.

Note 1: “Ownership ratio” refers to the ratio (rounded to the third decimal place; the same applies to calculations of ownership ratio below) of the Company’s shares to a number of shares (44,737,744 shares) calculated as follows: the total number of shares outstanding as of September 30, 2022 (44,737,938 shares) stated in the Second Quarterly Report for the 26th Fiscal Year of the Company submitted on November 9, 2022 (hereinafter “the Quarterly Report of the Company”) less the number of treasury shares (194 shares) held by the Company as of September 30, 2022.

As the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer, the minimum number of shares to be purchased (Note 2) is set at 29,825,200 shares (ownership ratio: 66.67%). If the number of share certificates, etc. tendered in response to the

Tender Offer (hereinafter, “the Tendered Share Certificates, etc.”) is less than the planned minimum number of shares to be purchased, the Tender Offeror will not purchase the Tendered Share Certificates, etc. At the same time, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer. If the total number of Tendered Share Certificates, etc. exceeds the planned minimum number of shares to be purchased (29,825,200 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, etc.

Note 2: The minimum number of shares to be purchased in the Tender Offer (29,825,200 shares; ownership ratio: 66.67 %) is calculated as the total number of shares outstanding as of September 30, 2022 (44,737,938 shares) stated in the Quarterly Report of the Company less the number of treasury shares (194 shares) held by the Company as of September 30, 2022 (resulting in 44,737,744 shares), converted to a number of voting rights (447,377 voting rights) and multiplied by 2/3 (rounded up, resulting in 298,252 voting rights), then multiplied by 100 shares, which is the trading unit of shares of the Company.

The reason for setting this minimum number of shares to be purchased is that while the Tender Offer is intended to make the Company a wholly-owned subsidiary of the Tender Offeror, if the conclusion of the Tender Offer does not result in the purchase of all shares of the Company (excluding treasury stock held by the Company) and the procedures for a reverse stock split as described in “(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition)” below are implemented, a special resolution of a general meeting of shareholders is required pursuant to Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter). Accordingly, the minimum purchase will result in the Tender Offeror solely holding the 2/3 or greater voting rights ratio required for a special resolution.

In addition, if the Tender Offer is successful but the Tender Offeror is not able to acquire all of the shares of the Company (excluding treasury shares held by the Company) through the Tender Offer, then following the completion of the Tender Offer, the Tender Offeror intends to request the execution of the squeeze-out procedures (as defined in “(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition) below; the same applies hereinafter) in order to make the Company a wholly owned subsidiary of the Tender Offeror, as described in “(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition) below. Following the completion of the squeeze-out procedures, the Tender Offeror plans to perform an absorption-type merger (hereinafter “the Merger”) with the Company as the absorbed company and the Tender Offeror as the surviving company. However, the specific schedule and other details of the Merger remain to be determined as of today.

If the Tender Offer is successful, the Tender Offeror plans to receive 99.9 million Yen in funding from Nojima as well as borrowings of up to 85,900 million Yen from Nojima (hereinafter “the Parent Company Loan”), and plans to allot said funds to settlement payment for the Tender Offer, etc. The details of the financing terms and conditions for the Parent Company Loan will be set forth in a loan agreement for the Parent Company Loan based on separate consultation with Nojima.

2) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Execute the Tender Offer, and Management Policy Following the Tender Offer and the Transactions

The background, objectives, and decision-making process leading to the Tender Offeror’s decision to execute the Tender Offer, and the management policy following the Tender Offer and the Transactions, are as follows. Within the information below, descriptions of the Tender Offeror below are based on the press release “Notice Regarding Commencement of Tender Offer for Shares of Conexio Corporation (Securities Code: 9422, Tokyo Stock Exchange Prime Market) and Borrowing of Funds” (hereinafter “the Tender Offeror press release”) released today by Nojima and on other information disclosed by, and

explanations received from, the Tender Offeror.

- (i) Background to the Tender Offer, Discussions among the Tender Offeror, the Company, and ITOCHU, and the decision-making process of the Tender Offeror

Formerly Nojima Electric Industrial Co., Ltd. (founded August 1959), Nojima, the wholly-owning parent company of the Tender Offeror, was established in April 1962 as Nojima Denki Shokai Co., Ltd. for the purpose of selling electrical appliances. Following reorganization into a joint stock company in June 1982, the company changed its trade name to the current Nojima Corporation in April 1991. In December 1994, the company registered its shares as over-the-counter securities with the Japan Securities Dealers Association (hereinafter “JSDA”). It cancelled the over-the-counter registration with JSDA in December 2004 and listed its shares with JASDAQ Securities Exchange, Inc. (hereinafter “JASDAQ Securities Exchange”). In April 2010, in conjunction with the merger of JASDAQ Securities Exchange and Osaka Securities Exchange Co., Ltd. (hereinafter “Osaka Securities Exchange”), the company listed its shares on the Osaka Securities Exchange. In June 2016 it changed its market to the First Section of the Tokyo Stock Exchange; as of today, following the transition to the Tokyo Stock Exchange’s new market classification on April 4, 2022, the company’s shares are listed on the Tokyo Stock Exchange Prime Market.

As of today, Nojima and its 26 subsidiaries and one affiliated company form a corporate group (hereinafter “the Nojima Group”) that operates businesses in four segments: digital consumer electronics specialty store operation, carrier store operation, Internet business, and overseas business. In the digital consumer electronics specialty store operation business, the company sells household electrical appliances and digital AV-related equipment such as flat-panel TVs, and provides related delivery, installation, and repair services. It also sells PCs and other IT-related equipment, home game-related equipment, and software, and provides related solutions, setup, repair, and other services. In the carrier store operation business, the company sells mobile phones and other telecommunications-related equipment and provides related services. In its Internet business, the company provides broadband access services and related communication, security, and other services, as well as various information services using the Internet. In its overseas business, the company sells digital AV-related equipment, IT and information-related equipment, home appliances, and home furniture, and provides related solutions, setup, and other services, mainly in Southeast Asia.

Under the action guidelines of its Company-wide Management Philosophy by which all employees think, judge, and act as a single manager to “earn greater trust from customers,” the Nojima Group continually pursues the goals of “No. 1 in Digital” and “No. 1 in Customer Satisfaction,” with a commitment to “sales floors that facilitate selection” and “customer service from the customer’s perspective” to achieve those goals. The Nojima Group aims to evolve into a total solutions company that is able to provide new value as an “at-hand consultant” for the “Smart Life” that customers envision in the IoT age (Note 1) in which all home appliances are connected via the Internet and mobile devices.

To achieve that vision, the Nojima Group is addressing the following 3 points as key issues:

- (a) Store Operations

By taking action from customers’ perspective, the Nojima Group will create sales floors that enable easy selection, with items that customers need arranged in convenient locations. In order to provide high quality consulting on home appliances, smart phones, and other new products and technologies to meet the demands of customers, the Nojima Group will continue to build its employee workforce.

- (b) Human Resource Development

The Nojima Group will train product consultants who have specialized knowledge and can serve customers with sincere service and hospitality. The company will continue working toward human resource development aimed at store leaders and consulting staff, doing so through the use of its Nojima Manabu educational web tool for the enhancement of individual capabilities,

acquisition of knowledge, etc.

(c) Store Development

With regard to store development, the digital consumer electronics specialty store operation business will continue to follow a “dominant strategy” based on concentrated store openings in neighboring prefectures with a focus on Kanagawa Prefecture, while the carrier store operation business will implement scrap-and-build measures and renovate existing stores, including those of subsidiaries such as the ITX Corporation. The overseas business, adapting to local conditions, will work to expand its store network through openings in favorable locations.

Note 1: The Internet of Things (IoT) refers to the connection of all manner of things, not only information and communication devices such as PCs and smartphones, to the Internet and other networks.

The Nojima Group is also developing businesses related to the Company, mainly in the carrier store operation business and digital consumer electronics specialty store operation business, within which it is developing sales of mobile communication devices, contract agency services for mobile communication services, and other lines of business. The Nojima Group was quick to focus on the future potential of the carrier store operation business, which it has positioned and developed as a core business of the group alongside the digital consumer electronics specialty store operation business. In 1993, the Nojima Group became the first entity in the consumer electronics distribution industry to acquire the rights to become a primary mobile phone sales agent for NTT Mobile Communications Network, Inc. (current NTT DOCOMO, INC.; hereinafter “DOCOMO”). In 2014, the Nojima Group acquired all shares of the Kenwood Geobit Corporation (currently, UPBEAT CORPORATION), a mobile phone sales primary agent for the SoftBank Mobile Corp. (currently, SoftBank Corp.). In 2015, the Nojima Group acquired all shares of the ITX Corporation, a mobile phone sales primary agent for DOCOMO, and has expanded its carrier shop operation business.

At the same time, Nojima recognizes that in the mobile communications field, markets are maturing and the consumer handset switching cycle is lengthening, with the result that competition in the mobile communications industry and in the mobile communications handset sales agent industry is intensifying. Furthermore, in the mobile handset sales agent industry, Nojima recognizes that the future of the market and industry trends do not necessarily warrant optimism, due to factors including the increasing reach of MVNOs (mobile virtual network operators) among consumers, the launch of new price plans offering only online support, and the impact of changes in sales policies and of sales measures of mobile carriers that conclude sales agent contracts. It is becoming increasingly difficult for mobile communication terminal sales agents to continue achieving sustainable growth through independent and unique business strategies; in actuality, the mobile communication terminal sales agent industry is undergoing consolidation and reorganization. In this market environment, Nojima also believes that it will be difficult to achieve continued growth in the future by utilizing only existing management resources.

In early September 2022, Nojima received notice from ITOCHU, the parent company and largest shareholder of the Company, and Nomura Securities Co., Ltd. (hereinafter “Nomura Securities”), a financial advisor to ITOCHU, stating that the companies would begin the process of selling all shares of the Company held by ITOCHU to multiple candidate buyers. Nojima was approached about participating in the first-round bidding. Under the current and expected future business environment in the mobile telecommunications field, Nojima believes that a capital and business alliance between Nojima and the Company is a rational strategy for Nojima to achieve further growth and enhance its corporate value, and that said alliance is also consistent with the direction of the industry, namely the strengthening of management bases and improvement of operational efficiency through integration

and restructuring. Accordingly, Nojima made the decision to participate in the first-round bidding. In mid-September of the same year, Nojima appointed Houlihan Lokey Corporation (hereinafter “Houlihan Lokey”) as a financial advisor independent from Nojima, the Company, and ITOCHU. Based on the Company’s earnings forecasts from the fiscal year ending March 31, 2023 through the fiscal year ending March 31, 2025 (hereinafter, “the earnings forecasts”) disclosed by the Company and by ITOCHU, as well as financial information and publicly available information, Nojima proceeded with a detailed examination of the Company’s earnings forecasts, consistency with Nojima’s business strategy, the potential for creation of synergies, and, based on these, an initial valuation analysis and examination of the Company. As a result, believing that both parties will be able to achieve further growth in the increasingly harsh mobile communications terminal sales agent industry through Nojima making the Company a wholly owned subsidiary, and through the Nojima Group and the Company combining their store operation know-how, human resources, and store networks and engaging in mutual friendly competition, on October 5, 2022, Nojima submitted to ITOCHU a legally non-binding First Letter of Intent premised on making the Company a wholly owned subsidiary through a public tender offer and associated subsequent procedures, and, based on an initial valuation analysis of the Company by Houlihan Lokey, setting the valuation of the shares of the Company at approximately 86.4 billion Yen and the per-share purchase price of shares of the Company (hereinafter, “the Tender Offer Price”) at 1,931 Yen, recognized by Nojima as an economically rational level.

Subsequently, in early October 2022, Nojima appointed Mori Hamada & Matsumoto as a legal advisor independent from Nojima, the Company, and ITOCHU, and in mid-October of the same year received notice of permission to participate in the second round of the bidding process from Nomura Securities, a financial advisor to ITOCHU, leading to their participation in second-round bidding. In the second-round bidding, over a period of approximately four weeks from mid-October 2022 to early November 2022, Nojima conducted due diligence on business, financial, taxation, and legal matters of the Company as well as interviews with the Company’s management and, based on information obtained in the process, engaged in further analysis and examination of the significance of the Transactions, the acquisition structure, the equity value of the Company, and post-acquisition governance and management policy.

As a result of this examination, Nojima came to the conclusion that, while continuing to consider specific initiatives together with the Company in the future, making the Company a wholly-owned subsidiary and having the businesses, store network, and employees of the Company become part of the Nojima Group would enable the creation of synergies such as the streamlining of store operations through shared management infrastructure, the streamlining of investments in the digitalization of business, cooperation in logistics and store development, and the sharing of best practices for high-quality consulting tailored to customer needs, which in turn would enable efforts to improve the medium- to long-term corporate value of the Nojima Group and the Company. Nojima also came to the further conclusion that even if part-time directors and part-time corporate auditors of the Company who concurrently serve as employees of ITOCHU resign, due to the Company ceasing to be a subsidiary of ITOCHU and engaging in business operation independent of ITOCHU, all other directors, auditors, and executive officers of the Company can be expected to continue to perform their duties after the Transactions, and thus no impact on the execution of business of the Company following the Transactions is assumed. Nojima also concluded that, as existing commercial transactions between the Company and the ITOCHU Corporation and its subsidiaries or affiliates (hereinafter, “the ITOCHU Group”) are subject to the same general terms and conditions as independent third party transactions, and as sales related to commercial transactions with the ITOCHU Group represent an insignificant proportion of the Company’s sales, the impact of the Company’s withdrawal from the ITOCHU Group can be considered limited and no particular negative synergies are foreseen. As the Company has business partners that compete with Nojima in some

businesses, Nojima has carefully considered the impact of the Transactions on future transactions with said business partners. Although the possibility of temporary negative impacts on the Company's business cannot be completely ruled out, Nojima believes that the Transactions are aimed at enhancing the medium- to long-term corporate value of the Nojima Group and the Company, and that even if temporary negative impacts do manifest, in the medium to long term, the Transactions will further strengthen the Company's core competences (Note 2) through improvement of profitability brought about by Nojima and the Company sharing know-how on store operation efficiency and by enabling the Company to provide higher quality services through employee training, and thus that the creation of synergies exceeding any temporary negative synergies will be possible, making considerable contributions to enhancement of the corporate value of the Company. Based on the results of this examination, and recognizing that a proposal at the same level as the Tender Offer Price in the Tender Offer, as presented in the First Letter of Intent, would be an acceptable proposal to ITOCHU and that such Offer Price represents an economically rational level for Nojima, on November 11, 2022, Nojima submitted a legally binding Second Letter of Intent to ITOCHU, based on the initial valuation analysis of the Company conducted by Houlihan Lokey and on the premise that the Tender Offer and subsequent procedures would make the Company a wholly owned subsidiary, with the total value of the shares of the Company set at approximately 86.5 billion Yen and the Tender Offer Price set at 1,933 Yen.

(Note 2) "Core competencies" refers to the core capabilities of a company that cannot be imitated by other companies.

In the first and second bidding processes described above, ITOCHU expressed its desire to convert all of its shares held in the Company into cash at the highest possible price, and its intention to do so through a tender offer. However, due to the fact that putting a limit on the maximum number of shares to be purchased in the tender offer is not in line with such intention, by conducting a tender offer without placing a limit on the maximum number of shares to be purchased on the assumption of the Company's delisting, we can provide reasonable opportunities for our shareholders to sell their shares. Nojima believes that in order to maximize the above-mentioned synergy creation, it is essential to share and utilize the management resources and know-how of both companies to the fullest and establish a system whereby swift decisions can be made. However, if the Company continues to be listed, as it is necessary to consider the interests of a diverse group of shareholders, such as those seeking a strengthening of the Company's short-term profits and shareholder returns, we must then be cautious about making investments that may not necessarily benefit short-term shareholder profits, such as investments in equipment for digitalization, which will contribute to the improvement of corporate value in the medium to long term. Additionally, there may be certain constraints on the sharing and utilization of each other's management resources and know-how and on making swift decisions, which may make it difficult to maximize the aforementioned synergies. Therefore, from the start of the first tender process in mid-September 2022, Nojima has considered a scheme based on the complete subsidiarization of the Company (hereinafter, "the Scheme") and that no specific consideration has been given to other options.

Subsequently, in the course of discussions with ITOCHU regarding various terms and conditions, etc. concerning subscribing to the Tender Offer, as Nojima expected that some of its assumptions regarding the Tender Offer Price that it had presented in its second letter of intent would change, on November 24, 2022 it therefore proposed in writing to ITOCHU that the Tender Offer Price be set at 1,911 Yen. In response, Nojima received a notice from ITOCHU dated November 28, 2022 stating that it would grant exclusive negotiating rights for the Transaction on the assumption that negotiations would continue regarding the Tender Offer Price and other terms and conditions regarding the Tender Offer. On December 2, 2022, Nojima received a response from ITOCHU through its financial advisor,

Nomura Securities, stating that if the Tender Offer Price was 1,911 Yen or greater, it intended to accept the Tender Offer through Houlihan Lokey. Subsequently, Nojima and ITOCHU further discussed and negotiated the terms and conditions of the Tender Offer, and Nojima reached an agreement with ITOCHU on December 2, 2022 regarding the details of the Tender Agreement, including the Tender Offer Price of 1,911 Yen per share.

In addition, Nojima, in a letter from the Company dated December 2, 2022, was asked by to consider setting the Tender Offer Price at 1,997 Yen based on the results of a share value calculation carried out by Frontier Management Inc. (hereinafter, “Frontier Management”), a financial advisor to the Company, trends in the market price of the Company’s stock price, the future prospects of the Company’s business etc., as well as the opinions of the Independent Committee. In response to this request, based on the above discussions with ITOCHU, on December 7, 2022, Nojima proposed to the Company in writing that the Tender Offer Price be set at 1,911 Yen. Nojima also explained to the Company that the price was proposed after careful consideration of the economic rationality for Nojima based on business and financial information obtained through due diligence regarding the Company and interviews with the Company’s management, etc., and that as there were no factors that would justify any further increase in the price above, it was difficult to raise the Tender Offer Price any higher than 1,911 Yen since there were no further reasons to increase the amount. Furthermore, on December 7, 2022, Nojima requested that the Agreement between the Company, Nojima and the Offeror regarding the treatment of employees of the Company and its subsidiaries after the Transaction be concluded and that discussions and negotiations be continued regarding such matters. Subsequently, on December 13, 2022, Nojima received a communication from the Company that it had accepted the Tender Offer Price of 1,911 Yen and reached an agreement with the Company regarding the Tender Offer Price. Nojima then discussed with the Company the significance and purpose of the Tender Offer, various measures to enhance corporate value, including expected synergies, and the treatment of workers employed by the Company and its subsidiaries after the Transaction. As a result, they reached an agreement with the Company regarding the contents of the Agreement on December 16, 2022.

Following this process, at the meeting of Nojima’s Board of Directors on December 22, 2022, they resolved to implement the Tender Offer by the Tender Offeror and to conclude the Tender Agreement between the Tender Offeror and ITOCHU, and to conclude the Agreement with the Company, Nojima and the Tender Offeror. The Tender Offeror has also resolved to execute the same. For more information on the Tender Agreement and the Agreement please see “4. Matters Concerning Material Agreements Regarding the Tender Offer” below.

(ii) Management Policy After the Tender Offer and the Transaction

If the Tender Offer is successful, the Offeror and Nojima intend to respect the business operation policy that the Company has promoted to date and maintain the Company’s independent business operations, while at the same time utilizing the know-how of the Nojima Group to achieve further growth and create synergies through collaboration between the Nojima Group and the Company. In particular, in consultation with the Company, Nojima intends to promote collaboration and cooperation in areas such as improving the efficiency of shop operations, improving the quality of customer service, accelerating the growth of corporate businesses being developed by Nojima, Nojima’s group companies, and the Company, as well as sharing common management platforms and streamlining investments associated with the digitalization of businesses.

Details regarding the management structure of the Company, including the composition of its officers after the Transaction, are expected to be determined through discussions with the Company after the completion of the Tender Offer. In principle, the plan is to have part-time directors and part-time corporate auditors, who are concurrently employees of ITOCHU, resign, but it hopes that other current management members will continue to play a leading role in the business operations of the

Company. In addition, from the perspective of creating synergies through collaboration between the Nojima Group and the Company and ensuring consistency with the overall strategy of the Nojima Group, it is expected that several persons nominated by Nojima will be appointed as directors and auditors of the Company. Furthermore, after the Transaction, Nojima would like to consider adopting a personnel policy that would link improvements in corporate value with the treatment of executives and employees of the Company, such as by adopting a stock option plan for its executives and employees.

3) Business Environment Surrounding the Company, Management Issues of the Company, and the Process and Reasoning Behind Decision-Making at the Company

(i) Business Environment Surrounding the Company and Management Issues at the Company

The Company was established in August 1997 as a subcontractor for the mobile communication-related business of ITOCHU's Telecommunications Network Division, as a wholly-owned subsidiary of ITOCHU for the main purpose of selling and wholesaling mobile phones. In April 2002, the company took over the position of primary distributor from ITOCHU through an absorption-type demerger and became the main business entity. In March 2006 the Company was listed on the Second Section of the Tokyo Stock Exchange, in December 2007 it was listed on the First Section of the Tokyo Stock Exchange, in April 2022 it was transferred to a new market segment on the Tokyo Stock Exchange, and as of today it is listed on the Tokyo Stock Exchange's Prime Market.

We entered the market in August 1997, prior to the widespread adoption of mobile phones, under our corporate philosophy of "Connecting People, Connecting Value". We have aimed to be a power that deeply connects the feelings of each of our customers. By connecting people and connecting information we have aimed to enhance the value that we offer and create a chain of emotion with all the people to whom we are connected. In the meantime, while expanding the scale of our business through such measures as taking over the mobile communications business of Hitachi Mobile, Co., Ltd in July 2008 and merging with Panasonic Telecom Co., Ltd in October 2012, we have grown our operating profit from approximately 3.6 billion Yen in the fiscal year ended March 2006 to 8 billion Yen in the fiscal year ending March 2022. For the 30 years since the Mobile Communications Division of ITOCHU, our parent company, opened the first Docomo Shop in Hachioji in 1992, we have worked with Docomo to develop Docomo Shops, which are sales and after-sales service centers, and have continued to provide services to customers. Furthermore, since 2014, we have led the industry in offering free smartphone classes at carrier shops across the country, through which we have contributed to the spread of mobile phones by fulfilling our role as an ICT hub in the community. Now that cell phones have become an indispensable part of our lives, we are ranked second in the industry in terms of unit sales (FY2021, MM Research Institute, Inc. survey). As one of the leading companies in the industry, we are working to improve our corporate value over the medium to long term through business activities such as supporting customers in their "smart life" in our consumer business and helping customers to develop smart businesses in our corporate business.

In April 2021, we formulated a medium-term management plan for up to the fiscal year ending March 2024. In anticipation of the digital divide caused by the progress of digitalization, and the sophistication of related services brought about by the spread of 5G devices, we have been working to strengthen our management base and adopting the Sustainable Development Goals (SDGs) in our management, in addition to implementing our three basic strategies: 1. evolve the shop business to meet the changing needs of customers, 2. expand proprietary services and solutions, and 3. pursue digitalization, etc., for productivity innovation. In the fiscal year ending March 31, 2022, efforts to 2. expand proprietary services and solutions, one of our basic strategies, progressed smoothly and proprietary business revenues grew steadily. In the consumer business, "nexi Package" (Note 1), which mainly consists of security applications, was our best revenue earner, while in the corporate business, stock-type business products, such as "Managed Mobile Service" (Note 2), which includes

help desk services, were the main drivers of revenue. In addition, 3. pursue digitalization, etc., for productivity innovation has also seen significant improvements through the promotion of digital transformation (DX) in shop operations and core business operations. However, with regards to 1. evolve the shop business to meet the changing needs of customers, with declining sales volumes due to market maturity and consumers' longer mobile phone replacement cycles, price increases of popular models due to the weak Yen and the launch of new price plans that are only available online, and changes in sales policies and business strategies by telecommunications carriers, etc., the current business environment surrounding the mobile phone agency industry and our company has become increasingly challenging, resulting in a significant deterioration in earnings in the mobile phone carrier agency business, which is our main business, within a short period of time. Although we had budgeted a certain amount for the medium-term management plan to account for the reduction in agency commissions due to the intensifying price competition among telecommunications carriers, the speed and scale of the deterioration in the business environment exceeded our expectations. Therefore, in April 2022 we decided to withdraw the medium-term management plan because we needed to formulate a new strategy after confirming the medium to long-term policies of the telecommunications carriers and the direction of agency strategies.

In light of the business environment surrounding the mobile phone agency industry and our company as described above, the Company sees further improvement of productivity in preparation for future changes in the external environment, the expansion of new services utilizing our customer base, and the expansion of stock-type businesses that are not affected by declining sales volumes to be management challenges going forward.

To improve productivity, we are actively introducing DX and reducing in-shop operations, such as by establishing call centers to which customer calls to shops can be transferred and online centers where staff can handle some in-shop procedures. We will continue to accelerate systematization and digitalization, and pursue productivity improvement throughout the company by streamlining operations.

In order to quickly launch new services utilizing our customer base, in April 2022 a new business promotion division was established under the direct control of the president. As a first step, we have started offering paid smartphone lessons under the name "Living Smartphone Classroom" (Note 3) at our carrier shops. Leveraging the know-how gained from our industry-leading launch of smartphone classes in 2014, we aim to expand the availability of this service to other agencies' shops and culture centers and establish a paying subscriber base of 100,000 during the three years from April 2022 to March 2025. In the future, we intend to work with other companies to further increase the range of support menus and content to enable customers to enjoy more comfortable and affluent lives through the use of their smartphones. We also participate in the "Digital Utilization Support Promotion Project for Users" run by the Ministry of Internal Affairs and Communications, collaborate with local governments to offer courses at our carrier shops on administrative procedures (how to apply for a My Number Card, use My Portal, use e-Tax, etc.) using smartphones, and conduct similar lectures at public facilities, such as community centers. By implementing these "business initiatives aimed at bridging the digital divide (Note 4)" we will become a regional ICT hub and grow as a "Digital Life Support Business."

With regard to the expansion of stock-type businesses, in addition to establishing a paying subscriber base through the "Digital Life Support Business", we will work on evolving services, expanding our customer base, and digitizing customer touchpoints in the corporate sector. In the corporate business, we offer a variety of managed services under the brand name "Mobile WorkPlace" (Note 5), ranging from consulting to implementation design, operation, and support for the effective use of cloud services. Up until now, we have focused on mobile devices, but we are now expanding services to include computers and fixed-line phones. We will also proceed with efforts to broaden our customer base to include not only large companies but also small and medium-sized companies by

means such as the digitization of customer touchpoints and the standardization of products and services.

By steadily implementing these business strategies as a unified company, we aim to overcome this period of change in the industry and pave the way for the next leap forward.

(Note 1) “nexi Package” refers to security, ad blocking and other applications sold at Docomo Shops operated by Conexio.

(Note 2) “Managed Mobile Service” is a service that supports the introduction and operation of mobile devices for companies.

(Note 3) “Smartphone Classes for Living” refers to paid smartphone classes offered at Docomo Shops operated by Conexio.

(Note 4) “Digital divide” refers to the disparity between those who have access to information and communication technologies such as the Internet and personal computers, and those who do not.

(Note 5) “Mobile WorkPlace” is a service that provides the necessary environmental infrastructure to enable anyone to work anytime, anywhere through mobile and cloud services.

(ii) Process and Reasoning Behind Decision-Making at the Company

In early July 2022, we received a request from our parent company, ITOCHU, as part of a business portfolio review, to consider our capital policy, including the sale of shares that they own in the Company. We then commenced discussions with ITOCHU regarding the capital policies concerning both companies. We also carefully considered various options to maximize the benefits for not only ITOCHU but also our minority shareholders and further enhance our corporate value through a change in our shareholder composition. As a result, both the Company and ITOCHU decided that it was desirable to conduct a bidding process (the “Bidding Process”) in mid-August 2022 for the sale of the Company’s shares owned by ITOCHU to several candidates who have shown a strong interest in the Company’s business in order to maximize shareholder returns and further accelerate the Company’s growth in the future in order to implement the Company’s capital policy. Please note that in early August of the same year, the Company appointed Frontier Management as its financial advisor and Nomura & Partners as its legal advisor. Frontier Management has a long-standing relationship with the Company through consultations regarding the Company’s capital policy and M&A activities. Nomura & Partners has a long-standing relationship with the Company through providing advice regarding legal matters and in this instance has been appointed as our legal advisor. Based on this decision, ITOCHU began sounding out 11 companies (six operating companies and five investment funds), including Nojima, through Nomura Securities from the beginning of September 2022 regarding the Company’s capital policy, including the sale of the Company’s shares held by ITOCHU. ITOCHU then initiated the first tender process with several candidates who were interested in participating in the bidding process, and in late October of the same year the candidates submitted their letters of intent. After careful consideration of their contents and discussions with the Company, ITOCHU selected the candidates to be invited to participate in the second tender process. Subsequently, in mid-October 2022, ITOCHU began the second tender process, and after due diligence by the candidates, in mid-November 2022 we received the second letter of intent from the candidates. On November 15, 2022, ITOCHU carried out a comprehensive review of the total share value, the direction of business strategy after the Transaction, the positive and negative synergistic effects, the treatment of employees, and the governance structure described in “(ii) Management Policy After the Tender Offer and the Transaction” under “2) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Execute the Tender Offer, and Management Policy Following the Tender Offer and the Transactions” above and concluded that Nojima was the most suitable buyer. The Company also conducted a comprehensive review of the

same matters and gave additional thought to the information obtained at the hearing with Nojima, focusing on management policies, etc., after the Transaction. Specifically, although there are concerns that some of our business deals may be affected after joining the Nojima Group, we believe that the integration of our main business, the carrier store business, will further strengthen our position as an agent in an environment where the business environment is expected to deteriorate over the medium to long term, and we expect to generate profits by further improving the efficiency of our shop operations and by further integration of DX. In order to continue our business and improve our corporate value from a medium- to long-term perspective, we have determined that the best option to fully achieve the enhancement of our corporate value is to realize profit generation in the carrier store business, which is our main business, to rebuild an operating structure that enables flexible and agile decision-making not limited by short-term stock market valuations by taking our shares private, and to maximize use of management support by Nojima, and on November 15, 2022 we concluded that the proposal by Nojima, including a stock valuation of 86.5 billion Yen, and a Tender Offer Price of 1,933 Yen is best and will maximize minority shareholder interests and contribute to further accelerating our future growth and improving our corporate value. There were no candidates who offered more favorable terms for our shareholders than Nojima regarding the Tender Offer Price. (Please refer to “(ii) Management Policy After the Tender Offer and the Transaction” in “2) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Execute the Tender Offer, and Management Policy Following the Tender Offer and the Transactions” above for the management policy, etc., after the Transaction, including business strategies and synergistic effects after the Transaction is executed).

Subsequently, in the course of discussions with ITOCHU regarding various terms and conditions etc. concerning the application to the Tender Offer, Nojima expected that some of the assumptions for the Tender Offer Price that it had presented in its second letter of intent would change, and on November 24, 2022 it therefore proposed to ITOCHU in writing that the Tender Offer Price be set at 1,911 Yen. In response, Nojima received a notice from ITOCHU on November 28, 2022 on the assumption that the Tender Offer Price and the terms and conditions of the application for the Tender Offer would be subject to continuing discussions, and a written notice of the grant of exclusive negotiating rights with respect to the Transaction, and on December 2, 2022, ITOCHU, through its financial advisor Nomura Securities, responded to Houlihan Lokey that it intended to accept the Tender Offer if the Tender Offer Price was 1,911 Yen or greater. Subsequently, Nojima and ITOCHU further discussed and negotiated the terms and conditions of the application for the Tender Offer, and Nojima reached an agreement with ITOCHU on December 2, 2022 on the details of the Tender Agreement including the Tender Offer Price of 1,911 Yen per share.

On December 2, 2022, the Company requested that Nojima consider setting the Tender Offer Price at 1,997 Yen, taking into account the results of the share value estimation of the Company’s shares by Frontier Management, the trend in the market price of the Company’s shares, the future prospects of the Company’s business and other factors, as well as the opinion of the Independent Committee. In response to this request, and based on the above discussions with ITOCHU, Nojima proposed in writing to the Company on December 7, 2022 that the Tender Offer Price be set at 1,911 Yen, and also responded in writing to the Company’s request that the Tender Offer Price of 1,911 Yen was proposed after careful consideration of the economic rationality for Nojima based on business and financial information obtained through due diligence on the Company and interviews with the Company’s management, and that it was difficult to raise this Tender Offer Price from 1,911 Yen since there were no further reasons to increase the amount. In response to Nojima, we considered the results of the share value estimation of the Company’s shares by Frontier Management and the opinions of the Independent Committee, and thus reached the conclusion that the decision that the proposal from Nojima would maximize the interests of minority shareholders and contribute to further acceleration of the Company’s growth and improvement in corporate value in the future would not

change, and we communicated our acceptance of this Tender Offer Price of 1,911 Yen to Nojima on December 13, 2022.

On December 7, 2022, the Company requested that Nojima execute the Agreement between the Company, Nojima and the Offeror regarding the terms and conditions of employment for employees of the Company and its subsidiaries following the Transaction, and discuss and negotiate the treatment of terms and conditions of employment for employees of the Company and its subsidiaries following the Transaction. The Company and Nojima then agreed to the terms of the Agreement on December 16, 2022.

During the review process, although the Company considered the possibility of maintaining the Company listing as a natural obligation of a listed company, it decided to accept the implementation of this bidding process based on the Scheme in principle. As ITOCHU had the intention to sell all of its shares to the Scheme using a method that enables the sale of all of its shares, and the final proposal by the candidates in this bidding process was based on the Scheme, as stated above the proposal from Nojima was considered most conducive to maximizing minority shareholder interests and further growth and enhancement of corporate value of the Company. Furthermore, given that the Tender Offer Price was appropriate as described below, it is currently not possible to provide the Company's minority shareholders with an opportunity to sell Company shares at an appropriate price, and we have come to the conclusion that it is the best choice in consideration of the interests of our shareholders. Furthermore, since this scheme will not cause any particular change in the treatment of our employees or corporate structure, there will be no impact on our employees as a result of this transaction, and since we expect our carrier store business, which we have expanded nationwide, to remain unchanged, there will be no impact on consumers or employment in each local community. In this regard as well, we have determined that sufficient attention has been paid to matters requiring consideration. Please refer to “(5) Establishment of an Independent Committee and Obtaining a Written Report from the Independent Committee at the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below for a discussion of the possibility of maintaining the listing and maximizing the interests of minority shareholders in the Company.

Furthermore, taking into consideration the fact that the Transaction is subject to the execution of a tender offer agreement between either of the candidates ultimately selected as the purchaser and the ITOCHU Corporation, the parent company of the Company, and that the interests of the ITOCHU Corporation and the minority shareholders of the Company may not necessarily coincide, the Company requested Frontier Management, a third party appraiser independent of the Company, the Tender Offeror and ITOCHU Corporation, to conduct a valuation of the Company's shares as described in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below, in order to ensure fairness in the Tender Offer and eliminate arbitrariness in decision-making regarding the Transaction and ensure fairness, transparency and objectivity in the decision-making process of the Company, and to avoid any conflict of interest. Furthermore, we have requested Nomura Sogo Law Office, a law firm independent of the Company, the Tender Offeror, and ITOCHU, to make decisions regarding the Tender Offer and the subsequent series of procedures, including the method and process of decision-making by the Board of Directors of the Company, and have requested legal advice on points to keep in mind when making decisions. Furthermore, in order to ensure the fairness of the Tender Offer, eliminate arbitrariness in decision-making regarding the Transaction, ensure fairness, transparency and objectivity in the Company's decision-making process, and to avoid conflicts of interest, an independent committee consisting of members being independent of the Company, the Tender Offeror and ITOCHU, and having no interests in ITOCHU, was established on August 25, 2022. For details of these measures, please refer to “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid

Conflicts of Interest” below.

Based on the share valuation report date December 21, 2022 obtained from Frontier Management (hereinafter, “the Company Share Valuation Report”) and legal advice from Nomura Sogo Law Office, and while fully respecting the deliberations of the Independent Committee and the report submitted by the Independent Committee dated December 21, 2022 (hereafter, the “Report”), we have investigated the terms and conditions of the Transaction from the perspective of improving corporate value. As a result, with regard to the Tender Offer Price, the Company decided to take measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the purchase price and to avoid conflicts of interest, as described below. The calculation result for the share value of the Company’s shares in the Company’s share valuation report by Frontier Management described in “3) Obtaining a Share Valuation Report from an Independent Third-Party Appraiser for the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below, and the discounted cash flow method (hereinafter, “the DCF method”) exceeds the upper limit of the range of calculation results based on the average market share price method and the comparable company comparison method, and is 60.59% of the closing price of 1,190 Yen for the Company’s shares on the Tokyo Stock Exchange Prime Market on December 21, 2022, the business day before the announcement date of the Tender Offer (Rounded to the third decimal place. The same shall apply hereafter in calculation of the premium on the share price). Furthermore, based on a premium of 57.28% added to the simple average closing price of 1,215 Yen for the past week from December 15, 2022 to December 21, 2022 (rounded to the nearest whole number, hereafter the same shall apply in the calculation of the simple average closing price), a premium of 57.93% added to the simple average closing price of 1,210 Yen for the past month from November 22, 2022 to December 21, 2022, a premium of 62.92% added to the simple average closing price of 1,173 Yen for the past three months from September 22, 2022 to December 21, 2022, and a premium of 53.62% added to the simple average closing price of 1,244 Yen for the past six months from June 22, 2022 to December 21, 2022, and even compared to the average premium level of 102 cases (42.06% of the share price on the business day before the publication date, 45.99% of the simple average closing price for the past one month up to the business day before the publication date, and the past three months up to the business day before the publication date 49.84% of the simple average closing price of 2019, 51.38% of the simple average closing price for the past six months up to the business day before the announcement date) completed using a tender offer announced after June 28, 2019, when the Ministry of Economy, Trade and Industry announced the Guidelines for Fair M&A, the price includes a considerable premium, and recognizing that measures have been taken to ensure the fairness of the Tender Offer and that consideration has been given to the interests of the Company’s minority shareholders as described in (6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below, and a comprehensive evaluation based on the fact that the price was determined after taking measures to ensure the fairness of the Tender Offer, we have determined that the Tender Offer Price is reasonable and that the Tender Offer will provide our shareholders with a reasonable opportunity to sell their shares.

In light of the above, the Company’s Board of Directors, by resolution dated December 22, 2022, has decided to express its opinion in favor of the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer. The above resolution of the Board of Directors was resolved in the manner described in “6) Approval by all Directors with No Interests in the Company, and the Opinion of Non-Objection by all Company Auditors” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” below.

(3) Matters Related to Calculation

1) Obtaining a Share Valuation Report from an Independent Third-Party Appraiser for the Company

In determining its opinion regarding the Tender Offer, the Company requested Frontier Management, a third-party appraiser independent of the Company, the Tender Offeror and ITOCHU, to calculate the value of the Company's shares and obtained the Valuation Report as of December 21, 2022. Frontier Management is not a related party of the Company, the Tender Offeror or ITOCHU, and has no material interest in the Company, the Tender Offeror or ITOCHU in the Transaction, including the Tender Offer. The Company has not obtained an opinion (fairness opinion) on the fairness of the Tender Offer Price from Frontier Management because the Company and the Tender Offeror have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (specifically, measures described in “(1) Implementation of Bid Procedures” through “(7) Measures to Secure Purchase Opportunities from Other Offerors” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest”, and believe that the interests of minority shareholders in the Company are sufficiently considered.

In order to collect and examine the information necessary to calculate the value of the Company's shares, Frontier Management has obtained information from the Company's management, and received explanations, regarding the current status of the Company's business and future prospects, and based on this information, has calculated the value of the Company's shares. Since the Company is listed on the Tokyo Stock Exchange Prime Market and has a market share price, Frontier Management used the average market share price method. Furthermore, there are multiple comparable listed companies, and we therefore calculated the value of the Company's shares with a comparable company comparison method since it is possible to infer the value of our shares by comparison, and with the DCF method in order to reflect the status of future business activities in the evaluation.

The values per Company share as calculated by Frontier Management based on each of the above methods are as follows:

Average market share price method 1,173 Yen - 1,244Yen

Comparable company comparison method 672 Yen - 1,193 Yen

DCF method 1,750 Yen - 1,977 Yen

With the average market share price method, the simple average closing price of the Company's shares in the Tokyo Stock Exchange Prime Market over the most recent week was 1,215 Yen, with December 21, 2022, the business day preceding the announcement date of the Tender Offer, as the valuation reference date. Based on the simple average closing price of 1,210 Yen for the most recent month, the simple average closing price of 1,173 Yen for the most recent three months, and the simple average closing price of 1,244 Yen for the most recent six months, the range of value per Company share is calculated to be between 1,173 Yen and 1,244 Yen. The average market share price method is used to calculate the value of the Company's shares by smoothing out short-term share price fluctuations by referring to the simple average closing price of the Company's shares over multiple periods.

Under the comparable company comparison method, the range of value per Company share is calculated to be between 672 Yen and 1,193 Yen based on comparisons with market share prices and financial indicators of profitability of listed companies engaged in relatively similar businesses to our company.

With the DCF method, the corporate value and Company share value were calculated by discounting the free cash flow expected to be generated by the Company to the present value at a certain discount rate based on Company earnings as forecast from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 provided by the Company to Frontier Management, and the Company's earnings forecast taking into account various factors such as publicly available information, and the range of value per Company share calculated to be between 1,750 Yen and 1,977 Yen. Although the revenue projections

are not based on the assumption that the transaction will be executed, they include fiscal years in which a large increase or decrease is expected in each of the financial projection figures compared to the respective previous fiscal year. Specifically, free cash flow is expected to decrease significantly to 2,811 million Yen (down 62.6% from the previous fiscal year) in the fiscal year ending March, 2023 due to deteriorating business performance resulting from the worsening business environment surrounding the Company, as described in “(i) Business Environment Surrounding the Company and Management Issues at the Company” in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” in “(3) Business Environment Surrounding the Company, Management Issues of the Company, and the Process and Reasoning Behind Decision-making at the Company” above, and free cash flow is expected to increase significantly to 5,977 million Yen (up 112.6% from the previous fiscal year) in the fiscal year ending March, 2024 as a result of restrained capital investment based on the worsening business environment surrounding the Company.

2) Procurement by Offeror of Share Valuation Report from an Independent Third-Party Appraiser

According to the Offeror’s press release, when deciding on the Tender Offer Price, the Offeror requested that the financial advisor Houlihan Lokey, a third-party appraiser independent from the Company, the Offeror, and the ITOCHU Corporation, calculate the value of the Company’s Shares (hereinafter, “the Calculation”). After considering the methods that should be used when calculating the value of the Company’s Shares from among the multiple methods used for calculating the value of shares, Houlihan Lokey made the Calculation using a market price analysis and DCF analysis, and the Offeror obtained a share valuation report (hereinafter, “the Share Valuation Report”) dated December 21, 2022. Houlihan Lokey does not constitute a related party of the Offeror or ITOCHU Corporation, nor does it have a material interest in the Tender Offer. Since both the Offeror and the Company have taken measures to ensure fairness in the Tender Offer Price and avoid conflicts of interest (specifically, measures described in “(1) Implementation of Bid Procedures” through “(7) Measures to Secure Purchase Opportunities from Other Offerors” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest”) and it is deemed that the interest of the Company’s minority shareholders are sufficiently taken into consideration, the Offeror has not obtained a fairness opinion regarding the fairness of the Tender Offer Price from Houlihan Lokey.

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

Average market share price method 1,173 Yen - 1,244 Yen

DCF method 1,710 Yen - 2,156 Yen

In the market price analysis, the reference date is set to be December 21, 2022, and the value per share of the Shares is calculated to be in the range of 1,173 Yen to 1,244 Yen, based on the following figures: 1,190 Yen, the closing price of the Shares on the Tokyo Stock Exchange’s Prime Market on the Reference Date; 1,210 Yen (rounded down to the nearest whole Yen, the same applies to the rest of this section), the simple average closing price of the Shares for the immediately preceding one month; 1,173 Yen, the simple average closing price of the Shares for the immediately preceding three months; and 1,244 Yen, the simple average closing price of the Shares for the immediately preceding six months.

In the DCF analysis, the value per share of the Shares is calculated to be in the range of 1,710 Yen to 2,156 Yen. This was determined through an analysis of the corporate value and share value of the Company, by discounting the free cash flow the Company expects to generate starting from the third quarter of the fiscal year ending March 2023 based on the Company’s financial forecasts, using earnings forecasts provided by the Company (the forecasts are not ones assuming the Tender Offer is executed) and adjusted by the Offeror taking into consideration such factors as interviews with the Company’s management, recent earnings trends, and general public information.

The Tender Offer Price of 1,911 Yen is a price that adds a premium of 60.59% to the closing price of 1,190 Yen of the Shares on the Tokyo Stock Exchange's Prime Market on December 21, 2022, the business day immediately preceding the day the Tender Offer was announced, a premium of 57.93% to the simple average closing price for the immediately preceding one month until such date of 1,210 Yen; a premium of 62.92% to the simple average closing price for the immediately preceding three months of 1,173 Yen; and a premium of 53.62% to the simple average closing price for the immediately preceding six months of 1,244 Yen, respectively.

(4) Prospect of Delisting and Reasons Thereof

As of today, the Company's Shares are listed on the Tokyo Stock Exchange's Prime Market. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Company's shares may be delisted through prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange.

Even if such standards are not met at the time that the Tender Offer is completed, the Company intends to execute the Squeeze-Out Procedures as described in "(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition)" below after the Tender Offer is completed, in which case, the Company's shares will be delisted through prescribed procedures pursuant to the delisting standards of the Tokyo Stock Exchange. After the delisting, the Company's shares cannot be traded on the Tokyo Stock Exchange's Prime Market.

The reasons for the delisting, the impact on minority shareholders, and the Company's position on that are described in "(ii) Process and Reasoning Behind Decision-Making at the Company" of "(3) Business Environment Surrounding the Company, Management Issues of the Company, and the Process and Reasoning Behind Decision-Making at the Company" in "(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer" above.

(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition)

According to the Offeror's Press Release, the Offeror will conduct the Tender Offer as part of the Transaction to make the Company a wholly owned subsidiary of the Offeror, as described above in "(1) Overview of the Tender Offer" in "(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer". Furthermore, if the Offeror cannot acquire all the shares of the Company (however, this does not include treasury shares held by the Company) through the Tender Offer, it intends to implement squeeze-out procedures as given below (hereinafter, "the Squeeze-out Procedures") following the completion of the Tender Offer.

1) Share 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, 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; hereinafter the same applies) sell all of the Shares they hold (hereinafter, "the Share Sale Demand"), in accordance with the provisions of Section 4-2 of Chapter 2 of Part 2 of the Companies Act. In the case of the Share Sale Demand, the Offeror intends to decide that it will deliver to each shareholder of the Company the amount of cash equal to the Tender Offer Price as consideration for one Share. In this case, the Offeror will notify the Company to that effect and request that the Company approve the Share Sale Demand. If the Company approves the Share Sale Demand by a resolution of the Board of Directors of the Company, the Offeror will acquire all of the Shares from all of the shareholders of the Company, on the acquisition date specified in the Share Sale

Demand, in accordance with the procedures prescribed in the relevant laws and regulations without any individual approval of the shareholders of the Company. The Offeror then intends to deliver the amount of cash equal to the Tender Offer Price to each shareholder of the Company as consideration for one Share held by such shareholder.

Further, if the Company receives from the Offeror a notice regarding the fact that the Offeror intends to make the Share Sale Demand and matters set out in each item of Article 179-2, Paragraph 1 of the Companies Act, the Company intends to approve the Share Sale Demand at a meeting of the Board of Directors of the Company.

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

2) Consolidation of Shares

If, after the completion of the Tender Offer, the total number of voting rights in the Company held by the Offeror is less than 90% of the number of the voting rights of all shareholders of the Company, the Offeror intends to, pursuant to Article 180 of the Companies Act, request the Company hold an extraordinary shareholders' meeting of the Company in April or May 2023 at which proposals for a consolidation of shares with respect to the Shares (hereinafter, "the Share Consolidation") and an amendment to the Company's Articles of Incorporation that would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be submitted (hereinafter, "the Extraordinary Shareholders' Meeting"). The Offeror intends to agree to the above proposals at the Extraordinary Shareholders' Meeting.

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 Share Consolidation, hold the number of the Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the number of Shares is a fraction less than one, each shareholder of the Company who holds such fractional shares will receive an amount of cash for selling the Shares to the Company or Offeror equivalent to the total number of fractional shares less than one share (with such aggregate sum rounded down to the nearest whole number; hereinafter the same applies) pursuant to Article 235 and Article 234, Paragraph 2 through Paragraph 5 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of fractional shares will be valued so that the amount of cash received by each shareholder who did not tender their 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 Tender Offer Price by the number of the Shares held by each such shareholder. The Offeror intends to request the Company file a petition to a court for permission to purchase such Shares on this basis. Although the ratio of the consolidation of the Shares has not been determined as of today, it will be set so that shareholders of the Company (excluding the Offeror and the Company) who do not tender their Shares in the Tender Offer will hold fractional shares less than one share in order for the Offeror to become the sole owner of all of the Shares (excluding treasury shares held by the Company).

In the interest of protecting the rights of minority shareholders in the event of a share consolidation that results in fractional shares less than one share, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, each shareholder of the Company who did not tender their 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. If such petition is filed, the purchase price will be finally determined by the court.

With regard to the procedures described in 1) and 2) 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 may 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 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 Tender Offer Price in exchange for their Shares. In this case, the amount provided to shareholders of the Company will be calculated so that it equals the price that is the product of the Tender Offer Price and the number of shares of the Company held by the shareholder.

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.

Furthermore, after the completion of the Squeeze-out Procedures, the Offeror and Company intend to conduct the Merger, but the details of the Merger, such as actual date, have not yet been set as of today.

(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest

As of today, the Company is not a subsidiary of the Offeror, and the Offer does not constitute a tender offer by a controlling shareholder. In addition, the Transaction, including the Tender Offer, does not constitute a so-called management buy-out (MBO) transaction since no executives of the Company, whole or part, plan to not contribute to the Offeror, directly or indirectly. The Offeror and ITOCHU Corporation, the Company's parent company, have concluded a Tender Offer Agreement, and considering that the interests of the ITOCHU Corporation and minority shareholders of the Company may not necessarily align, the following measures have been taken in order to ensure the fairness of the Tender Offer Price and avoid conflicts of interest. Of the following statements, those concerning the measures taken by the Offeror are based on the explanations received from the Offeror.

The ITOCHU Corporation holds 26,996,000 shares of the Company (60.34% of shares) as of today; therefore, considering that if a minimum number of shares expected to be acquired through the Tender Offer (so-called "majority of minority") is set, this may not contribute to the interest of minority shareholders who desire to comply with the Tender Offer as it is not certain the Tender Offer will succeed, the Offeror has not set a minimum number of shares expected to be acquired through the Tender Offer (so-called "majority of minority"). Because the Offeror and Company have implemented the following measures 1) through 7) as measures to guarantee the fairness of the Tender Price and avoid conflicts of interest, the Offeror thinks that sufficient consideration has been given to the interest of minority shareholders of the Company.

1) Implementation of Bid Procedures

As described in "(ii) Process and Reasoning Behind Decision-Making at the Company" of "(3) Business Environment Surrounding the Company, Management Issues of the Company, and the Process and Reasoning Behind Decision-Making at the Company" in "(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer" the ITOCHU Corporation began to approach eleven companies (six business companies and five investment funds), including the Nojima Corporation, through Nomura Securities, regarding the Company's capital policy, including sales of the Company's shares held by the

ITOCHU Corporation, in the first part of September, 2022. The first-round bid process among multiple candidates interested in participating in the bid process was launched, and interested candidates submitted a letter of intent in the first half of October of the same year. Following a careful examination of the content of these letters and deliberations with the Company, candidates to approach regarding participating in the second-round bid process were selected. ITOCHU Corporation subsequently launched the second-round bid process in the middle part of October 2022, and after candidates conducted due diligence of the Company, ITOCHU Corporation received a second letter of intent from candidates in the middle part of November 2022. After undertaking a comprehensive examination of such factors as the total price for shares, orientation of post-transaction business strategy, impact of positive and negative synergies, employee compensation, and governance system, the ITOCHU Corporation reached the conclusion that the Nojima Corporation was the most appropriate purchaser, and taking into consideration information obtained from interviews with the Nojima Corporation, the Company, too, conducted a comprehensive examination from the perspective of not only such factors as total price for shares, orientation of post-transaction business strategy, impact of positive and negative synergies, employee compensation, and governance system but also factors such as the management policy after the Transaction. Specifically, despite concerns about the impact of joining the Nojima Group on some of the Company's business, it was judged possible to generate profit with the career shop business, the Company's core business, by not only further strengthening the Company's position as a distributor but also further improving the efficiency of store management and deepening DX by combining the Company and the Nojima Group. Generating profit from the career shop business, the Company's core business, rebuilding a management system that makes it possible to undertake decision-making with great agility and flexibility that is not bound by short-term market valuations through the privatization of the Company's Shares, and leveraging the management support of the Nojima Corporation as much as possible, in order to maintain the Company's business and increase the Company's corporate value from a medium-term perspective was judged to be options that would likely increase the corporate value of the Company, and thus on November 15, 2022, it was concluded that the Nojima Corporation's proposals of a total valuation of Shares of 86.5 billion Yen and a Tender Price of 1,933 Yen was the best and would contribute to maximizing minority shareholders' interest, further accelerating future growth, and improving corporate value. As for the Tender Price, there were no candidates that submitted a price that was more beneficial for the Company's shareholders than the Nojima Corporation.

2) Procurement by Offeror of Share Valuation Report from an Independent Third-Party Appraiser

According to the Offeror press release, the Offeror hired the financial advisor Houlihan Lokey as a third-party appraiser independent of the Offeror and the ITOCHU Corporation and requested that it calculate the Company's share price when setting the Tender Offer Price in order to ensure its fairness. Houlihan Lokey does not constitute a related party of the Offeror, the Company, or ITOCHU Corporation nor does it have a material interest in the Transaction including the Tender Offer. Since both the Offeror and the Company have taken measures to ensure fairness in the Tender Offer Price and avoid conflicts of interest (specifically, measures described in "1) Implementation of Bid Procedures" through "7) Measures to Secure Purchase Opportunities from Other Offerors" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest") and it is deemed that the interest of the Company's minority shareholders are sufficiently taken into consideration, the Offeror has not obtained a fairness opinion regarding the Tender Offer Price from Houlihan Lokey. For the contents of the Share Valuation Report the Offeror obtained from Houlihan Lokey on December 21, 2022, please refer to "2) Procurement by Offeror of Share Valuation Report from an Independent Third-Party Appraiser" of "(3) Matters Related to Calculation".

3) Obtaining a Share Valuation Report from an Independent Third-Party Appraiser for the Company

When deciding on the opinion regarding the Tender Offer, the Company requested Frontier Management, third-party appraiser independent from the Company, the Offeror, and ITOCHU Corporation, to calculate the value of the Shares, and obtained the Share Valuation Report. Frontier Management does not constitute a related party of the Company, Offeror, or ITOCHU Corporation, nor does it have a material interest in the Company, Offeror, or ITOCHU Corporation regarding the Transaction including the Tender Offer. Since both the Offeror and the Company have taken measures to ensure fairness in the Tender Offer Price and avoid conflicts of interest (“1) Implementation of Bid Procedures” through “7) Measures to Secure Purchase Opportunities from Other Offerors” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest”) and it is deemed that the interest of the Company’s minority shareholders are sufficiently taken into consideration, the Company has not obtained a fairness opinion regarding the fairness of the Tender Offer Price from Frontier Management. The structure of Frontier Management compensation is not such that its compensation depends on whether the Tender Offer is successful.

For an outline of the Share Valuation Report, please refer to “1) Obtaining a Share Valuation Report from an Independent Third-Party Appraiser for the Company” of “(3) Matters Related to Calculation”.

4) Advice for the Company from Independent Law Firms

In order to ensure the fairness and appropriateness of the decision making of our board of directors, we have appointed the law office of Nomura and Partners as a legal advisor independent of our company, the Tender Offeror and ITOCHU. We have received legal advice regarding the method and process of decision making of our board of directors concerning the Tender Offer and a series of subsequent procedures, and other points to note in making decisions. Nomura and Partners is not affiliated with the Company, the Tender Offeror or ITOCHU and does not have any material interest in the Transaction. Also, the compensation structure of Nomura and Partners is not such that a contingent fee is charged depending on whether or not the Tender Offer is completed.

5) Establishment of an Independent Committee and Obtaining a Written Report from the Independent Committee at the Company

In order to avoid conflicts of interest, the Board of Directors will ensure the fairness of the Tender Offer Price, eliminate arbitrariness in decision-making regarding the Transaction, the fairness of the Company’s decision-making process, as well as transparency and objectivity. To that end, on August 25, 2022, an “Independent Committee” independent of either the Company, the Tender Offeror and ITOCHU has been established consisting of five (5) members: Kazuo Hosoi (External Director of the Company), Yuka Kawauchi (External Director of the Company), Kazuyuki Shinno (External Director of the Company), Osami Yoshida (External Corporate Auditor of the Company) and Akane Tsuji (External Corporate Auditor of the Company). The Independent Committee is a voluntary council that examines and judges the appropriateness of the terms and conditions of transactions, including their merits and structure, and the fairness of the procedures, from the standpoint of enhancing corporate value and benefiting minority shareholders. (In addition, the remuneration for the members of the Independent Committee is a fixed amount, and there is no contingent remuneration. The Company has selected these five members of the Independent Committee since its establishment, and there is no evidence that the Company has changed the members of the Independent Committee).

In addition, the Board of Directors of the Company has consulted with the Independent Committee and commissioned them to submit a report on the following points to us: with respect to the Transaction including the Tender Offer, (a) is the purpose of the Transaction is reasonable, (b) are the terms of the Transaction are fair and reasonable, (c) is the negotiation process and other procedures leading to the Transaction are fair, and (d) is the Transaction (including the Board’s expression of an affirmative opinion

to the Tender Offer and recommendation to the Company's shareholders to accept the Tender Offer) disadvantageous to the minority shareholders of the Company (including a comparative perspective between the method selected for the Transaction and other methods; hereinafter, "the Consultation"). The Company's Board of Directors has also resolved that when making any important decision related to the Transaction, the Board of Directors must respect the opinions of the Independent Committee in consultation with the Board of Directors to the maximum extent possible. The Board of Directors of the Company authorizes the Independent Committee: (i) to report the status of the Company's negotiations with the Offeror on the terms and conditions of the Transaction in a timely manner. Also, the Independent Committee shall have the authority to express its opinions, give instructions and make requests to the Board of Directors of the Company at any important stage; (ii) to negotiate directly with the Offeror on the terms and conditions of the Transaction, if deemed necessary from the perspective of improving the Company's corporate value and the interests of the Company's minority shareholders; (iii) to seek professional advice from the Company's financial, legal, or other advisors if the Independent Committee deems these advisors reliable, and the authority to request that the Company's advisors gather the information needed to make a decision on these advisory matters; (iv) to appoint its own financial, legal, or other advisors, at a reasonable expense to the Company, when it deems it necessary (however, the cost of such advisors shall be confirmed by the Board of Directors of the Company prior to their appointment). At the first meeting of the Independent Committee held on August 25, 2022, the Independent Committee approved Frontier Management as the Company's third-party valuation institution and financial advisor, as well as Nomura and Partners as the Company's third-party valuation institution, financial advisor, and legal advisor, because there have been no problems with their independence and expertise in the past, and the Independent Committee confirmed that it could receive professional advice as necessary for these institutions.

The Independent Committee met a total of 14 times during the period from August 25 to December 16, 2022 and carefully discussed and examined the matters for consultation, including deliberation and decision making via e-mail, etc. at each meeting.

Specifically, the Independent Committee has: (a) received explanations from the Company, Frontier Management and Nomura and Partners regarding the background and process of the Transaction, the structure and procedures of the Transaction, the details and preparation of the earnings forecast, the details and calculation method of the valuation report on the Company's shares by Frontier Management (which is a third-party valuation firm), and other matters; a question and answer session on these points was held; (b) received an explanation from Nojima detailing the significance and purpose of the Transaction, including the synergies to be created by the Transaction, the Company's business operation policy, including measures to enhance the corporate value of the Company after the Transaction, the structure of the Transaction, the concept of the Transaction terms including the Tender Offer Price, the method of financing, and other matters through interviews with Nojima and other means; a question and answer session on these points was held; (c) received an explanation of the status of the bidding process, the structure of the Transaction, and the concept of the terms and conditions of the Transaction, including the Tender Offer Price, and considered these points; and (d) met on a case-by-case basis to discuss policies, etc. and received timely reports from the Company, Frontier Management and Nomura and Partners on the process and details of discussions and negotiations between Nojima, the Tender Offeror and ITOCHU regarding the Transaction, including the details of the bidding process. Until receiving the final proposal for the terms and conditions of the Transaction, the Independent Committee has been directly or indirectly involved in the process of discussions and negotiations with Nojima, the Tender Offeror and ITOCHU by conducting interviews with the Company on multiple occasions and providing opinions to the Company. Based on the above, on December 21, 2022, the Independent Committee submitted to the Company's Board of Directors a written report to the Company's Board of Directors on this advisory matter, which contains the following summary.

(a) Opinion on Whether the Purpose of the Transaction is Reasonable

In light of the responses obtained in the First Letter of Intent submitted by Nojima and the Second Letter of Intent, the Independent Committee does not feel any discrepancy with respect to the Tender Offeror's recognition of the significance of the Transaction. In addition, from the responses obtained in the interview with Nojima, it appears that Nojima is considering relatively specific and substantial issues regarding (i) the significance and purpose of the acquisition, (ii) treatment of employees, (iii) measures that contribute to enhancing corporate value, (iv) group governance policy and (v) post-acquisition monitoring, which were concerns of the Independent Committee. The details of the responses were consistent with those in the Second Statement of Intent, and the responses were also sincere. The Independent Committee also see no reason to doubt the Offeror's recognition of the significance of the Transaction.

In addition, based on the draft of this opinion press release and the responses obtained in the multiple hearings with the Company, the Independent Committee does see any reason to doubt the Company's business and its recognition of the business environment and management issues and the significance of the Transaction for the Company. In other words, there is nothing unusual in the fact that the Company believes that one challenge to overcome with respect to management is to further improve productivity in preparation for changes in the cell phone agency industry and the external environment surrounding the Company, as well as to expand new services utilizing the Company's customer base and to expand stock-type business that is not affected by declining sales volume.

In addition, the Company expects to achieve significant synergies after the Transaction is completed by learning and incorporating the know-how and other methods of the Nojima Group in the customer service and retail sector, which was launched in earnest with the acquisition in 2014, and which continues to grow in the highly competitive electronics retail business and in the operation of brick and mortar stores, under the management policy proposed by Nojima, which is the wholly owning parent company of the Offeror. The company also expects that the addition of the carrier store business to the Nojima Group's existing business will further increase the trust of carriers, and that this will lead to an increase in corporate value, and the Independent Committee feels that these viewpoints are justified.

On the other hand, the Transaction may adversely affect the continuation of transactions between the Company and some of its business partners as a result of the Company becoming part of the Nojima Group and in such a case, although it may be a factor that pushes down profits in the short term, the Company believes that the decrease in corporate value will be limited over the medium to long term, and the Independent Committee sees no reason to doubt this position.

In addition, the Agreement (Please refer to "1) Overview of the Tender Offer" in "(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer" in "3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer" above and "2) The Agreement" in "4. Matters Concerning Material Agreements Regarding the Tender Offer" below), which the Company, Nojima (the Offeror's wholly-owning parent company), and the Offeror plan to enter into on December 22, 2022, will obligate the Offeror to 1. make the commercially reasonable maximum effort to substantially maintain, at least for two years from the completion of the Transaction, the same employment conditions after the Transaction for employees of the Company and its subsidiaries as those that existed before the Transaction, and 2. make commercially reasonable maximum efforts to continue the employment of such employees even if they are no longer engaged in their former businesses as a result of or in connection with the Transaction. There is no reason to bring into question the expectation that the disadvantages that may arise to employees as a result of the Transaction will be eliminated to a certain degree. Furthermore, there is no discrepancy in the Company's judgment that the advantages of taking the Company's shares private outweigh the disadvantages of taking the Company's shares private, and according to the Company's explanation of other methods considered by the Company, the Company has determined that the Transaction is the best measure to enhance the Company's corporate value compared to other methods.

Based on the above, there is nothing unreasonable in the judgment that the Company's participation in the Nojima Group through the Transaction is the best way to contribute to the enhancement of the Company's corporate value, given the limited options available to the Company in the circumstances leading up to the Transaction, because although negative synergies may arise in the short term, the impact on the Company's corporate value in the medium to long term will be limited and rather, the Company can expect positive synergies to increase the business value of its core carrier store business

through the use of the Nojima Group's know-how in customer service and retail business operations.

Therefore, we believe that the Transaction will contribute to the enhancement of the Company's corporate value and that the purpose of the Transaction is reasonable.

(b) Opinions as to Whether the Terms and Conditions of the Transaction are Fair and Reasonable

We have determined that the procedures for this Transaction are fair in terms of the following points: 1) It can be determined that the Tender Offer Price has been reached as a result of thorough negotiations conducted between Nojima, the wholly owning parent company of the Tender Offeror, and ITOCHU, both of which are mutually independent parties, and in the process, with the measures taken to ensure the fairness as described above in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest" and with consideration of the request to increase the Tender Offer Price made by the Company. 2) There are no unreasonable points with respect to the calculation methods and the results of the value of the Company's shares and the process of preparing the earnings forecasts on which to base the valuation of the Shares by Frontier Management. 3) The Tender Offer Price falls within the valuation range or exceeds the upper limit of the valuation ranges based on all of the calculation methods indicated in the calculation results of the value of the Company's shares by Frontier Management. 4) The premium of the Tender Offer Price is at a level comparable to that of similar cases. 5) The method of acquisition in the Transaction, including the type of acquisition consideration, is reasonable as the method is generally adopted when making a listed company a wholly-owned subsidiary and is a scheme that can be challenged in court proceedings if minority shareholders believe that the acquisition consideration is unreasonably low; therefore, it is not considered to be a method that is particularly disadvantageous to minority shareholders. 6) In the terms and conditions of the Transaction with respect to the acquisition method other than price and the type of acquisition consideration, there is no evidence that the Offeror has unfairly benefited at the expense of the Company's minority shareholders, and there are no circumstances that are detrimental to the appropriateness of the terms and conditions.

Although the so-called Majority of Minority Condition has not been set in the Transaction, the Tender Offeror has agreed to tender 26,996,000 shares under the Tender Agreement with the Tender Offeror and ITOCHU (ownership ratio: 60.34%) in the Tender Offer, and if the minimum number of shares to be purchased by the so-called Majority of Minority is set by deducting the number of our shares from the denominator, 35,866,872 shares (ownership ratio: 80.17%) will be set as the minimum, resulting in the unstable execution of the Tender Offer, which, in the Offeror's opinion, may not be beneficial to minority shareholders who wish to tender their shares in the Tender Offer. We consider their view may have a point. Furthermore, in light of the measures to ensure fairness described in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest" and the contents described in 1) through 6) above, even if majority-of-minority conditions are not set for the Tender Offer, we do not believe that this in and of itself should be considered a reason why the transaction terms in this Transaction are unfair.

(c) Opinions as to Whether the Negotiation Process and Other Procedures Leading to the Transaction are Fair

In the Transaction, 1) In order to ensure the fairness and appropriateness of the decision making of the Board of Directors of the Company, the Company has appointed Nomura Law Offices as its outside legal advisor and received legal advice regarding the decision-making process and methods for the Board of Directors of the Company as well as other points to consider with respect to the Tender Offer and a series of subsequent procedures, and no procedures that conflict with the Financial Instruments and Exchange Law, the Companies Act or other applicable laws and regulations are contemplated for any of the transactions comprising the Transaction; therefore, the legality of the Transaction has been ensured. In addition, 2) (I) as described in "(6) Measures to

Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” measures to ensure fairness have been taken, such as (i) implementation of bid procedures, (ii) procuring a share valuation report from an independent third-party appraiser for the Offeror, (iii) obtaining a share valuation report from an independent third-party appraiser for the Company, (iv) advice for the Company from an independent law firm, (v) establishment of an independent and obtaining a written report from the independent committee at the Company, (vi) Approval of all non-interested directors and no objection from all non-interested corporate auditors of the Company, and (vii) measures to secure purchase opportunities from other offerors. (II) Furthermore, in the event that the Tender Offeror is unable to acquire all of the Company’s shares in the Tender Offer, the Squeeze-Out Procedure will be implemented so that the cash consideration per share of the Company’s share equal to the Tender Offer Price is paid, thereby eliminating the possibility of coercion. (III) In light of the fact that the disclosure documents appropriately provide the Company’s minority shareholders with important decision-making materials that contribute to their judgment on the appropriateness of the terms and conditions of the Transaction, including the details of the Transaction, it can be concluded that these measures to ensure fairness are not only comparable to those of similar transactions in the past, but can also be considered to have functioned effectively in practice. Furthermore, 3) the negotiation process for the terms and conditions of the Transaction is as described in “(b) Opinions as to Whether the Terms and Conditions of the Transaction are Fair and Reasonable” under “5) Establishment of an Independent Committee and Obtaining a Written Report from the Independent Committee at the Company” of “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” and the process of negotiating the terms and conditions, mainly the price, is reasonable and no circumstances that would impair fairness are found.

In light of the above, 1. the legality of each of the transactions comprising the Transaction has been ensured, and 2. the measures to ensure fairness in the Transaction are found to have been effective as a whole, and 3. the negotiation process regarding the price and other terms and conditions related to the Transaction has been properly executed. Therefore, it can be concluded that the fairness of the procedures related to the Transaction has been ensured from the perspective of the interests of the Company’s minority shareholders.

- (d) Opinions as to whether conducting the Transaction, including the expression of an opinion in favor of the Tender Offer by the Board of Directors of the Company and the recommendation to the shareholders of the Company to tender their shares in the Tender Offer, is disadvantageous to the Company’s minority shareholders, including a comparative perspective between the method selected for the Transaction and other methods.

As discussed above, the implementation of the Transaction is deemed to contribute to the improvement of the Company’s corporate value, and the fairness of the procedures and the fairness of the terms and conditions of the Transaction are recognized from the perspective of the interests of the Company’s minority shareholders. Therefore, the Independent Committee believes that the decisions made by the Board of Directors of the Company regarding the Transaction including the Tender Offer, namely, the decision to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer, and the decisions regarding the Share Sale Demand or the Share Consolidation to be made after the Tender Offer as part of the Transaction are not disadvantageous to the minority shareholders of the Company.

- 6) Approval by all Directors with No Interests in the Company, and the Opinion of Non-Objection by all Company Auditors

The Company carefully deliberated and considered the terms and conditions of the Transaction,

referring to the content of the Valuation Report of the Company's shares prepared by Frontier Management, the third-party valuation institution, and the legal advice received from Nomura Law Offices, and based on the content of the multiple discussions between the Tender Offeror and ITOCHU and other related materials, while respecting to the maximum extent the content of the Recommendation by the Independent Committee. As a result, as described above in "(ii) Process and Reasoning Behind Decision-Making at the Company" of "(3) Business Environment Surrounding the Company, Management Issues of the Company, and the Process and Reasoning Behind Decision-Making at the Company" under "(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer" on December 22, 2022, seven of the Company's eight directors who participated in the deliberations and resolution unanimously resolved to express the Company's opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Of the eight directors of the Company, Mr. Hiroshi Kajiwara, who concurrently serves as an executive officer of the ITOCHU Corporation, did not participate in the deliberations and resolutions of the Board of Directors meeting in order to avoid any suspicion of a conflict of interest and to ensure the fairness of the Transaction, because there is concern that the interests of the company and the Company's minority shareholders may conflict. Of the seven directors of the Company who participated in the above Board of Directors meeting, Mr. Hiroshi Suguta held the position of employee of ITOCHU as well as the position of Representative Director of ITOCHU Cable Systems Corporation, a subsidiary of ITOCHU until March 2014; however, since his resignation as Representative Director of the company in the same month, he has had no concurrent positions with ITOCHU or its group companies; Mr. Riichiro Metoki held the position of employee of ITOCHU until March 2005; however since his resignation in the same month, he has had no concurrent positions with ITOCHU or its group companies; Mr. Shinji Nakata held the position of employee of ITOCHU until November 2000; however, since his resignation in the same month, he has had no concurrent positions with ITOCHU or its group companies. In addition, the Company established the Independent Committee on August 25, 2022 for the Transaction, reported to the Independent Committee in a timely manner on the process and details of discussions and negotiations with the Offeror and ITOCHU, held discussions between the Independent Committee and the Company on multiple occasions, and have proceeded with discussions and negotiations with the Offeror and ITOCHU while obtaining the opinion of the Independent Committee. The Company believes that the Independent Committee is functioning effectively in the process of the Company's consideration of the Transaction and discussion and negotiation with the Tender Offeror and ITOCHU. Therefore, the Company has determined that Mr. Hiroshi Suguta, Mr. Riichiro Metoki and Mr. Shinji Nakata have no interest in the Company to the extent that the fairness of the proceedings would be impaired if they were not excluded from the deliberations or resolutions of the Board of Directors of the Company, and Mr. Hiroshi Suguta, Mr. Riichiro Metoki and Mr. Shinji Nakata participated in the deliberations and resolutions at the above meeting.

Of the four Corporate Auditors, all three Auditors who participated in the deliberations and resolution expressed that they had no objection. As Mr. Kota Shibachi, a corporate auditor of the Company, is concurrently an employee of ITOCHU Corporation, he did not participate in the deliberations at the above meeting of the Board of Directors and refrained from expressing his opinion, in order to avoid any suspicion of a conflict of interest. In addition, Mr. Takatoshi Otomura held the position of employee of ITOCHU until March 2019, but he has never served as a director at ITOCHU and has had no concurrent position with ITOCHU since his resignation in March 2019; and since an independent committee has been established for the Transaction and the independent committee is functioning effectively as described above, we have determined that Mr. Takatoshi Otomura has no interest to the extent that the fairness of the procedures would be impaired if he is excluded from the deliberations or resolutions of the Board of Directors, and he participated in the deliberations at the above meeting.

7) Measures to Secure Purchase Opportunities from Other Offerors

As described above in “(2) Background, Objectives, and Decision-Making Process Leading to the Tender Offeror’s Decision to Execute the Tender Offer, and Management Policy Following the Tender Offer and the Transactions” under “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer”, ITOCHU conducted a bidding process by approaching multiple potential buyers to inquire with them about transferring to them all the shares of the Company that it holds and, with competitive conditions maintained, the Company and ITOCHU selected the Offeror as the final bidder after comparing it to all the other potential buyers. Therefore, we believe there have already been sufficient opportunities provided for parties other than the Tender Offeror to purchase the Company’s shares, but by setting the period for purchases etc. for the Tender Offer (hereinafter, “the Tender Offer Period”) at 30 business days, which is longer than the minimum period of 20 business days required by law, the Tender Offeror also intends to ensure the fairness of the Tender Offer by providing all the Company’s minority shareholders with an appropriate period to consider tendering their shares in the Tender Offer, and by ensuring opportunities for competing offers for the Company’s shares by parties other than other tender offerors.

Furthermore, the Company has not entered into any agreement with the Offeror that restricts the Company’s contact with any competing takeover bidder, such as an agreement containing a transaction protection clause that would restrict the Company from contacting any competing takeover bidder, and the Company intends to ensure the fairness of the Tender Offer by ensuring opportunities to make competing offers, in addition to putting in place the Tender Offer Period as described above.

4. Matters Concerning Material Agreements Regarding the Tender Offer

1) This Subscription Agreement

As described above in “(1) Overview of the Tender Offer” in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” in “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer”, upon making the Tender Offer, the Tender Offeror will execute this Subscription Agreement dated December 22, 2022 with ITOCHU Corporation, our parent company and largest shareholder, and hold its 26,996,000 shares of the Company (ownership ratio: 60.34%, hereinafter “Shares Subject to Tender”) all of which it has agreed to tender in the Tender Offer.

Under this Subscription Agreement, ITOCHU will fulfill its obligations under the Tender Offer on the condition that all of the following events are satisfied. ITOCHU may, at its discretion, waive these for any reason and fulfill its obligations under the Tender Offer.

- That the Tender Offer has commenced and has not been withdrawn.
- That as of the date of submission of this document and the date of ITOCHU’s execution of the tender, a statement of opinion in support of the Tender Offer has been made by the Board of Directors of the Company with the approval of all directors, excluding directors that may have a special interest in the resolution, and such statement of opinion has not been withdrawn or changed.
- That no decision has been made by a judicial or administrative agency etc. that restricts or prohibits the Tender Offeror from conducting the Tender Offer or restricts or prohibits participation in the Tender Offer, and there is no specific risk of such a decision etc. being made.
- That all prior notifications to the Fair Trade Commission regarding the Offeror’s acquisition of shares of the Company have been completed, and that the implementation of the Tender Offer or the application for the Tender Offer will not conflict with any licenses or approvals or any conditions attached thereto, nor will it violate any required procedures for licenses or approvals, nor will they be reasonably expected to do so.
- That pursuant to this Subscription Agreement, by the day that ITOCHU executes the subscription, the Tender Offeror and Nojima (hereinafter, “the Tender Offerors”) have performed or complied with in all material aspects of the obligations they must perform or comply with (Note 1).
- That the representations and warranties of the Tender Offerors (Note 2) are true and correct in all

material aspects as of the date of execution of this Subscription Agreement and the date of submission of this document.

- That as of the date of application by ITOCHU there are no undisclosed material facts etc. regarding the business etc. of the Company, and that as of the application date the Company has delivered to ITOCHU a written statement to the effect that no such material facts etc. exist.

(Note 1) Under this Subscription Agreement, the Offeror is obligated to make all necessary efforts to (a) obtain the permits and approvals required for this Tender Offer. In addition, the Tender Offerors have obligations to (b) indemnify, (c) maintain confidentiality, and (d) prohibit the transfer of their positions under this Subscription Agreement or their rights and obligations under the Tender Agreement. Furthermore, (e) in addition to obligations in (b) to (d) above that Nojima assumes in the Subscription Agreement as Tender Offeror, Nojima is also jointly and severally liable with the Tender Offerors under the Subscription Agreement to guarantee the obligations, debts or liabilities of the Tender Offerors to the subscribing shareholders.

(Note 2) In the Subscription Agreement, the Tender Offerors have represented and warranted the (a) legal establishment and effective existence of the Tender Offerors, (b) legal and valid execution and performance of the Subscription Agreement by the Tender Offerors, (c) enforceability of the Subscription Agreement against the Tender Offerors, (d) absence of any conflict with laws and regulations regarding the execution and performance of the Subscription Agreement by the Tender Offerors, (e) acquisition and implementation of necessary licenses and permits for the execution and performance of the Subscription Agreement by the Tender Offerors, and (f) absence of any relationship between the Tender Offerors and anti-social forces etc.

However, under the Subscription Agreement, if (i) any party other than a Tender Offeror (except that shall exclude any prospective buyer that participated in the process conducted by ITOCHU for selecting prospective buyers) begins a competing tender offer for the purpose of acquiring all of the common stock of the Company at a purchase price that exceeds the Tender Offer Price by more than 10% (hereinafter, “the Competitive Tender Offer”), and if (ii) ITOCHU’s Board of Directors has reasonably evaluated that there is a high risk of ITOCHU’s directors breaching their duty of care to be prudent managers by applying for the Tender Offer or by not withdrawing from a tender that has already been made, ITOCHU may request the Tender Offeror to hold discussions regarding a change in the Tender Offer Price, and if by the earlier of (a) the end of the eighth business day starting after the end of the day of such request or (b) the end of the day before the last day of the Tender Offer Period the Tender Offeror does not change the Tender Offer Price to an amount higher than a tender offer price made by an abovementioned non-Tender Offeror party, ITOCHU shall be under no obligation to apply for the Tender Offer, and, if ITOCHU has already subscribed shares to be tendered in the Tender Offer, ITOCHU shall not be required to pay any monetary amount whether it be referred to as damages, penalty for breach of contract or under any name, shall be subject to absolutely no other obligation, responsibility or condition, and may terminate any purchase contract concluded by such tender.

Additionally, during the period from the date of execution of the Subscription Agreement to the commencement date for settlement for the Tender Offer, ITOCHU may not, directly or indirectly, (x) make any agreement related to a transaction with any party other than the Tender Offeror that effectively competes with, contradicts or conflicts with the Tender Offer, or makes it difficult for the Tender Offeror to execute the Tender Offer or is likely to do so (hereinafter, “the Counter Transaction”), or (y) provide to any non-Tender Offeror party any information about Counter Transactions relating to the Company, and (z) must not offer or solicit offers for Counter Transactions or engage in any discussions or

negotiations relating to Counter Transactions, and if it receives any offer for a competing transaction, to notify the Tender Offeror and discuss with the Tender Offeror how to respond to such offer. Furthermore, under the Subscription Agreement, in the event that a non-Tender Offeror party initiates a competing tender offer without ITOCHU being in breach of its obligations, ITOCHU shall not be prevented from accepting such competing tender offer or from providing information, holding discussions or negotiating with the person who initiates such competing tender offer to the extent reasonably necessary to determine whether the requirements of (ii) above are satisfied in relation to such competing offer.

2) This Agreement

As described above in “(1) Overview of the Tender Offer” in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” within “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer”, upon the event of this tender offer the Company has entered into this Agreement dated December 22, 2022 with Nojima, which is the parent company of the Tender Offeror, and with the Tender Offeror. Under this Agreement, Nojima and the Offeror have agreed that, subject to the completion of the Transaction as a condition precedent, Nojima and the Offeror will 1. maintain, for a period of time after the Transaction (at least two years from the completion of the Transaction), for all employees employed by the Company and its subsidiaries, substantially the same employment conditions as those in effect before the Transaction (only, excluding any conditions requiring reasonable adjustment in order to ensure consistency with employment conditions in the Nojima Group) and to make all possible efforts within reasonable commercial limits to not change employment conditions that will effectively disadvantage employees, and 2. if, as a result of or in connection with the Transaction, the Company is unable to continue to engage all or some of its employees in the business in which they were previously engaged, to respect first the wishes of the employee with respect to his/her department and work location and to make all effort to secure an appropriate alternative placement for the Employee, while maintaining the previous terms and conditions of employment, to the extent that is commercially reasonable.

In addition, the Company has the following obligations under the Agreement.

- Subject to there being a resolution of the Board of Directors of the Company approving the execution of the Agreement, during the period between such a resolution and the completion of the Transaction, the Company will (i) conduct its business and manage and operate its assets within the ordinary course of business in accordance with its previous practices, (ii) comply with all applicable laws and regulations and operate its business properly, and (iii) not take any action that under law would constitute a ground for withdrawal of the Tender Offer or that Company should reasonably understand would or may have a material adverse effect on the enterprise value or equity value of the Company.
- During the period from December 22, 2022 until the completion of the Transaction, if (i) any event that constitutes a breach of the Company’s obligations under the Agreement is discovered, or (ii) any event occurs or is discovered that the Company should reasonably recognize would have or would be likely to have a material adverse effect on the enterprise value or share value of the Company, or (iii) any event occurs that the Company should reasonably understand to be a material impediment to the execution of the Transaction, to the extent permitted under law the Company shall immediately notify Nojima in writing and determine its response after consultation with Nojima.

5. Details of Profit Sharing by the Offeror and Parties in a Special Relationship With Them

Not applicable.

6. Policy Response to Basic Policy Concerning Control of the Company

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Request for Extension of Tender Offer Period

Not applicable.

9. Future Outlook

Please see above “(ii) Management Policy After the Tender Offer and the Transaction” in “(2) Background, Purpose and Decision-Making Process Behind the Tender Offeror’s Decision to Conduct the Tender Offer, and Management Policy Following the Tender Offer and the Transaction” in “(2) Grounds and Reasons Behind the Opinion Concerning the Tender Offer” in “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer” above, as well as “(4) Prospect of Delisting and Reasons Thereof” and “(5) Policy on Matters Including Restructuring after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition)” in the same section.

10. Matters Related to Transactions with Controlling Shareholders

(1) Relevance of Transactions Etc. with Controlling Shareholders and Compliance with Guidelines Concerning Policies to Protect Minority Shareholders

Since the Tender Offeror has entered into the Subscription Agreement with ITOCHU, which is the parent company of the Company, and the Tender Offer is contingent upon the acquisition of the Company’s shares from ITOCHU, the Expression of Opinion Regarding the Tender Offer constitutes a transaction with the controlling shareholder.

The “Guidelines Concerning Policies to Protect Minority Shareholders in Transactions with Controlling Shareholders” disclosed in the Company’s Corporate Governance Report published on November 28, 2022 states that “Transactions with ITOCHU Corporation are to be conducted under the same general terms and conditions as those for arm’s-length transactions. Furthermore, transactions with Family Mart Co., Ltd. which has the same parent company, are also to be conducted under the same general terms and conditions as arm’s-length transactions. In our “Corporate Code of Conduct” and “Sustainability Policy” we stipulate that we will conduct fair transactions with all business partners, and the Corporate Planning Department, which serves as the secretariat of the Sustainability Committee, ensures that all employees are fully aware of this policy, while periodic checks are conducted by our legal advisors, corporate auditors and Internal Audit Department”. As written above in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” in “Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer”, we guarantee that fairness, and believe that we have put in place measures to avoid conflicts of interest and that our responses are in compliance with the abovementioned guidelines.

(2) Matters Related to Measures for Ensuring Fairness and for Avoiding Conflicts of Interest

Please see above “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” in “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer”.

(3) Summary of Opinion Received From Parties Without a Beneficial Relationship With the Controlling Shareholder As To Whether Executing The Transaction (Including the Expression of an Opinion About The Tender Offer by The Company’s Board of Directors Recommending the Company’s Shareholders to Participate in the Tender Offer) Is Not Disadvantageous to Minority Shareholders.

The Company has received a report dated December 21 2022 from the Independent Committee the details of which state to the effect that it does not consider the Transaction to be disadvantageous to the

minority shareholders of the Company. For more information, please refer above to “5) Establishment of an Independent Committee and Obtaining a Written Report from the Independent Committee at the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Price of the Tender Offer, etc. and to Avoid Conflicts of Interest” in “3. Content of and, Grounds and Reasons Behind the Opinion Concerning the Tender Offer”.

11. Other

(1) Publication of “Notice Regarding Revision to the Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2023”

Today we published a “Notice Regarding Revision to the Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2023” For details, please refer to the announcement itself.

(2) Publication of “Notice Regarding Revision to the Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2023 (No Dividend)”

The Company at a meeting of its Board of Directors on this day has decided, subject to the consummation of this tender offer, not to distribute the year-end dividend for the fiscal year to March 2023. For details, please refer to the “Notice Regarding Revision to the Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2023 (No Dividend)” that has been released today.

(Reference) Outline of the Tender Offer

Please refer to the Tender Offeror’s press release.

End