

[Translation]



August 2, 2023

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Representative: Ichiro Tsuge, President & CEO
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Announcement of Opinion in Support of the Tender Offer for the Company Shares by Digital Value Chain Partners, GK, a Subsidiary of ITOCHU Corporation, the Parent Company and Recommendation for our Shareholders to Tender their Shares in the Tender Offer

ITOCHU Techno-Solutions Corporation (the “**Company**”) hereby announces that it has adopted a resolution as follows at the meeting of its board of directors held today to express an opinion in support of the tender offer (the “**Tender Offer**”) for the common shares of the Company (the “**Company Shares**”) by Digital Value Chain Partners, GK (the “**Tender Offeror**”) which is wholly owned by ITOCHU Corporation (“**ITOCHU**”), which is a controlling shareholder (parent company) of the Company, and to recommend that our shareholders tender their shares in the Tender Offer.

The above resolution of the board of directors of the Company has been adopted based on the assumption that the Tender Offeror intends to privatize the Company and that the Company Shares will be delisted through the Tender Offer and the series of subsequent procedures.

1. Overview of the Tender Offeror

(1) Name	Digital Value Chain Partners, GK
(2) Location	2-5-1, Kita-Aoyama, Minato-ku, Tokyo
(3) Name and title of representative	Person acting in its capacity: Tatsushi Shingu

(4) Description of business	1. Consulting for the development of information processing services business 2. Investments and loans for information processing services business 3. All functions incidental to the foregoing
(5) Capital	10,000 yen (as of August 2, 2023)
(6) Date of incorporation	July 18, 2023
(7) Major shareholders and shareholding ratios (as of August 2, 2023)	ITOCHU Corporation 100%
(8) Relationship between the Company and the Tender Offeror	
Capital relationship	None. However, ITOCHU, which is the parent company of the Tender Offeror, holds 141,601,600 Company Shares (Ownership Ratio (Note 1): 61.24% and has made the Company its subsidiary.
Personnel relationship	None. However, three out of seven directors of the Company are from ITOCHU or currently related to ITOCHU, which is the parent company of the Tender Offeror. Further, one out of four Audit & Supervisory Board Members of the Company is from ITOCHU. In addition to the foregoing, as of August 2, 2023, 14 employees of the Company have been seconded to ITOCHU, and 10 employees of ITOCHU have been seconded to the Company.
Business relationship	None. However, the Company Group (Note 2) engages in transactions related to the purchase and sale of goods, etc. with ITOCHU.
Status as related party	Since the Company is a subsidiary of ITOCHU, which is the parent company of the Tender Offeror, the Tender Offeror falls under our related party, and ITOCHU and the Company constitute related parties with respect to each other.

(Note 1) “**Ownership Ratio**” means the percentage (rounded up or down to the nearest two decimal places) of the difference (231,227,366 shares) of the total number of issued shares of the Company as of June 30, 2023 (240,000,000 shares) stated in the “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (IFRS)” released today by the Company (the “**Financial Results of the Company**”) less the number of treasury shares held by the Company as of June 30, 2023 (8,772,634 shares; such treasury shares do not include 145,100 shares held by Mizuho Trust & Banking Co., Ltd. (re-trustee: Custody Bank of Japan, Ltd.), which has been delegated by the Company, pursuant to the “Board Benefit Trust,” which is a performance-based stock incentive plan for Directors and Managing Executive Officers of the Company (excluding part-time directors, outside directors, and non-residents of Japan); the same applies hereinafter to the number of treasury shares held by the Company); the same applies hereinafter to statements of the Ownership Ratio, unless otherwise specified.

(Note 2) “**Company Group**” means the corporate group comprising the Company, 17 subsidiaries, and 13 affiliates, with a total of 31 companies (as of August 2, 2023) (hereinafter the same applies). The same applies hereinafter.

2. Tender Offer Price

4,325 yen per share of common stock

3. Details of and Grounds and Reasons for the Opinion on the Tender Offer

(1) Details of the Opinion

The Company adopted a resolution at the board of directors meeting held today to express an opinion in support of the Tender Offer and to recommend that our shareholders tender shares in the Tender Offer based on the grounds and reasons stated in “(2) Grounds and Reasons for the Opinion” below.

The above resolution of the board of directors was adopted by the method stated in “H. Approval of All Disinterested Directors at the Company and Opinion of All Disinterested Audit & Supervisory Board Members that They Had No Objection” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for the Opinion

The statements concerning the grounds and reasons for the opinion on the Tender Offer that relate to the Tender Offeror are based on explanations given by the Tender Offeror.

A. Outline of the Tender Offer

The Tender Offeror is a Godo Kaisha (limited liability company) established on July 18, 2023 primarily for the purpose of acquiring and holding the Shares of the Company through

the Tender Offer and, ITOCHU holds a 100% stake in the Tender Offeror. As of today, the Tender Offeror does not hold any Company Shares, which are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (“TSE”), while, as of today, ITOCHU, which is the parent company of the Tender Offeror, holds 141,601,600 Company Shares (Ownership Ratio: 61.24%, and the Company is a subsidiary of ITOCHU.

On August 2, 2023, the Tender Offeror decided to commence the Tender Offer in order to acquire all of the Company Shares (excluding the Company Shares held by ITOCHU, and the treasury shares held by the Company), at 4,325 yen per share (as per the Company Shares of the Tender Offer referred to as the “**Tender Offer Price**”), as part of a series of transactions resulting in the Company’s shareholders comprising only of ITOCHU and the Tender Offeror (**collectively, the “Tender Offerors”**) (such transactions are hereinafter referred to as the “**Transaction**”).

As the Tender Offeror will conduct the Tender Offer in order to have the Company’s shareholders comprise of only the Tender Offerors, the lower limit on the number of shares to be purchased through the Tender Offer is set to 12,550,000 shares (Ownership Ratio: 5.43%). If the total number of shares that are offered for sale in response to the Tender Offer (the “**Tendered Shares**”) falls short of the lower limit on the number of shares to be purchased through the Tender Offer, none of the Tendered Shares will be purchased. On the other hand, the upper limit on the number of shares to be purchased is not set in this Tender Offer; if the total number of the Tendered Shares is equal to or is more than the lower limit of the number of shares to be purchased (12,550,000 shares), all the Tendered Shares will be purchased.

In order to have the total of the Company’s voting rights to be held by the Tender Offerors, when the Tender Offer has been completed, be equal to or more than two-thirds of the total of the Company’s voting rights, the lower limit on the number of shares to be purchased through the Tender Offer (12,550,000 shares) was obtained by: (a) subtracting the number of treasury shares held by the Company as of June 30, 2023 (8,772,634 shares), from the total number of issued shares of the Company as of the same date as stated in the Company’s Summary of Financial Results (240,000,000 shares), with the result (231,227,366 shares) equating to 2,312,273 voting rights, then (b) multiplying this voting rights (a) by 2/3 (resulting in 1,541,516 voting rights, rounded up to one decimal place), then (c) subtracting the number of voting rights (1,416,016) of the Company Shares (141,601,600 shares) held by ITOCHU, resulting in 125,500 voting rights, then (d) multiplying (c) by the number of share units of the Company (100 shares). Originally, the Transaction purports to have the Company’s shareholders comprise of only the Tender Offerors, but the lower limit of the number of shares to be purchased is set for the purpose of the Tender Offerors obtaining equal to or more than two-thirds of the voting rights, which is equivalent to the voting rights ratio required for the special resolution for the share consolidation stated in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below at the shareholders meeting, in the case where the Tender Offer has been completed but the Tender Offeror fails to acquire all of the Company Shares (other than those owned by ITOCHU and the treasury shares held by the Company) through the Tender Offer, and then conducts the procedures for the share consolidation stated in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below, which requires a special resolution of the shareholders meeting as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same). As of today, the Tender Offeror does not hold any Company Shares. However, ITOCHU, the

parent company of the Tender Offeror, holds 141,601,600 Company Shares (Ownership ratio: 61.24%). Therefore, considering that setting the lower limit on the number of shares to be purchased in the Tender Offer by the “majority of minority” will make completion of the Tender Offer unpredictable and will not be in the best interests of minority shareholders of the Company who wish to tender in the Tender Offer, no lower limit on the number of shares to be purchased in the Tender Offer by the “majority of minority” was set. For details on measures taken to ensure fairness of the Tender Offer, please see “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

If the Tender Offer has been completed but not all of the Company Shares are acquired through the Tender Offer (excluding the Company Shares held by ITOCHU and the treasury shares held by the Company), the Tender Offeror plans to implement a series of procedures after the completion of the Tender Offer, to have the Company’s shareholders comprise of only the Tender Offerors (the “**Squeeze-Out Procedures**”). (Please refer to “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below.) In addition, the Tender Offerors are considering searching for a partner enterprise that can contribute to creating synergy between the Tender Offeror et al. and the Company after the completion of the Squeeze-Out Procedures. If an applicable enterprise exists, the Tender Offerors are considering accepting a few percent or less investment by such enterprise in the Tender Offeror or the Company through good faith consultations with the Company and the enterprise. However, details such as the specific method, investment ratio, and the date have not yet been determined as of the date of filing of this Statement. It is noted that even if the investment by such enterprise has been accepted, the management policy after the Tender Offer or the holding policy of the Company Shares after the Transaction are not expected to change. (Please refer to “C. Management Policy After the Tender Offer” below.)

B. Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror to Conduct the Tender Offer

(i) Background of the Tender Offer

ITOCHU, which is the parent company of the Tender Offeror, has been listed on former Osaka Securities Exchange Co., LTD. and the TSE since July 1950. ITOCHU forms the ITOCHU Group (a corporate group consisting of ITOCHU and its 188 subsidiaries, including the Company, and 83 affiliates (as of March 31, 2023); hereinafter the same applies). Through domestic and overseas business networks, “Textile Company”, “Machinery Company”, “Metals & Minerals Company”, “Energy & Chemicals Company”, “Food Company”, “General Products & Realty Company”, “ICT & Financial Business Company”, and “The 8th Company” (Note 3), whose business areas have been extended from “upstream” business areas, such as those relating to raw materials, to “downstream” consumer business areas, have been running diversified businesses, in order to offer a variety of products and services that support people’s daily lives.

Through the reorganization in 2016, ITOCHU established the ICT & Financial Business Company, which consists of two divisions, the “ICT Division” and the “Financial & Insurance Business Division,” and engages in businesses focused on service fields such as

ICT (Note 4) and BPO (Note 5). The “ICT Division” involves businesses such as IT service, communication and mobile, space/satellite and media, BPO, and medicine and healthcare businesses. The IT service business comprehensively supports customers with digitalization and digital transformation (DX) (Note 6), focusing mainly on IT solutions, over a wide range of fields, including data utilization, internet-related services, and venture capital businesses. In the DX support business, which is a particular focus for the ICT & Financial Business Company, it is affiliated with companies or the like that have strengths in consulting and data utilization, in order to respond to needs at all stages of the value chain (Note 7), from upstream to downstream. ITOCHU aims to expand its profit base further by horizontally developing across other industries the knowledge and know-how it has accumulated through its engagement in the DX support business.

The Tender Offeror, the trade name of which is Digital Value Chain Partners GK, was incorporated on July 18, 2023, mainly for the purpose of acquiring and owning Shares of the Company through the Tender Offer, and is a limited liability company, 100% of the capital of which is invested by ITOCHU

- (Note 3) A “Company” in the applicable sentence refers to a business division within ITOCHU that is deemed to be one highly independent unit. Delegation of management resources and discretion to each Company allows it to manage responsibly, rapidly and flexibly, and develop businesses meeting the needs in each field.
- (Note 4) “ICT” refers to Information and Communication Technology.
- (Note 5) “BPO” (business process outsourcing) refers to the collective outsourcing of a part of a company’s business process (from planning/designing to implementation).
- (Note 6) “DX” (digital transformation) refers to utilizing data and digital technology for the generation of a new business model and the reformation of existing business.
- (Note 7) “Value chain” refers to the complexly linked value, not the simply aggregated value, focusing on what kind of added value is generated by each business activity in companies.

On the other hand, the Company was founded in July 1979 as Hamilton/Avnet Electronics Japan Limited and became a subsidiary of ITOCHU in October 1984 following capital participation in its equity ownership by ITOCHU, the Tender Offeror’s parent company, and C. ITOH Data Systems Co., Ltd. (“**C. ITOH Data Systems**”) (established in April 1972), a wholly-owned subsidiary of ITOCHU at that time. Thereafter the Company changed its trade name to C. ITOH Micronics Corp. in April 1985 and to ITOCHU Techno-Science Corporation in June 1986, then merged with C. ITOH Data Systems in an absorption-type merger in October 1989, and listed on the First Section of the TSE in December 1999. In October 2006, the Company merged with CRC Solutions Corp. (listed on the First Section of the TSE, owned 34.31% by ITOCHU and 12.12% by the Company), which was formerly Tokyo Electronic Computing Service Co., Ltd. (founded in November 1958, owned 75% by ITOCHU; changed its trade name to ITOCHU

Computer Service Corporation in April 1961), through an absorption-type merger, and changed its trade name to its current name, ITOCHU Techno-Solutions Corporation (CTC). The Company is currently listed on the Prime Market of the TSE following the reorganization of the market classification of the TSE as of April 4, 2022.

As of today, the Company Group consists of the Company, 17 subsidiaries and 13 affiliates, with a total of 31 companies and is engaged in the business of sales and maintenance of computer and network systems, commissioned software development, data center services, and support services, etc. In addition, the Company Group supports the expansion and transformation of its customers' businesses by developing comprehensive solutions and sales activities, from IT consulting to system design, construction, maintenance and operation services, for a wide range of customers.

With respect to the environment surrounding the Company Group, our society today is facing various issues, including climate change, widening social disparities, and in Japan a declining birthrate and aging population, etc.; and while IT is rapidly evolving to solve social issues, new challenges, including the need to bridge the digital divide, have begun to emerge. In light of these circumstances, the Company Group, based on the mission set out in its corporate philosophy, "Leveraging IT's potential to change future for the Global Good," has defined new materiality (Note 8) to enable further growth as a corporation that fulfils its responsibilities to society and aim to establish a sustainable society through its business by addressing three major issues: "solving social issues through IT," "cultivating human capital to support the future," and "implementing responsible corporate activities."

In addition, the Company Group has developed a Medium-Term Management Plan, "Beyond the Horizons: To the Future Ahead," (for the three years from April 2021 to March 2024) based on the Group philosophy that aims to realize the mission stated above, in April 2021. Under this Medium-Term Management Plan, the Company Group will seek to achieve continued growth under the following three basic policies: "Accelerate: Create future wealth" to accelerate new initiatives to support customers' innovation, with a focus on supporting DX and the expansion of the co-creation business; "Expand: Expand current wealth" to aim at further expansion in the Company's areas of strength, such as 5G and cloud businesses, and "Upgrade: Increase feasibility" to intent to increase the feasibility of each of the above policies through development of human resources and reinforcement of its management base. In order to achieve the goals of the Medium-Term Management Plan, the Company Group has invested in human capital that will contribute to sustainable growth and strengthened its management base through investments in digital and other areas. The Company Group believes that achieving the goals of the Medium-Term Management Plan will promote the resolution of social issues, which in turn will lead to the pursuit of "a prosperous society with dreams," which is the Company Group's corporate philosophy.

(Note 8) "Materiality" refers to material issues that entities and organizations prioritize and work on over the long term.

The capital relationship between ITOCHU and the Company began when ITOCHU founded C. ITOH Data Systems in April 1972 by investing 100% of its capital. In October 1984,

ITOCHU acquired 768,751 shares (shareholding ratio: 70.00% (Note 9)) of the Company (the trade name at the time was Hamilton/Avnet Electronics Japan Limited; its trade name was further changed to C. ITOH Micronics Corp. in April 1985; to ITOCHU Techno-Science Corporation in June 1986; and to ITOCHU Techno-Solutions Corporation in October 2006, respectively) from Avnet, Inc. and came to hold 70,000 Company Shares (shareholding ratio: 70.00%) through capital decrease of the Company in July 1985. As a result of an additional acquisition of the Company Shares from Avnet, Inc. in May 1986, the number of the Company Shares owned by ITOCHU increased to 80,000 shares (shareholding ratio: 80.00%); thereafter, in July 1986, the Company took over Factory Automation and Semiconductor divisions of C. ITOH Data Systems; in October 1989, the Company absorbed C. ITOH Data Systems in a merger. After sales on and off the market on several occasions, issuance by the Company of shares for subscription, share split, etc., the number of Company Shares owned by ITOCHU increased to 24,408,000 (shareholding ratio: 39.69%) in March 2004, as a result of acquisition from a pension trust. The number of shares increased to 25,558,000 (shareholding ratio: 41.56%) in July 2004 as a result of acquisition from a pension trust; to 27,866,400 shares (shareholding ratio: 45.31%) in September 2004 as a result of acquisition from ITOCHU Cable Systems Corp., ITOCHU MECHATRONICS CORPORATION and other three companies, and also as a result of acquisition through block trade; and increased to 29,666,400 (shareholding ratio: 48.24%) in June 2006 as a result of acquisition through block trade. In October 2006, the Company merged with CRC Solutions Corp. and changed its trade name to ITOCHU Techno-Solutions Corporation; after this, the number of the Company Shares owned by ITOCHU was increased by 33,665,400 shares to 67,330,800 shares (shareholding ratio: 56.11%) in April 2015 as a result of share split at the rate of one Company Share becoming two Company Shares; it was increased by 67,330,800 shares to 134,661,600 shares (shareholding ratio: 56.11%) in April 2018 as a result of share split at the rate of one Company Share becoming two Company Shares; and then it was increased by 6,940,000 shares to 141,601,600 shares (shareholding ratio: 59.00%) as a result of acquisition within the market over the period from February to June 2022. As of today, the number of Company Shares owned by ITOCHU is 141,601,600 shares (shareholding ratio: 61.24%).

(Note 9) “Shareholding ratio” in this paragraph means the ratio to the total number of issued shares of the Company at each point in time (rounded to two decimal places). As it is difficult to know the number of treasury shares at each point in time, the number of treasury shares has not been deducted from the total number of issued shares.

Since the foundation of the Company in July 1979, ITOCHU has been enhancing its alliance with the Company in the course of the Company’s establishment of the current business base, including the sale of overseas IT products, the listing of shares, and the development of global business. When the Company was first founded, ITOCHU utilized its relationship with local companies, which has been developing since the foundation of its North American base in 1952, and expanded trade with advanced IT device vendors in North America together with the Company. Under such circumstances, ITOCHU took the role of building the transaction scheme, including investing in vendors, negotiating agreements, and engaging in import practice, while the Company took the role of building networks for domestic sale and maintenance, and the Company thereby increased its sales

volume of devices and largely accelerated profit growth. Thereafter, for the further development and expansion of its business, the Company aimed to diversify its financing methods, enhance its financial strength and operational management system, and obtain high value-added service functions, and through its listing on the First Section of the TSE in December 1999 and the integration of management with CRC Solutions Corp. in October 2006, the Company grew into a major system integrator that consistently provides functions including device sale and system building, development, maintenance, and operations. To further diversify the Company's business, ITOCHU transferred ITOCHU Technology, Inc. (current ITOCHU Techno-Solutions America, Inc.), a key subsidiary in seeking products in North America and in the multi-vendor networks (Note 10), to the Company in March 2012. In February 2013, the Company and ITOCHU jointly engaged in acquisitions in the ASEAN regions and developed global business. As DX investments by customers will develop further in the future, the Company is expected to enhance its profitability in the DX business against customer companies, including the ITOCHU Group.

(Note 10) "Multi-vendor" refers to providing a system by combining products, from different manufactures, both domestic and overseas, in and best configuration for customers.

The transactional relationship between ITOCHU and the Company is also expanding based on their historical background as described above.

The Company, as ITOCHU's main IT partner, provides the internal IT systems, including ITOCHU's and ITOCHU Group companies' core system etc. and development, maintenance and operations of IT infrastructure. ITOCHU receives support from the Company based on the Company's high technological abilities including dispatching staff from the Company to ITOCHU's DX strategy organization (accepting secondment) when promoting digital transformation, for example, the group data utilization project, which ITOCHU promoted in the "Next-Generation Merchant" in its former Medium-Term Management Plan. In addition, the Company has a long transactional relationship with ITOCHU as the buyer of North American vendor products imported by ITOCHU.

As such, the Company has consistently been an important IT partner of ITOCHU, and is one of the most important subsidiaries, in terms of strategy.

(ii) Background Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Purpose Thereof

As stated above, after making the Company its subsidiary, ITOCHU continued to maintain the listing of the Company Shares, thereby enabling it to continue enjoying the advantages of a listed company, such as maintaining the name recognition of the Company in the industry and securing excellent personnel. In the meantime, ITOCHU has been providing human resources support, utilizing its corporate networks, and providing knowledge, including knowledge on the sites that serve as points of contact with customers and the domestic and foreign management know-how and networks held by the ITOCHU Group and enhancing the alliance between the ITOCHU Group and the Company, so that the Company is able to achieve sustainable growth in the IT and digital industry where

competitions are intensifying.

However, while the domestic IT service market is expected to grow continuously, the market environment surrounding the IT and digital industry and its structure is greatly changing; and ITOCHU recognizes that the functions that a system integrator is expected to have is rapidly changing. For example, when a customer is to introduce an IT system, a system integrator's role was initially to sell products, and to provide system building, and development, maintenance and operating services consistently; however, as a result of the recent appearance of hyper scalers (Note 11) and cloud companies that provide these functions in a series as not a traditional on-premise model but a service model, customers began to make flexible decisions in introducing IT systems, in accordance with their own needs and budgets.

Also, customers are increasingly utilizing IT and digital technology on the business front (LOB (Note 12), hereinafter the "business front") in order to establish and strengthen their competitive advantage in their own business; thus, it is expected that customer demand will become even more diversified and complex. That is to say, in past IT services had been aimed mainly to information system departments; however, as the need for utilizing IT and digital technology on company-wide areas including not only business front but business planning departments and marketing departments, etc. has recently increased, the IT services are requested in complex combinations, with functions such as consulting, data analysis, business designing/marketing support, operational improvement by BPO, etc., not limited to introduction of IT systems. Consulting firms that have knowledge and experience of resolving issues pertaining to customers' business front are entering the market that systems integrators were responsible for previously. Such firms are entering the market as players that handle everything from consulting to IT system introduction by flexibly expanding their capabilities to make offerings through M&A and other means in order to accommodate these demands and expand business. Thus, the competitive environment surrounding the IT and digital industries is expected to become even more severe in the future.

(Note 11) "Hyper scaler" refers to a cloud service provider that owns one million or more giant server resources.

(Note 12) "LOB" (Line of Business) refers to a business department

Furthermore, as the domestic IT market grows and the structural change thereof proceeds, ensuring engineer resources will also be an important issue; however, the possibility is already pointed out in 2019 that domestic engineer resources will fall short in Japan due to a decrease in the workforce arising from the decreasing birthrate and aging population, and also due to the training and reskilling (Note 13) of engineers not being able to catch up with the market demand. It is thus expected that competition to obtain highly skilled IT human resources in particular will be even more intensified in the future. Please refer to Ministry of Economy, Trade and Industry, "Survey on Demand and Supply in Relation to IT Human Resources" published in March 2019.

(Note 13) “Reskilling” refers to obtaining skills to transfer to new business or fields that are different from the existing business.

In specifically considering measures for the Company’s sustainable growth over the medium to long term, ITOCHU has mainly been promoting the settlement of management issues and growth strategies with the Company, assuming the Company’s organic growth. Meanwhile, in the rapidly changing market environment and in the face of rapid structural change, as well as the competition environment becoming fiercer due to new players’ entry and engineer resources becoming more scarce, in order for the Company to maintain its competitive superiority and grow sustainably, ITOCHU believes that the existing organic growth strategy is not sufficient and that it is essential to actualize reform of the business model, and significant and rapid extension and development of business fields/capability, through non-organic growth (Note 14) measures by way of mutually utilizing the management resources (various human resources, financial base, information, know-how, etc.) of the ITOCHU Group (including the Company) promptly and flexibly.

(Note 14) Non-organic growth refers to growth through capital and business alliance with or acquisition (M&A) of another company.

When the Company and ITOCHU intend to mutually utilize the management resources of the ITOCHU Group (including the Company), they need to carefully consider the effectiveness of such utilization and the objective fairness of the transaction, taking into consideration the interests of the stakeholders including the minority shareholders of the Company. However, certain restrictions on prompt and flexible decision-making are caused under the current circumstances where the Company and ITOCHU independently manage themselves as listed companies. In addition, because the provider and beneficiary of the management resources are not always the same, when ITOCHU provides to the Company management resources that contribute to the enhancement of corporate value, some may indicate the issue that part of the interest will flow out of the ITOCHU Group; thus, ITOCHU believes that there is a certain limitation to maximizing the corporate value of the ITOCHU Group including the Company by implementing flexible and effective measures. Thus, to maintain the Company’s competitive superiority and to achieve sustainable growth, ITOCHU believes that prompt and flexible decision-making and effective utilization of ITOCHU Group’s management resources including the Company are required, and that the best option is to develop a system by which structural conflicts of interest between ITOCHU and the Company will be settled and management resources can be mutually utilized promptly and flexibly, by taking the Company private.

ITOCHU believes that by taking the Company private, it can expect the following efforts to be made and synergetic effects to be generated:

I. Enhancement of Business Base and Increase in Profitability by Upgrading and Expanding Digital Value Chain

To respond to the above-mentioned rapid changes in the market environment and its structure, and the diversification and complication of customers’ utilization of the IT

and digital technology, ITOCHU sets forth a series of functions that will be necessary for supporting the utilization of the IT and digital technology, as functions to supplement the Company's "IT service" function, as follows: "consulting and data analysis," "business designing and marketing," and "operational improvement and BPO." Then, ITOCHU is proceeding to upgrade and expand the digital value chain (Note 15) through capital and business alliance with companies with such functions. The Company has strengths such as its broad customer base, which mainly consists of communication careers, technology that enables building advanced systems for such customers, and the provision of maintenance and operational service that make use of the multi-vendor networks it has developed over a number of years. In addition to its existing strengths, ITOCHU is planning and facilitating alliances with companies with consulting and business designing functions that contribute to the realization of high added value through the consistent provision of services, including acknowledging, analyzing, and making proposals on solutions concerning issues on the business front, to the implementation of solutions (such as introduction of IT systems). As a result, cases where such efforts are made by the Company are increasing. In the meantime, ITOCHU believes that there is a plenty of room for such efforts to improve and develop, in terms of flexibility, quality, and volume, in light of the fast-moving market environment and its structure, and the speed of competitor companies' growth. ITOCHU believes that through the Transaction, by establishing a system that enables mutual utilization of management resources of the ITOCHU Group and the Company further and by flexibly and effectively allying with companies that contribute to the Company's expansion of its functions, it will be possible to provide composite and high value-added solutions to customers (joint proposals by compositely combining a series of functions of the IT and digital technology, as stated above) and contribute to the Company's enhancement of its business base and increase in profitability.

(Note 15) "Digital value chain" refers to the collective functions set forth by ITOCHU that will be necessary for customers in utilizing IT and digital technology, as follows: "consulting and data analysis," "business designing and marketing," "IT service," and "operational improvement and BPO" and means the collective term for those functions.

II. Expansion of Operation Area and Acceleration of Growth Strategy of the Company by Utilizing the ITOCHU Group's Management Resources

ITOCHU, as a general trading company, believes that it can promote the settlement of the Company's current management issues and the flexible implementation of the growth strategy by utilizing the know-how ITOCHU has cultivated on the business front through transactions with customers and business partners, and the global networks and business experience of approximately 90 bases in about 60 countries all over the world. As initiatives to accelerate the Company's existing growth strategy, for example, in a perspective of global expansion, ITOCHU believes, the Company could enhance its domestic business by obtaining, in the short term, knowledge and know-how of front-line utilization of IT and digital technology by customers on the business front, through business activities in foreign (especially North American) leading markets, where customers have more experience compared to domestic markets; in terms of securing

engineering resources, the Company could respond to the loss of opportunities to make proposals and intensified competition in obtaining engineering resources due to a lack of engineering resources, by seeking flexible means including M&A such as ensuring offshore and onshore resources; and in terms of enhancing business support for cloud fields, the Company could further expand its business areas by seeking alliances and other opportunities obtain and strengthen knowledge and know-how of development including ERP (Note 16) and CRM (Note 17).

Further, by utilizing not only foreign business bases but also relationships with major VCs (Note 18) with which ITOCHU has been interacting and building personal connections and making track records in North America, China, Singapore, Israel, and Europe, etc. over the long term, ITOCHU believes that it can contribute to finding new products and services and deepening technological knowledge, which will lead to the expansion of the Company's business fields, and that it can flexibly support the growth strategy of domestic and foreign businesses.

(Note 16) "ERP" (Enterprise Resource Planning) refers to the critical information system that manages in an integrative manner human resources, goods, capital and information that are the management resources of companies, and that supports the efficient and effective utilization of such management resources.

(Note 17) "CRM" (Customer Relationship Management) refers to a tool that manages customer information uniformly and that supports the building of relationships with customers.

(Note 18) "VC" (Venture Capital) refers to companies that invest in unlisted start-up companies.

III. Creating New Synergies by Leveraging the Collective Strengths of the ITOCHU Group

ITOCHU believes that, by expanding personnel exchanges which have been conducted mainly between the ICT Division and the IT & Digital Strategy Division of ITOCHU which supports ITOCHU Group's DX promotion and the Company, into, for example, other divisions of ITOCHU and ITOCHU Group companies, ITOCHU can accelerate DX in various ITOCHU Group companies, utilizing the Company's high-level of technical knowledge of IT, and at the same time, can accumulate DX provision cases and make them service models on the part of the Company, which will result in lateral expansion to client companies. For example, the group data management project that ITOCHU promoted advanced ITOCHU Group's business reforms by contributing ITOCHU Group's knowledge of the business front and the Company's high-level technical knowledge regarding IT. It also led to the development of new services that utilize experience from past cases on the part of the Company. However, under the aforementioned restriction, it took careful consideration to reconcile the interests of each stakeholder regarding the usefulness and objective fairness of the transaction; therefore, flexible project implementation remained a challenge. Under the current

circumstances, as speed is essential in handling the increasingly diversified and complex IT/digital application needs in the business front of client companies, ITOCHU believes, by taking the Company private, it will be possible to create new synergies, such as the promotion of further DX projects and creation of service models by combining the business knowledge of each ITOCHU Group company in diverse industries with the advanced technological knowledge of the Company will be developed by further promoting quick and flexible mutual utilization of management resources, including personnel exchanges.

It is expected that the ITOCHU Group will enhance its technical knowledge and know-how through employee exchanges with the Company, and that the Company will expand opportunities in career development through ITOCHU Group's knowledge and experience with regard to the business front as an ordering party of IT/digital applications, experience in M&As and capital/business alliances, experience in domestic and foreign business management, etc., generating benefits for both parties.

As described, through the Transaction, the ITOCHU Group, including the Company, is aiming to resolve management issues and business issues at client companies by utilizing IT and digital technology and willing to provide appropriate assistance in line with the needs of the client companies, as a partner that can support their business reforms utilizing IT.

With the above background, purposes, and anticipated synergy effects in mind, in early March 2023, to actualize the further enhancement of corporate values of the ITOCHU Group (including the Company), ITOCHU concluded that it would be best to align the interests of the Company and ITOCHU more strongly than before by taking the Company private and to put in place a structure that enables the prompt and flexible mutual utilization of management resources; and it commenced initial deliberations accordingly.

In early March 2023, ITOCHU retained Nomura Securities Co., Ltd. ("**Nomura Securities**") as a financial advisor and third-party valuation firm independent from the ITOCHU Group (including ITOCHU and the Company), and Nishimura & Asahi as a legal advisor, and built a structure for discussions and negotiation with regard to taking the Company private. On March 7, 2023, ITOCHU notified the Company to the effect that it would like to commence deliberations toward taking the Company private. Subsequently, ITOCHU began deliberations on the expected synergy, and on April 4, 2023, submitted to the Company an initial proposal letter stating the background for ITOCHU offering the Transaction and the growth strategy after implementing the Transaction.

In response to the notice from ITOCHU to the Company as of March 7, 2023, given that the Company is a subsidiary of ITOCHU and the Transaction falls under a transaction that typically involves structural conflict of interest issues and information asymmetry issues, in order to address those issues and to ensure the fairness of the Transaction, the Company started establishing a framework for deliberating and negotiating and making decisions regarding the Transaction in terms of increasing its corporate value and securing the interests of general shareholders of the Company from a standpoint independent of ITOCHU. Specifically, the Company started the preparation towards the establishment

of a special committee as stated in “(i) Background of the Establishment of a Deliberation Framework” in “D. Decision-Making Process at the Company’s Board of Directors Meeting” below and appointed (i) Daiwa Securities as its financial advisor and third-party valuation agent and (ii) Mori Hamada & Matsumoto as its legal advisor, which are independent of the ITOCHU Group (excluding the Tender Offeror and the Company Group) and the Tender Offeror (collectively, the “**Tender Offeror, Etc.**”), in order to ensure the fairness of the Transaction including the Tender Offer Price. Further, the Special Committee (as defined in “D. Decision-Making Process at the Company’s Board of Directors Meeting,” hereinafter the same applies) appointed (i) Shibata, Suzuki & Nakada as its own legal advisor and (ii) PLUTUS CONSULTING Co., Ltd. (“**Plutus**”) as its own financial advisor and third-party valuation agent, respectively. After that, ITOCHU and the Company started specific discussions and deliberations.

ITOCHU conducted due diligence with regard to the Company from late-April 2023 to late June 2023 to examine the feasibility of the Tender Offer. In parallel, ITOCHU repeatedly discussed the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put in place after the Transaction, and industry prospects with the Company and the Special Committee. Specifically, on April 25, 2023, ITOCHU received written inquiries from the Company and the Special Committee concerning the significance and purpose of the Transaction, (in response to the proposal letter dated April 4, 2023), and submitted a written response to these inquiries on May 19, 2023. Based on this response, on May 25, 2023, ITOCHU received additional written inquiries from the Company and the Special Committee. During the Special Committee meeting held on May 31, 2023, ITOCHU responded to these inquiries and explained the significance and purpose of the Transaction, and held Q&A sessions and discussions on the significance and purpose of the Transaction. Subsequently, ITOCHU received additional written inquiries from the Company and the Special Committee on June 1, 2023, and June 6, 2023 and provided written responses respectively on June 2, 2023, and June 14, 2023. Furthermore, during the Special Committee meeting held on June 22, 2023, ITOCHU again provided explanations on the significance and purpose of the Transaction, held Q&A sessions, and exchanged opinions on the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put into place after the Transaction, and industry prospects.

Since July 7, 2023, ITOCHU repeatedly negotiated the Tender Offer Price with the TCompany. In particular, ITOCHU comprehensively considered information obtained from the due diligence that ITOCHU conducted with regard to the Company, the initial share value analysis of the Company conducted by Nomura Securities, ITOCHU’s financial advisor based on such information, and the initial share value analysis of the Company conducted by ITOCHU based on such information. ITOCHU then made a proposal for the Transaction on July 7, 2023, which involved setting the Tender Offer Price as of the Tender Offer at 3,800 yen (6.77% premium on the share price of 3,559 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day) (rounded to two decimal places; hereinafter the same applies to the calculation of values of premiums (%)). However, on July 10, ITOCHU received a request from the Company to reconsider the Tender Offer Price, reasoning that the Tender Offer Price was significantly

lower than the level of price that reflected the intrinsic value of the Company. In response, on July 12, ITOCHU requested that the Company specify the reasons for evaluating that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Company. Based on this request, on July 14, the Company provided ITOCHU with specific reasons for evaluating, explained based on long-term price movements of market stock prices, etc., that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Company, and requested again that the Tender Offer Price be raised. Subsequently, on July 18, based on the Company's request, ITOCHU repropose the Tender Offer Price, setting the Tender Offer Price at 4,000 yen (12.74% premium on the share price of 3,548 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day). However, the Special Committee expressed its opinion that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Company to raise the Tender Offer Price again on July 19. Based on the Company's request, on July 26, ITOCHU repropose the Tender Offer Price, setting the Tender Offer Price at 4,080 yen (16.47% premium on the share price of 3,503 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day). However, the Company expressed that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Company to raise the Tender Offer Price again on July 26. Based on the Company's request, on July 27, ITOCHU repropose the Tender Offer Price, setting the Tender Offer Price at 4,090 yen (14.41% premium on the share price of 3,575 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day). After that, in light of the significance of this matter, ITOCHU held discussions on the price again, and as a result of consideration, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day) on July 31. However, on that day, the Company expressed that price was not enough to support the Tender Offer, and ITOCHU received a request from the Company to raise the Tender Offer Price again. Based on the Company's request, on the same day, ITOCHU notified the Company that it would be difficult to raise the Tender Offer Price from 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Company shared on the TSE as of the immediately preceding business day). Since there was no response from the Company even after the Special Committee held after the proposal, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,325 yen (20.07% premium on the share price of 3,602 yen, the closing price of the Company shares on the TSE as of the immediately preceding business day) on August 1. As a result, ITOCHU received a response from the Company to the effect that it would agree to set the Tender Offer Price at 4,325 yen as proposed by ITOCHU and reached an agreement on the same day.

C. Management Policy After the Tender Offer

In order to consistently achieve the synergy effect stated in “B. Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror to Conduct the Tender Offer)” above, the Tender Offerors and the Company will accelerate collaboration between the ITOCHU Group and the Company, and, through sufficient discussions

between Tender Offeror et al. and the management of the Company, will deliberate over matters such as strengthening offerings for the business front/reforming the business model, accelerating the existing growth strategies in Japan and overseas, enhancing the comprehensive capabilities of the ITOCHU Group, including the Company, by increased personnel exchanges. The management structure and composition of the board of directors of the Company after the Tender Offer, including whether any officers will be dispatched and other personnel matters, has not been decided at this point, and discussions will be held between the Tender Offerors and the Company after the Transaction with the aim to build a structure that enables appropriate governance that respects the Company's uniqueness and actualizes to the maximum extent the synergy effect as the ITOCHU group. In addition, at this time, although there is no matter decided as to the changes in the Company's continued employment policy or treatment after the Tender Offer and transfer employees to ITOCHU Group companies other than the Company, we may change the policy or treatment, or change the assignment after consultation with the Company if it is determined that it is strategically and rationally necessary in the future.

Furthermore, as the IT domestic market continues to grow and undergo structural changes, and ensuring engineer resources will be an important issue, ITOCHU will consider measures to improve the Company's branding in order to maintain employee motivation, while also taking into consideration the Company's intentions. After the Tender Offer, Company is preparing to establish an employee shareholding association regarding ITOCHU's shares.

D. Decision-Making Process at the Company's Board of Directors Meeting

(i) Background of the Establishment of a Deliberation Framework

On March 7, 2023, the Company received from ITOCHU, the parent company of the Tender Offeror, a notice to the effect that ITOCHU had commenced deliberating on the implementation of the Transaction. Accordingly, in deliberating on the Transaction, and consulting and negotiating with ITOCHU regarding the Transaction, given that ITOCHU is a controlling shareholder of the Company (parent company), whose Ownership Ratio of the Company Shares is 61.24%, and the Transaction (including the Tender Offer) constitutes a material transaction, etc. with a controlling shareholder, and the Transaction constitutes transactions that typically involve structural conflict of interest issues and information asymmetry issues, in order to address those issues and to ensure the fairness of the Transaction, the Company appointed in early March, 2023 (i) Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror, Etc., and the Company Group, and (ii) Daiwa Securities as its financial advisor and third-party valuation agent independent of the Tender Offeror, Etc. and the Company Group. The Company then received from ITOCHU once again a written proposal for the Transaction on April 4, 2023. In response to such proposal, in order to ensure the fairness of the Transaction, the Company immediately started establishing a framework for deliberating and negotiating and making decisions regarding the Transaction in terms of increasing its corporate value and securing the interests of general shareholders of the Company from a standpoint independent of ITOCHU, based on the advice of Mori Hamada & Matsumoto. Specifically, after preparation towards the establishment of a special committee as stated

in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, by a resolution of the board of directors meeting held on April 7, 2023, soon after the receipt of the written proposal from ITOCHU on April 4, 2023, the Company (i) established a special committee (the “**Special Committee**”), which consisted of three members, namely Mr. Yasuhiro Ikeda (an independent outside director of the Company), Ms. Aya Motomura (an independent outside director of the Company), and Mr. Katsuhiko Hara (an independent outside audit & supervisory board member of the Company) (for the process of the review, and details of decisions made by the Special Committee, please refer to “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.). The Company requested the Special Committee : (i) to deliberate on and determine regarding (a) whether the Transaction should be implemented from the perspective of enhancing the corporate value of the Company and (b) the reasonableness of the transaction terms and conditions and the fairness of the procedures from the viewpoint of securing the interests of the general shareholders of the Company, and then deliberate on and provide the Company’s board of directors with advice regarding whether or not the Company’s board of directors should approve the Transaction (including whether or not it should support the Tender Offer and whether or not it should recommend that shareholders of the Company tender their shares in the Tender Offer), and (ii) to deliberate on and provide the Company’s board of directors with an opinion regarding whether the decision by the Company’s board of directors on the implementation of the Transaction (including the expression by the Company’s board of directors of an opinion in support of the Tender Offer and the recommendation to the Company’s shareholders to tender their shares in the Tender Offer) is not disadvantageous to the minority shareholders of the Company (collectively, the “**Inquired Matters**”). In addition, the Company’s board of directors resolved, upon establishing the Special Committee, (i) to give the highest degree of respect to the decisions of the Special Committee when making decisions on the Transaction (including the decision whether to support the Tender Offer) and (ii) if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, not to approve the Transaction under those terms and conditions, and resolved to authorize the Special Committee (i) to be substantially involved in negotiations between the Company and ITOCHU (including, as necessary, giving instructions or requests about the Company’s negotiation policy with ITOCHU), (ii) to appoint or nominate its own financial advisors or third-party valuation agents and legal advisors if necessary when deliberating and making decisions regarding the Inquired Matters (any expenses incurred in this case are to be borne by the Company) or to nominate or approve (including ex post facto approval) the Company’s financial advisors, legal or other advisors and (iii) to receive from the Company’s officers and employees and other persons whom the Special Committee considers necessary any information reasonably necessary for conducting the deliberations and making decisions regarding the Inquired Matters as necessary (please refer to “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer

Price and Measures to Avoid Conflicts of Interest” below on how these resolutions were made at this board of directors meeting.).

As stated in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Special Committee determined on April 7, 2023 to appoint Shibata, Suzuki & Nakada as its own legal advisor and Plutus as its own financial advisor and third-party valuation agent, based on the authority described above.

In addition, as stated in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Special Committee confirmed that there were no concerns with respect to the independence from the Tender Offeror, Etc. and the Company Group, the expertise, accomplishments, and other matters concerning the Company’s financial advisor and third-party valuation agent, Daiwa Securities, and the Company’s legal advisor, Mori Hamada & Matsumoto, and approved the appointment of Daiwa Securities and Mori Hamada & Matsumoto.

Further, as stated in “G. Establishment of an Independent Deliberation Framework at the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Company established an internal framework for deliberating, negotiating and making decisions regarding the Transaction (including the scope of the officers and employees of the Company involved in deliberating, negotiating and making decisions regarding the Transaction, and their duties) from a standpoint independent of the Tender Offeror, Etc., and obtained approval from the Special Committee that there were no concerns with respect to that deliberation framework from the standpoint of independence and fairness.

(ii) Background of Deliberation and Negotiation

Then, the Company received advice from a financial point of view, including a report on the result of the valuation of the Company Shares and advice on the negotiation policy with ITOCHU, from Daiwa Securities and received legal advice, including advice on measures to ensure the fairness of the procedures in the Transaction, from Mori Hamada & Matsumoto and has carefully discussed and deliberated on whether to implement the Transaction and the reasonableness of the transaction terms and conditions, giving the highest degree of respect to the details of the opinion of the Special Committee.

Also, since the receipt of a proposal for the Transaction from ITOCHU on April 4, 2023, the Company continued to discuss and negotiate with ITOCHU on the terms and conditions of the Transaction, including the Tender Offer Price.

Specifically, given that the Company and the Special Committee received the proposal for the Transaction on April 4, 2023, the Company continued deliberations and negotiations at the Special Committee and submitted to ITOCHU written questions regarding the

significance and purpose of the Transaction on April 25, 2023. On May 19, 2023, the Company and the Special Committee received a written response to such questions from ITOCHU. Furthermore, given such response, the Company and the Special Committee submitted additional written questions on May 25, 2023. At the Special Committee meeting held on May 31, 2023, the Company and the Special Committee received a response to such questions and explanations about the significance and purpose of the Transaction from ITOCHU, held question-and-answer sessions regarding these matters, and also had discussions regarding the significance and purpose of the Transaction. After that, the Company and the Special Committee further submitted additional written questions on June 1, 2023 and June 6, 2023 and received written responses to such questions from ITOCHU on June 2, 2023 and June 14, 2023 respectively. In addition, at the Special Committee meeting held on June 22, 2023, the Company and the Special Committee once again received explanations about the significance and purpose of the Transaction from ITOCHU, held question-and-answer sessions regarding these matters, and also had discussions regarding the significance and purpose of the Transaction.

The Company has engaged in multiple rounds of negotiations with Itochu regarding the Tender Offer Price since July 7, 2023. Specifically, as a result of the comprehensive consideration of the information obtained through the due diligence conducted by ITOCHU on the Company, the initial analysis of the value of the Company Shares conducted by Nomura Securities, the financial advisor of ITOCHU, on the assumption of such information, and the details of the initial analysis of the value of the Company Shares conducted by ITOCHU on the assumption of such information, the Company received a proposal for the Transaction from ITOCHU on July 7, 2023 including a proposal to set the Tender Offer Price for the Tender Offer at 3,800 yen (a premium of 6.77% on the share price of 3,559 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on July 10, 2023, the Company requested a reconsideration of the Tender Offer Price on the grounds that the Tender Offer Price was significantly below the price level reflecting the intrinsic value of the Company. In response to this, on July 12, 2023, ITOCHU requested that the Company explicitly indicate the reasons why it evaluated the Tender Offer Price presented in the proposal made by ITOCHU on July 7, 2023 to be significantly below the price level reflecting the intrinsic value of the Company. Based on such request, on July 14, 2023, the Company explained the explicit reasons why the Tender Offer Price presented by ITOCHU in the proposal made on July 7, 2023 was significantly below the price level reflecting the intrinsic value of the Company, based on the long-term movement of the market stock price, and made a request to ITOCHU again to raise the Tender Offer Price. Then, upon the Company's request, the Company received a revised proposal on July 18, 2023 from ITOCHU to set the Tender Offer Price at 4,000 yen (a premium of 12.74% on the share price of 3,548 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on July 19, 2023, the Company requested again a reconsideration of the Tender Offer Price on the grounds that the Tender Offer Price was significantly below the price level reflecting the intrinsic value of the Company. After that, upon the Company's request, the Company received a revised proposal on July 26, 2023 from ITOCHU to set the Tender Offer Price at 4,080 yen (a premium of 16.47% on the share price of 3,503 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on that day, the Company requested again to raise the Tender Offer Price on the grounds that the Tender Offer Price

was not reached the price that the Company can support the Tender Offer based on the result of valuation of the Company Shares by the financial advisors of the Company and the Special Committee, and the current level of stock price. After that, upon the Company's request, the Company received a revised proposal on July 27, 2023 from ITOCHU to set the Tender Offer Price at 4,090 yen (a premium of 14.41% on the share price of 3,575 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on that day, the Company requested again to raise the Tender Offer Price on the grounds that the Tender Offer Price was not reached the price that the Company can support the Tender Offer based on the result of valuation of the Company Shares by the financial advisors of the Company and the Special Committee, and the current level of stock price. Subsequently, upon receiving the Company's request, ITOCHU notified the Company once again on the same day that it would be difficult to raise the Tender Offer Price to 4,200 yen or above, however, on August 1, 2023, the Company again received a proposal from ITOCHU to set the Tender Offer Price at 4,325 yen per share (a premium of 20.07% on the share price of 3,602 yen, the closing price of the Company Shares on the TSE Prime Market as of the previous business day), and on the same day, the Company sent a response to ITOCHU indicating its acceptance of the proposal and reached agreement to set the Tender Offer Price at 4,325 yen.

During the above deliberation and negotiation processes, when consulting and negotiating with ITOCHU regarding the Tender Offer Price, the Company conducted the deliberations, taking into account the opinions of the Special Committee and advice received from Daiwa Securities and Mori Hamada & Matsumoto. At that time, the Special Committee received advice from Plutus and Shibata, Suzuki & Nakada, advisors of the Special Committee, from time to time, exchanged opinions with the Company and advisors of the Company, and carried out confirmation and approval as appropriate. Specifically, to start with, the Special Committee confirmed and approved in advance the reasonableness of the details, material assumptions, the preparation process, and the like of the Company's business plan that the Company presented to ITOCHU and constitutes the basis for the calculation of the value of the Company Shares by Daiwa Securities and Plutus. Also, Daiwa Securities, the financial advisor of the Company, handled the negotiations with ITOCHU in accordance with the policy for negotiation that was determined in advance upon deliberations at the Special Committee, and whenever it received a proposal on the Tender Offer Price from ITOCHU it immediately made a report to the Special Committee, and received opinions, instructions and requests, etc. on matters, such as the negotiation policy with ITOCHU, from the Special Committee and took measures in accordance with such opinions, instructions and requests, etc.

The Company received a written report (the “**Report**”) from the Special Committee on August 1, 2023 stating that the Special Committee believes that (i) it would be appropriate for the board of directors of the Company to resolve to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer, and (ii) the decisions on the Transaction by the board of directors of the Company (in other words, (a) a decision to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and (b) a decision on the privatization procedures through the Demand for Share Cash-Out (as defined in “(5) Policy for Reorganization After the Tender Offer (Matters

Concerning the So-Called “Two-Step Acquisition”)” below, hereinafter the same applies) or the Share Consolidation (as defined in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below, hereinafter the same applies) which will be conducted after the Tender Offer as part of the Transaction) would not be disadvantageous to the minority shareholders of the Company (for details of the Report, please refer to “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). In addition to the Report, the Company also received from the Special Committee a share valuation report pertaining to the Company Shares that was submitted to the Special Committee by Plutus on August 1, 2023 (the “**Valuation Report (Plutus)**”) and a fairness opinion that the Tender Offer Price of 4,325 yen per share is fair to the Company’s minority shareholders from a financial perspective (the “**Fairness Opinion**”) (for outlines of the Valuation Report (Plutus) and the Fairness Opinion, please refer to “C. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” in “(3) Matters Related to the Valuation” below).

(iii) Decisions

In light of this background, at its board of directors meeting held today, the Company carefully discussed and deliberated whether the Transaction, including the Tender Offer, would contribute to enhancing the corporate value of the Company and whether the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable, based on legal advice from Mori Hamada & Matsumoto, advice from a financial point of view from Daiwa Securities, and a share valuation report pertaining to the Company Shares received from Daiwa Securities on August 1, 2023 (the “**Company Valuation Report (Daiwa)**”), as well as the Valuation Report (Plutus) and the Fairness Opinion received through the Special Committee, giving the highest degree of respect to the decisions of the Special Committee presented in the Report.

As a result, as set out below, the Company reached a conclusion that the privatization of the Company through the Transaction including the Tender Offer by the Tender Offeror would contribute to the enhancement of the corporate value of the Company.

The Company Group has widely contributed to the customers’ needs and resolution of social issues in every industry by proving IT systems to a wide range of customers while staying ahead of industry trends and IT technology trends at all times since its foundation and utilizing solid partnerships with IT industry leaders in Japan and overseas with advanced technological capabilities.

With respect to the current environment surrounding the Company Group, in the course of the acceleration of DX (Digital Transformation) in the whole society due to the effects of COVID-19, purposes of IT investments by customers have shifted from its own cost reduction, business streamlining and the like to a creation of a new business model aiming at improving competitiveness, and the needs for IT services are becoming more sophisticated and diverse.

Specifically, the Company Group has been required not only to provide the most appropriate solutions while accurately identifying issues faced by customers but also to provide complex and sophisticated value-added services interweaving organically consulting, data analysis, business design/marketing, and operational improvement (BPO), etc. in addition to IT services in order to drive customers' business transformation and solve social issues.

In addition, consulting firms with knowledge of their customers' activities on the business front are flexibly expanding their capabilities through M&A and the like, becoming players that handle everything from consulting to introduction of IT systems, and entering markets where previous system integrators, including the Company Group, have taken the lead.

As such, the business environment surrounding the Company Group has experienced significant structural changes, and it is expected to continue to change in the future.

In order to appropriately respond to such long-term changes in the business environment and further enhance the corporate value of the Company, the Company recognizes that in addition to strengthening and growing the existing businesses, expansion of highly value-added services including consulting, provision of advanced technologies and expansion of business activities in growing markets overseas are necessary and the Company needs to secure engineering resources, points of contact with foreign customers, further personnel exchanges with ITOCHU, and the like to provide the foregoing. The Company believes that it is also necessary to pursue non-organic growth.

The Company believes that the early implementation of the above initiatives is necessary to enhance the corporate value of the Company over the medium to long term in the business environment which is expected to change dramatically in the future, in which the Company operates, but since it is necessary for the investments to be made in advance for the early implementation of the above initiatives and such investments entails uncertainty, the business performance of the Company might deteriorate in the short term. In addition, as long as the Company is listed, since the Company needs to pursue the interests of the shareholders of the Company, it is currently difficult for the Company to simultaneously and quickly execute investments that might cause the business performance of the Company to deteriorate in the short term.

Under these circumstances, the Company believes that the Company can steadily realize the above initiatives by utilizing the network and know-how of the ITOCHU Group as well as the management resources and know-how of the Company. With respect to the pursuit of non-organic growth, the Company is considering collaborating with, or acquiring a third party that can contribute to the enhancement of the corporate value of the Company by utilizing the network of the ITOCHU Group, and plans to secure engineering resources and acquire new business opportunities through such collaboration.

However, the Company received an explanation that there is an issue under the current capital relationship between ITOCHU and the Company, in that a part of the profits of the Company Group that is obtained from the management resources allocated to the Company Group by ITOCHU flows out to minority shareholders of the Company, therefore ITOCHU is unable to obtain all the profits obtained from the management resources it allocated,

which creates structural conflicts of interest between ITOCHU and minority shareholders of the Company, and as a result, allocation of the management resources to the Company by ITOCHU will be restricted.

The Company reached a conclusion that given the above mentioned business environment surrounding the Company Group, the Company can expect the creation of the following synergies through flexible and steady implementation of management measures, which will lead to further enhancement of the corporate value of the Company, by privatizing the Company through the Transaction, resolving the structural conflicts of interest between ITOCHU and minority shareholders of the Company and enabling further allocation of the management resources to the Company Group by ITOCHU.

I. Acceleration of growth strategies by securing engineering resources

Since approximately 70% of the members of the Company Group are engineers, the Company Group has established a system for training and utilizing the capacity of engineers who perform a role in the creation of value of the Company Group, and has expanded our businesses through a system of collaboration with alliance partners (domestic and overseas SI partners). While the Company assumes that in association with changes in the business environment surrounding the Company Group, the competition for engineering resources will further intensify in the future, it believes that the acceleration of growth strategies can be expected in the Company Group by utilizing ITOCHU's network or collaboration opportunities in various industry areas, countries or regions. For example, the Company believes that engineering resources are expected to be secured over the short term and medium to long term through a capital alliance with domestic and overseas major offshore and onshore development companies through ITOCHU, and further strengthening of the system of collaboration with alliance partners will lead to the acceleration of growth strategies.

II. Expansion of business areas through improvement of the digital value chain

ITOCHU has been undertaking improvement of its digital value chain for some time. The Company Group has utilized solid partnerships with IT industry leaders in Japan and overseas with advanced technological capabilities, and provided IT systems to a wide range of customers. The Company believes that by closely cooperating with companies that have various functions such as consulting and data analysis, UI design (Note 19) and UX design (Note 20) in various business channels owned by the ITOCHU Group, the Company, together with ITOCHU, will be able to provide customers with a digital value chain with higher added value, and expects to expand its business areas as a result.

(Note 19) UI design: UI is an abbreviation of User Interface. It refers to design services or products so that users can use them easily.

(Note 20) UX design: UX is an abbreviation of User Experience. It refers to design services and products in order to improve all aspects of users' customer experience through services or products.

III. Expansion and sophistication of global business deployment

The Company believes that by utilizing ITOCHU's management know-how and network in foreign countries, in addition to the Company's global partnership with the world's leading IT vendors, the Company will be able to achieve expansion and sophistication of business activities in developed IT markets such as North America, etc. The Company also believes that it can increase overseas profits by globally deploying its know-how in provision of IT systems in Japan by using ITOCHU's network. For example, the Company believes that the Company will be able to expand customer bases through the acquisition of or collaboration with North American companies using ITOCHU's network, and secure access to or form a technical alliance with partners with advanced IT technologies.

IV. Further strengthening of comprehensive capabilities of the Company Group through more active personnel exchanges

The main personnel exchanges until now have been between the Company and the ICT Division and IT & Digital Strategy Division of ITOCHU. The Company believes that by expanding the scope of personnel exchanges to other divisions and group companies of ITOCHU in the future, the Company will be able to increase the number of cases of DX provision to various divisions of the ITOCHU Group, and link such cases to service modelling, thereby increasing profits through horizontal expansion to customer companies.

In addition, the Company believes that seeking to improve skills of the employees of the Company Group through more active personnel exchanges between the Company Group and the ITOCHU Group will enable the Company to realize the provision of highly value-added services to customer companies. The Company Group believes that accelerating acquisition of new career opportunities through the knowledge and experience of the business front of the ITOCHU Group, as a client side for IT utilization and digitalization, experience engaging in M&A, capital and business alliances, experience in business management in Japan and overseas, and other experiences will enable the Company Group to further enhance the comprehensive capabilities of the Company Group.

The Company has considered the impacts on its business partners and other stakeholders as well as the possibility of a drop of employee motivation due to a decline in its brand power as a listed company, as a result of the privatization of the Company through the Transaction. However, as stated in "C. Management Policy After the Tender Offer" above, ITOCHU intends (i) to continue discussions between the Tender Offerors and the Company after the Transaction regarding the management structure and the composition of the board of directors of the Company, with the aim to establish a structure that ensures appropriate governance that respects the uniqueness of the Company and maximizes the synergy effects with the ITOCHU Group, including the Company, after the Transaction, (ii) that with regard to changes of the continued employment policy or the treatment regarding employees of the Company, or transfer of the Company's employees to ITOCHU Group companies other than the Company after the completion of the Tender Offer, there is no matter decided at this time (however, in the future, ITOCHU may change

the policy or the treatment, and conduct relocation after consultation with the Company in case where ITOCHU determines that it is strategically and rationally necessary.) and (iii) to examine measures leading to enhancement of the Company's branding while taking into consideration the Company's intentions carefully, in order to maintain the motivation of the Company's employees, etc. with the growth and structural changes continuing in the domestic IT market and securing engineering resources becoming important issues. In light of these factors, the Company believes that the Company's privatization through the Transaction will be acceptable to the Company Group's business partners, employees, and other stakeholders.

The Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable, and that the Tender Offer would provide the shareholders of the Company with an opportunity to sell their shares at a price inclusive of a reasonable premium and upon reasonable terms and conditions, based on:

(a) the fact that the price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF method, in the calculation result of the share price valuation of the Company Shares by Daiwa Securities stated in "(3) Matters Related to the Valuation" below ;

(b) the fact that the price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and exceeds the median value of the calculation result using the DCF method, in the calculation result of the share price valuation of the Company Shares by Plutus in the Valuation Report (Plutus) stated in "C. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" in "(3) Matters Related to the Valuation" below. The Special Committee also obtained the Fairness Opinion from Plutus, which states to the effect that 4,325 yen per share as the Tender Offer Price is fair to the minority shareholders of the Company from a financial point of view;

(c) the fact that the price represents (a) a premium of 18.69% on 3,644 yen, the closing price of the Company Shares on the Prime Market of the TSE as of August 1, 2023, which is the business day immediately preceding the announcement date of the Tender Offer, (b) a premium of 21.59% on 3,557 yen (rounded to two decimal places; the same applies for calculations of average closing prices hereinafter), which is the simple average closing price for the one-month period ending on that day (from July 3, 2023 to August 1, 2023), (c) a premium of 20.57% on 3,587 yen, which is the simple average closing price for the three-month period ending on that day (from May 2, 2023 to August 1, 2023), and (iv) a premium of 27.36% on 3,396 yen, which is the simple average closing price for the six-month period ending on that day (from February 2, 2023 to August 1, 2023).

(d) the fact that the price is set to be equal to the highest closing price of the Company Shares in the previous 20 years (meaning the closing price on August 3, 2020) in light of the long-term share price trends of the Company;

(e) the fact that it is deemed that measures to ensure fairness of the Tender Offer stated in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest"

below have been taken and the interests of general shareholders are secured;

(f) the fact that the price is a price increased from 3,800 yen, the initial offer price proposed by ITOCHU, based on sufficient negotiations conducted on multiple occasions with ITOCHU, in which the Special Committee independent of the Company and the Tender Offeror, Etc. was substantially involved, and after the Company taking sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below; and

(g) the fact that as stated in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, in the Report obtained from the independent Special Committee at the Company, the Special Committee determined that the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price had been ensured.

Based on the above, at its board of directors meeting held today, the Company adopted a resolution to express an opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

For the details of the method of the resolution of the Company’s board of directors described above, please refer to “H. Approval of All Disinterested Directors at the Company and Opinion of All Disinterested Audit & Supervisory Board Members that They Had No Objection” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest.”

(3) Matters Related to the Valuation

A. Obtainment by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Agent

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offerors and the Company, evaluate the Company Shares.

After reviewing the financial condition of the Company and trends in the market price of Company Shares, Nomura Securities reached the view that the value of the Company Shares should be evaluated from multi-viewpoints. As a result of considering the valuation methods to be applied among several methods to evaluate the value of the Company Shares, Nomura Securities elected to use the following methods: the average market price method, due to the existence of the market share price; comparable company analysis method, due to the fact that the existence of listed companies comparable to the Company enabled valuation of the value of the Company Shares by analogy; and the discounted cash flow method (the “**DCF Method**”), in order to reflect future business activities. ITOCHU has received a stock valuation report (hereinafter referred to as the

“**Tender Offeror Stock Valuation Report**”) from Nomura Securities on August 1, 2023. Nomura Securities is not a related party of the Tender Offerors or the Company and does not have any material interest in the Tender Offer. Furthermore, by comprehensively considering the factors stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, ITOCHU considers that the interests of the Company’s minority shareholders have been sufficiently considered. Therefore, ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

For details of the Tender Offeror Stock Valuation Report, please refer to “A. Obtainment by ITOCHU of a Share Valuation Report from an Independent Third-Party Valuation Agent” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

B. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent

(i) Name of Valuation Agent and its Relationship with the Company and the Tender Offeror

When expressing its opinion on the Tender Offer, the Company requested Daiwa Securities, its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group, to calculate the Company’s share value and obtained the Company Valuation Report (Daiwa) on August 1, 2023. Daiwa Securities is not a related party of the Tender Offeror, Etc. or the Company Group, and does not have any material interest in connection with the Transaction, including the Tender Offer, needing to be disclosed. Further, since the Tender Offeror and the Company have implemented the measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Company has not obtained from Daiwa Securities any opinion concerning the fairness of the Tender Offer Price (Fairness Opinion). Remuneration for Daiwa Securities includes contingency fees to be paid subject to the completion or the like of the Transaction, but the Company appointed Daiwa Securities as its financial advisor and third-party valuation agent based on this remuneration system after taking into consideration customary practices in similar kinds of transactions.

(ii) Outline of Valuation pertaining to the Company Shares

After considering which methods should be applied to calculate the value of the Company Shares among various share value calculation methods available, and assuming that the Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Daiwa Securities analyzed the value per share of the Company Shares using (i) the market price method in order to take trends of the Company’s share price in the market into account, (ii) the comparable company

comparison method because there are several listed companies that are comparable with the Company and it is possible to make an analogical inference of the share value of the Company Shares by comparing similar companies, and (iii) the DCF method so as to reflect in the evaluation the current and expected business results of the Company. The Company obtained from Daiwa Securities the Company Valuation Report (Daiwa) on August 1, 2023.

The following are the ranges of values per share of the Company Shares that were calculated based on each calculation method mentioned above.

Market Price Method:	3,396 yen – 3,644 yen
Comparable Company Comparison Method:	2,613 yen – 3,202 yen
DCF Method:	3,929 yen – 6,835 yen

Under the market price method, using August 1, 2023 as the valuation reference date, the value per share of the Company Shares was evaluated to range from 3,396 yen to 3,644 yen, based on the closing price of the reference date (3,644 yen), the simple average closing price for the most recent one month (from July 3, 2023 to August 1, 2023) (3,557 yen), the simple average closing price for the most recent three months (from May 2, 2023 to August 1, 2023) (3,587 yen) and the simple average closing price for the most recent six months (from February 2, 2023 to August 1, 2023) (3,396 yen) of the Company Shares on the Prime Market of the TSE.

Under the comparable company comparison method, the value per share of the Company Shares was evaluated to range from 2,613 yen to 3,202 yen, by selecting NS Solutions Corporation, TIS Inc., Information Services International-Dentsu, Ltd., Net One Systems Co., Ltd., BIPROGY Inc. and SCSK Corporation as comparable listed companies, which are considered similar to the Company, and using an enterprise-value-to-EBITDA multiple.

Under the DCF method, the value per share of the Company Shares was evaluated to range from 3,929 yen to 6,835 yen, after analyzing the enterprise value and the share value of the Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Company is expected to generate from the second quarter of the fiscal year ending March 31, 2024 based on the Company's estimated future earnings and investment plan in the business plan for a period of five fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2028 prepared by the Company, publicly disclosed information, and other information. The financial forecasts used by Daiwa Securities for DCF analysis do not include business years during which a significant increase or decrease in revenue and free cash flow is expected. 4.8% to 6.8% is adopted as the discount ratio, the perpetuity growth rate method is adopted for the calculation of continuous value, and the perpetuity growth rate is determined to be 0.0% to 1.0%.

In the business plan prepared by the Company that was used for the DCF analysis conducted by Daiwa Securities, the synergies expected by the Transaction being completed are not reflected in the above evaluation because it is difficult to specifically estimate those

synergies at present.

The figures of the Company's financial forecasts used as the basis for calculation by the DCF method are as follows.

(Unit: million yen)

	FY ending March 31, 2024 (nine months)	FY ending March 31, 2025	FY ending March 31, 2026	FY ending March 31, 2027	FY ending March 31, 2028
Sales Revenue	492,555	688,864	762,291	842,561	941,455
Operating Profit	49,224	71,476	79,069	87,271	97,478
EBITDA	55,544	85,991	93,584	101,786	111,993
Free Cash Flow	19,896	42,490	31,500	35,879	38,687

C. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent

- (i) Name of Valuation Agent and its Relationship with the Company and the Tender Offeror

When considering the Inquired Matters, in order to ensure the reasonableness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested Plutus, its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group, to calculate the value of the Company Shares and to express an opinion on the fairness to the minority shareholders of the Company, from a financial perspective, of the terms and conditions of the Transaction, including the Tender Offer Price. The Special Committee obtained the Valuation Report (Plutus) and the Fairness Opinion on August 1, 2023.

Plutus is not a related party of the Tender Offeror, Etc. or the Company Group, and does not have any material interest in connection with the Transaction, including the Tender Offer, needing to be disclosed. Also, only a fixed-amount of remuneration, which is payable regardless of whether the Transaction succeeds, will be paid to Plutus in connection with the Transaction, and no contingency fees, which are payable subject to completion of the Transaction, including the Tender Offer, and other conditions, will be paid.

(ii) Outline of Valuation pertaining to the Company Shares

After considering which methods should be applied to calculate the value of the Company Shares among various share value calculation methods available, and assuming that the Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Plutus analyzed and calculated the value per share of the Company Shares using (i) the market price method in order to take trends of the Company's share price in the market into account, (ii) the comparable company comparison method because there are several listed companies that are comparable with the Company and it is possible to make an analogical inference of the share value of the Company Shares by comparing similar companies, and (iii) the DCF method so as to reflect in the evaluation the current and expected business results of the Company. The Special Committee obtained from Plutus the Valuation Report (Plutus) on August 1, 2023.

The following are the ranges of values per share of the Company Shares that were calculated based on each calculation method mentioned above.

Market Price Method:	3,396 yen – 3,644 yen
Comparable Company Comparison Method:	3,490 yen – 3,938 yen
DCF Method:	3,916 yen – 4,722 yen

Under the market price method, using August 1, 2023 as the valuation reference date, the value per share of the Company Shares was evaluated to range from 3,396 yen to 3,644 yen, based on the closing price of the reference date (3,644 yen), the simple average closing price for the most recent one month (from July 3, 2023 to August 1, 2023) (3,557 yen), the simple average closing price for the most recent three months (from May 2, 2023 to August 1, 2023) (3,587 yen) and the simple average closing price for the most recent six months (from February 2, 2023 to August 1, 2023) (3,396 yen) of the Company Shares on the Prime Market of the TSE.

Under the comparable company comparison method, the value per share of the Company Shares was evaluated to range from 3,490 yen to 3,938 yen, by selecting Nomura Research Institute, Ltd., SCSK Corporation, BIPROGY Inc. and NS Solutions Corporation as comparable listed companies, which are considered similar to the Company, and using an enterprise-value-to-EBIT and EBITDA multiple.

Under the DCF method, the value per share of the Company Shares was evaluated to range from 3,916 yen to 4,722 yen, after analyzing the enterprise value and the share value of the Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Company is expected to generate from the second quarter of the fiscal year ending March 31, 2024 based on the Company's estimated future earnings and investment plan in the business plan for a period of five fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2028 prepared by the Company, publicly disclosed information, and other information. 6.8% to 7.7% is adopted as the discount ratio, and the perpetuity growth rate method and the multiple method are adopted

for the calculation of going-concern value. The perpetuity growth rate is determined to be 0% and the EBIT and EBITDA multiples are used for the calculation, which are 11.5 and 9.7 respectively.

The consolidated financial forecasts based on the business plan prepared by the Company, which was used by Plutus as the premise for the calculation of the DCF method, are as follows. The business plan prepared by the Company does not include business years during which a significant increase or decrease in revenue and free cash flow is expected. The synergies expected by the Transaction being completed, except for the effects of reduced listing maintenance costs, are not reflected in the above evaluation because it is difficult to specifically estimate those synergies at present.

(Unit: million yen)

	FY ending March 31, 2024 (nine months)	FY ending March 31, 2025	FY ending March 31, 2026	FY ending March 31, 2027	FY ending March 31, 2028
Sales Revenue	492,555	688,864	762,291	842,561	941,455
Operating Profit	49,769	71,552	79,153	87,364	97,580
EBITDA	56,089	86,067	93,668	101,879	112,095
Free Cash Flow	13,411	36,058	39,935	44,364	47,839

The Special Committee obtained the Fairness Opinion on August 1, 2023.

(iii) Outline of the Fairness Opinion

The Special Committee obtained the Fairness Opinion from Plutus on August 1, 2023 which stated to the effect that the Tender Offer Price of 4,325 yen per share is fair to the Company's minority shareholders from a financial perspective (Note 21). Plutus expresses the opinion that the Tender Offer Price of 4,325 yen per share is fair to the Company's minority shareholders from a financial perspective based on the results of calculation of the value of the Company Shares based on the business plan.

The Fairness Opinion was issued by Plutus based on the result of valuation of the Company Shares conducted by Plutus based on disclosure and explanation by the Company on the current situation and outlook of business of the Company Group, as well as Q&A sessions with the Company pertaining to the outline, background and purpose of the Tender Offer,

examination of the Company Group's business environment, economy, market, and financial situation, to the extent deemed necessary by Plutus, and the review procedures of the Fairness Opinion by a review committee independent of the engagement team at Plutus.

(Note 21) In preparing and submitting the Fairness Opinion and calculating the share value underlying it, Plutus relied on information that was furnished by, or discussed with, the Company and base materials, and publicly available materials, assuming that they were accurate and complete, and that there was no fact that might have a material impact on the analysis and calculation of the share value of the Company Shares, which has not been disclosed to Plutus, and Plutus has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

Plutus has assumed that the Company's business outlook and other materials used as the basis for the Fairness Opinion were reasonably prepared by the management of the Company based on the best estimates and judgments at that time, and Plutus does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or the premises on which they are based.

Plutus did not conduct an independent assessment or valuation of any assets or liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company and its affiliates, including any analysis or evaluation of individual assets and liabilities and did not receive any assessment report or valuation report relating to the foregoing matters, nor did Plutus assess the creditworthiness of the Company and its affiliates.

Plutus is not an agency specialized in law, accounting, or tax. Therefore, Plutus expresses no view as to any legal, accounting, or tax issues concerning the Tender Offer, nor has any obligation to do so.

The Fairness Opinion was prepared for the purpose of being used by the Company in considering the fairness of the Tender Offer Price, and the Fairness Opinion does not mention the position of the Transaction under the business strategies compared to alternative transactions that the Company would be able to implement or the benefits that would be brought by implementing the Transaction, and it does not state any opinion on whether the Tender Offeror should implement the Transaction.

The Fairness Opinion states an opinion as of its preparation date regarding whether the Tender Offer Price is fair from a financial perspective to the Company's minority shareholders based on the financial and capital markets, economic conditions, and other circumstances as of its preparation date, and the information that Plutus obtained until its preparation date, and the contents of the Fairness Opinion may be influenced by subsequent changes in the situation. However, even in that case, Plutus has no obligation to modify, change, or supplement the contents of the Fairness Opinion. Furthermore, the Fairness Opinion does not make any inference on or suggest any opinion on any matters other than those expressly stated in it or any matters on and after its submission date of the Fairness Opinion.

Plutus does not solicit investments in the Company or the like and has no authority to do so. The Fairness Opinion only expresses an opinion that the Tender Offer Price is not disadvantageous to the Company's minority shareholders from a financial perspective and is fair, does not express an opinion or make any recommendation regarding whether the Tender Offer should be implemented or whether the Company's shareholders should tender shares or take any action in the Tender Offer, and does not state any opinion to holders of securities issued by the Company, creditors or other stakeholders. Therefore, Plutus assumes no responsibility to any shareholder or third party who relies on this Fairness Opinion.

The Fairness Opinion was provided by Plutus for use as a basic material for the Company's board of directors and the special committee to make a decision on the Tender Offer Price, and other persons cannot rely on it.

(4) Prospects of and Reasons for Delisting

As of today, the Company Shares are listed on the Prime Market of the TSE, but since the Tender Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer, the Company Shares might be delisted through designated procedures depending on the results of the Tender Offer in accordance with the delisting criteria established by the TSE. Even in the event that the delisting criteria does not apply to the Company Shares at the time of the successful completion of the Tender Offer, the Squeeze-out Procedures will be implemented as described in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below after the successful completion of the Tender Offer. Therefore, if such procedures are implemented, the Company Shares will be delisted through designated procedures in accordance with the delisting criteria established by the TSE. Further, the Company Shares will no longer be traded on the Prime Market of the TSE after the delisting.

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

As stated in “A. Outline of the Tender Offer” in “(2) Grounds and Reasons for the Opinion” above, if the Tender Offeror fails to acquire all of the Company Shares (excluding the Company Shares held by ITOCHU and treasury shares held by the Company) through the Tender Offer, the Tender Offeror intends to implement the Squeeze-out Procedures by the methods described below after the successful completion of the Tender Offer.

A. Demand for Share Cash-Out

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Company owned by the Tender Offerors becomes 90% or more of the number of the voting rights of all shareholders of the Company, and ITOCHU becomes a special controlling shareholder as provided for in Article 179, paragraph 1 of the Companies Act, ITOCHU intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Company (excluding ITOCHU, the Tender Offeror, and the Company; the “**Selling Shareholders**”) to sell all of the Company Shares

they hold (the “**Demand for Share Cash-Out**”) under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act. In the event of a Demand for Share Cash-Out, each of the Company Shares held by Selling Shareholders will be exchanged for cash consideration equal to the Tender Offer Price. In such an event, ITOCHU will notify the Company to that effect and will seek the Company’s approval thereof. If the Company approves the Demand for Share Cash-Out by a resolution of its board of directors, then, in accordance with the procedures provided for in applicable laws and regulations and without requiring the consent of the individual Selling Shareholders, on the day stipulated by the Demand for Share Cash-Out, ITOCHU will acquire all of the Company Shares held by the Selling Shareholders.

Further, if the Company receives from ITOCHU a notice regarding the fact that ITOCHU intends to make the Demand for Share Cash-Out and regarding matters in any item of Article 179-2, paragraph 1 of the Companies Act, it will approve ITOCHU’s Demand for Share Cash-Out at a meeting of the board of directors of the Company.

In the interest of protecting the rights of minority shareholders in circumstances involving the above procedures, the Companies Act provides that, if the Demand for Share Cash-Out is made, the Selling Shareholders may file a petition to the court for the determination of the sale price of the Company Shares held by them in accordance with Article 179-8 of the Companies Act and other applicable laws and regulations. If such petition is filed, the sale price will be finally determined by the court.

B. Share Consolidation

If, after the successful completion of the Tender Offer, the total number of voting rights in the Company owned by the Tender Offerors is less than 90% of the number of voting rights of all shareholders of the Company, the Tender Offerors intends to request, promptly after the settlement of the Tender Offer, the Company to hold a special shareholders’ meeting (the “**Special Shareholders’ Meeting**”) of the Company around November 2023 at which proposals for a share consolidation with respect to the Company Shares (the “**Share Consolidation**”) in accordance with Article 180 of the Companies Act and a partial amendment to the articles of incorporation to abolish provisions on share unit numbers on the condition that the Share Consolidation becomes effective will be submitted. If the Company receives these requests from the Tender Offerors, it will comply with them. The Tender Offerors intend to approve the proposals described above at the Special Shareholders’ Meeting.

If the proposal for the Share Consolidation is approved at the Special Shareholders’ Meeting, the Company’s shareholders will, on the effective date the Share Consolidation, hold the number of the Company Shares proportionate to the ratio of the Share Consolidation approved at the Special Shareholders’ Meeting. If, due to the Share Consolidation, the number is a fraction less than one share, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling the Company Shares equivalent to the total number of such fractional shares (with such aggregate sum rounded down to the nearest whole number; hereinafter the same applies) to the Company, ITOCHU, or the Tender Offeror as per the provisions of Article 235 of the Companies Act and other applicable laws and regulations. The Tender Offerors

will request the Company to file a petition to the court for permission to purchase such Company Shares, so that the amount of money to be delivered as a result of the sale, to the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Company), will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each such shareholder.

Although the ratio of the Share Consolidation has not been determined as of today, the Tender Offerors will request the Company that the ratio of the Share Consolidation will be determined so that the number of the Company Share held by the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Company) will be fractions that are less than one share in order for the Tender Offerors to become the only shareholders of all of the Company Shares (excluding the treasury shares held by the Company).

In the interest of protecting the rights of minority shareholders in circumstances involving the Share Consolidation, the Companies Act provides that, if the Share Consolidation is implemented and there are fractional shares less than one share as a result thereof, each shareholder of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Company) may request that the Company purchase all such fractional shares less than one share held by them at a fair price and may file a petition to the court to determine the sale price of the Company Shares in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations. If such petition is filed, the sale price will be finally determined by the court.

With regard to the procedures described in (i) and (ii) above, it is possible that, depending on circumstances such as amendments to or the implementation and interpretation of the relevant laws and regulations by relevant authorities, it will require time to implement the procedures or the methods of implementation may be altered. However, even in such a case, upon completion of the Tender Offer, it is intended to employ a method whereby each shareholder of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Company) will ultimately receive cash consideration equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by the relevant shareholder. In such a case, the Company will announce the specific procedures and timeline promptly once determined after consulting with the Tender Offeror. The Tender Offer is not intended to solicit the shareholders of the Company to approve the proposals at the Special 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, the Tender Offerors are considering searching for a partner enterprise that can contribute to creating synergy between the Tender Offerors and the Company after completion of the Squeeze-Out Procedures. If an applicable enterprise exists, the Tender Offerors are considering accepting a few percent or less investment by such enterprise in the Tender Offeror or the Company through good faith consultations with the Company and the enterprise. However, details such as the specific method, investment ratio, and the date have not yet been determined as of today.

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

Considering that ITOCHU, the parent company of the Tender Offeror, is a controlling shareholder (parent company) of the Company and that the Transaction, which includes the Tender Offer, constitutes a material transaction, etc. with a controlling shareholder and constitutes a transaction that typically involves structural conflicts of interest and asymmetry of information between ITOCHU and a shareholder of the Company other than ITOCHU, the Company is implementing the following measures as measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest.

Of the measures set out below, the measures, etc. that have been implemented by the Tender Offeror are based on the press release of the Tender Offeror and explanations given by the Tender Offeror.

ITOCHU, the parent company of the Tender Offeror, has not set a minimum number of shares to be purchased by the so-called “majority of minority” in the Tender Offer because, as described in “A. Outline of the Tender Offer” in “(2) Grounds and Reasons for the Opinion” above, ITOCHU directly owns 141,601,600 shares of the Company Shares (Ownership Ratio: 61.24%) as of today, due to which the setting of a minimum number of shares to be purchased by the so-called “majority of minority” in the Tender Offer may make the successful completion of the Tender Offer unstable, which, in turn, may be disadvantageous for general shareholders that wish to tender their shares in the Tender Offer. However, the Tender Offeror and the Company have implemented the following measures, and thus the Tender Offeror and the Company believes that the interests of general shareholders of the Company are fully considered.

A. Obtainment by ITOCHU of a Share Valuation Report from an Independent Third-Party Valuation Agent

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offerors and the Company, evaluate the Company Shares (Note 22).

After reviewing the financial condition of the Company and trends in the market price of Company Shares, Nomura Securities reached the view that the value of the Company Shares should be evaluated from multi-viewpoints. As a result of considering the valuation methods to be applied among several methods to evaluate the value of the Company Shares, Nomura Securities elected to use the following methods: the average market price method, due to the existence of the market share price; comparable company analysis method, due to the fact that the existence of listed companies comparable to the Company enabled valuation of the value of the Company Shares by analogy; and the **DCF Method**, in order to reflect future business activities. ITOCHU has received a stock valuation report (hereinafter referred to as the “**Tender Offeror Stock Valuation Report**”) from Nomura Securities on August 2, 2023. Nomura Securities is not a related party of the Tender Offerors or the Company and does not have any material interest in the Tender

Offer. Furthermore, by comprehensively considering the factors stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, ITOCHU considers that the interests of the Company’s minority shareholders have been sufficiently considered. Therefore, ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

The ranges of the per-share-value of the Company Shares evaluated by Nomura Securities using each of the above methods are as follows:

Average market price method:	3,396 yen to 3,644 yen
Comparable company analysis method:	3,135 yen to 3,905 yen
DCF Method:	3,635 yen to 4,605 yen

The analysis under the average market price method demonstrates that the range of the per-share-value of the Company Shares is between 3,396 yen and 3,644 yen, on the basis that the closing price of the Company Shares on the record date was 3,644 yen; a simple average of the closing prices of the Company Shares in the previous five business days was 3,579 yen; a simple average of the closing prices of the Company Shares in the previous month was 3,557 yen; a simple average of the closing prices in the previous three months was 3,587 yen; and a simple average of the closing prices in the previous six months was 3,396 yen, all of which prices are those on the Prime Market of the TSE having August 1, 2023, as the record date.

Under the comparable company analysis method, through comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses comparatively similar to those of the Company, the analysis demonstrates that the range of the per-share-value of the Company Shares is between 3,135 yen and 3,905 yen.

The analysis under the DCF Method demonstrates that the range of the per-share-value of the Company Shares is between 3,635 yen and 4,605 yen, as a result of analyzing the corporate value and the share value of the Company by discounting the free cash flow that is expected to be generated by the Company in the future with a certain discount rate, based on the estimated revenue of the Company from the fiscal year ending March 31, 2024, taking into consideration revenue and investment plans in the business plan for the five fiscal years from the fiscal year ending March 31, 2024 through the fiscal year ending March 31, 2028, received from the Company, (the business plan received from the Company does not include the free cash flow) and provided after modification by ITOCHU, management interview of the Company, recent trends in the business performance, information publicly available and other factors. The business plan of the Company based on the DCF Method does not include fiscal years in which a substantial increase/decrease in profit is expected. That business plan is not premised on the Transaction being implemented, and does not reflect the synergies expected by the Transaction being completed because it is difficult to specifically estimate those synergies at present.

By cumulatively considering the valuation results of the value of the Company Shares

stated in the Tender Offeror Stock Valuation Report obtained from Nomura Securities, as well as the results of the due diligence conducted with respect to the Company from late April 2023 to late June 2023, the possibility of obtaining support for the Tender Offer from the Company's board of directors, and the outlook for the applications for the Tender Offer, and based on results of the discussions and negotiations of the Company, ITOCHU ultimately decided on August 2, 2023, that the Tender Offer Price would be 4,325 yen.

The Tender Offer Price of 4,325 yen is the amount obtained by adding a premium of 18.69% to 3,644 yen, which is the closing price of Company Shares on the Prime Market of the TSE on August 1, 2023, the business day immediately prior to the date of the announcement regarding the conduct of the Tender Offer, 21.59% to 3,557 yen, which is the simple average closing price for the past month, 20.57% to 3,587 yen, which is the simple average closing price for the past three months, and 27.36% to 3,396 yen, which is the simple average closing price for the past six months, respectively.

(Note 22) In evaluating the Company Shares, Nomura Securities has assumed, without independent verification, the accuracy and completeness of the information that was publicly available or supplied to it. Nomura Securities has not made any independent valuation, assessment, or appraisal of the assets or liabilities (including financial derivatives, out-of-book assets and liabilities, and other contingent liabilities) of the Company and its related companies, including analysis and valuation of individual assets and liabilities, nor has Nomura Securities requested an assessment or appraisal from any third-party organization. With respect to the financial projections (including the profit plan and other information) of the Company, Nomura Securities has assumed that they have been reasonably examined or revised by the management of ITOCHU based on the best and most faithful projections and judgments available at present. The valuation by Nomura Securities reflects the information and economic conditions that it obtained by August 1, 2023. The aim of Nomura Securities' valuation is only to contribute to the examination by the board of directors of ITOCHU of the value of the Company Shares.

B. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent

As explained in "B. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent" in "(3) Matters Related to the Valuation" above, in determining an opinion on the Tender Offer, the Company requested Daiwa Securities, a financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group, to calculate the share value of the Company and obtained the Company Valuation Report (Daiwa) as of August 1, 2023. Daiwa Securities is not a related party of the Tender Offeror, Etc. or the Company Group and it does not have any significant interest to be disclosed in relation to the Tender Offer.

C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee

(i) Process of the Establishment of the Special Committee

As explained in “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” above, the Company established the Special Committee by a resolution at the meeting of the board of directors of the Company held on April 7, 2023. Prior to the establishment of the Special Committee, in order to establish a system to deliberate, negotiate, and make decisions regarding the Transaction from the perspective of improving the Company’s corporate value and ensuring the interests of the Company’s general shareholders from a position independent from the Tender Offeror, Etc., the Company individually explained to the independent outside directors and independent outside audit & supervisory board members of the Company who do not have any significant interest in the Tender Offeror, Etc. based on advice from Mori Hamada & Matsumoto that (a) it received a written proposal about commencing deliberations and negotiations on the implementation of the Transaction from ITOCHU on April 4, 2023 and (b) it is necessary to take full measures, including establishing the Special Committee, in the course of conducting discussions and negotiations on the Transaction to ensure the fairness of the terms and conditions of the Transaction.

At the same time, the Company verified the independence and competence of its independent outside directors and independent outside audit & supervisory board members who were to be nominated as Special Committee members with the advice from Mori Hamada & Matsumoto, and confirmed that each of those candidate Special Committee members had no significant interest in the Tender Offeror, Etc. and no significant interest in the successful or unsuccessful completion of the Transaction that is different from the general shareholders. Thereafter, as a result of discussions by the independent outside directors and independent outside audit & supervisory board members of the Company with the advice from Mori Hamada & Matsumoto, the Company confirmed that there was no objection among them and appointed three people as candidate members of the Special Committee: Mr. Yasuhiro Ikeda (an independent outside director of the Company), who has abundant experience and insight as the Representative Director, President, and Chairman of Nichirei Foods Inc. and considerable knowledge with respect to business operations, Ms. Aya Motomura (an independent outside director of the Company), who has abundant experience and broad knowledge as a lawyer, and Mr. Katsuhiko Hara (an independent outside audit & supervisory board member of the Company), who has abundant experience and expertise as a certified public accountant (Mr. Yasuhiro Ikeda, who is an independent outside director of the Company, was appointed as a chairperson of the Special Committee, and members of the Special Committee have not been changed since its establishment.).

Thereafter, as explained in “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” above, the Company established the Special Committee by a resolution at the board of directors meeting held on April 7, 2023, and the Company commissioned the Special Committee to consider the Inquired Matters. Further, the Company’s board of directors passed a resolution upon establishing the Special Committee that (i) the decision of the board of directors regarding the Transaction, including a decision on whether to support the Tender Offer, shall give the highest degree of respect to the contents of the decisions of the Special Committee and (ii)

if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's board of directors shall not approve the Transaction under those terms and conditions. Moreover, the Company's board of directors passed a resolution that it will authorize the Special Committee (i) to be substantially involved in the process of negotiations between the Company and ITOCHU (including, as necessary, giving instructions or requests about the Company's negotiation policy of negotiations with ITOCHU), (ii) to appoint or nominate its own financial advisors or third-party valuation agents and legal advisors if necessary when deliberating and making decisions regarding the Inquired Matters (any expenses incurred in this case are to be borne by the Company), or nominate or approve (including ex post facto approval) the Company's financial advisors, legal and other advisors and (iii) to receive from the Company's officers and employees and other persons whom the Special Committee considers necessary any information reasonably necessary for deliberations and decisions regarding the Inquired Matters as necessary.

Of the seven directors of the Company, Mr. Ichiro Tsuge, Mr. Mamoru Seki, and Mr. Hiroshi Kajiware formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Company is ITOCHU's subsidiary and that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberations and resolution at the meeting of the board of directors of the Company being affected by such issues, the four directors excluding these three directors deliberated and passed the above resolutions with the unanimous approval at the above meeting of the board of directors of the Company. In addition, all of three audit & supervisory board members excluding Mr. Yasuyuki Harada, who formerly worked at ITOCHU, attended the above board of directors meeting and all of the audit & supervisory board members who attended the meeting expressed an opinion that they had no objection to the above resolutions.

Further, in consideration of the fact that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of being affected by such issues, those three directors (Mr. Ichiro Tsuge, Mr. Mamoru Seki, and Mr. Hiroshi Kajiware) out of directors of the Company and Mr. Yasuyuki Harada out of audit & supervisory board members of the Company did not participate in deliberations and resolutions at the board of directors meetings on the Transaction including the above board of directors meeting, and did not participate in discussions and negotiations on the Transaction in the position of the Company.

It was also decided that a fixed fee is to be paid to each Special Committee member as compensation for his or her duties regardless of whether the Transaction is successfully completed.

(ii) Process of Review

The Special Committee held a total of 19 meetings during the period from April 7, 2023 to August 1, 2023. In addition, the members of the Special Committee performed their duties regarding the Inquired Matters by, among other actions, reporting to and sharing

information with other members as well as deliberating and making decisions on the relevant matters through e-mails from time to time as necessary between those meetings.

Specifically, the Special Committee first deliberated on matters such as the independence, expertise, accomplishments, and other matters, and it then made a decision to appoint Shibata, Suzuki & Nakada as its own legal advisor independent from the Tender Offeror, Etc. and the Company Group, and appoint Plutus as its own financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group on April 7, 2023. The Special Committee confirmed that each of Shibata, Suzuki & Nakada and Plutus is not a related party of the Tender Offeror, Etc. or the Company Group and it does not have any significant interest in relation to the Transaction including the Tender Offer and that there is not any other concern with respect to the independence in the Transaction.

The Special Committee confirmed that there was no problem in terms of the independence, expertise, accomplishments, and other matters of Daiwa Securities, which is the Company's financial advisor and third-party valuation agent, and Mori Hamada & Matsumoto, which is the Company's legal advisor, and approved the appointment of Daiwa Securities and Mori Hamada & Matsumoto.

The Special Committee also confirmed and approved that there is no problem, from the perspective of independence and fairness, with the internal system established by the Company for deliberations on the Transaction (including the scope of officers and employees of the Company who will be involved in deliberations, negotiations, and decisions on the Transaction, and their duties).

The Special Committee then deliberated on measures that need to be taken to ensure the fairness of the procedures in the Transaction based on the legal advice received from Shibata, Suzuki & Nakada and opinions heard from Mori Hamada & Matsumoto.

The Special Committee received explanations from and conducted Q&A sessions with ITOCHU about the background of decision-making on the proposal of the Transaction, the significance and purpose of the Transaction, management structure and policies after the Transaction, and other matters.

Moreover, the Special Committee obtained the Company's opinion and related information from the Company about the significance and purpose of the Transaction, the impact that the Transaction may have on the Company's businesses, management structure and policies after the Transaction, and other matters, and the Special Committee held a Q&A session on those matters.

In addition, the Special Committee was given an explanation from the Company on matters such as the contents, material conditions precedent, and the preparation progress of the business plan prepared by the Company and held a Q&A session on those matters, and the Special Committee confirmed and approved the reasonableness of those matters based on advice from a financial perspective from Plutus. Thereafter, as explained in "B. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent" and "C. Obtainment by the Special Committee of a Share Valuation

Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” in “(3) Matters Related to the Valuation” above, Plutus and Daiwa Securities conducted valuations of the Company Shares based on the content of the business plans of the Company. The Special Committee received explanations from Plutus and Daiwa Securities about the calculation methods used in the valuation of the Company Shares by Plutus and Daiwa Securities, the reasons for using those calculation methods, the details of the calculation made using each of those calculation methods, and material conditions precedent for the valuation of the Company Shares conducted by Plutus and Daiwa Securities, and confirmed the reasonableness of those matters after holding Q&A sessions and discussing and deliberating on those matters. In addition, as explained in “B. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent” and “C. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” in “(3) Matters Related to the Valuation” above, the Special Committee received a Fairness Opinion from Plutus as of August 1, 2023. Upon the receipt, the Special Committee received explanations from Plutus about the details of and material conditions precedent for the Fairness Opinion and confirmed those matters.

Furthermore, the Special Committee received reports from the Company and the Company’s advisors about the negotiation between the Company and ITOCHU from time to time, and stated its necessary opinion with respect to the negotiation policy of the Company after deliberations and discussions based on advice from a financial perspective from Plutus and advice from a legal perspective from Shibata, Suzuki & Nakada as necessary. Specifically, after the Company received each of the proposals for the Tender Offer Price from ITOCHU, the Special Committee was substantially involved in the discussion and negotiation process between the Company and the Tender Offeror by taking actions such as providing opinions to the Company on five occasions to the effect that the Company should request ITOCHU to increase the Tender Offer Price as a result of which the Company held negotiations with ITOCHU based on timely reports from the Company on the process, details, and the like of discussions and negotiations regarding the Tender Offer Price.

As a result, the Company received from ITOCHU a proposal that includes a Tender Offer Price of 4,325 yen per share on August 1, 2023. Consequently, the Tender Offer Price has been increased to 4,325 yen from the initial offer price (3,800 yen) proposed by ITOCHU.

In addition, the Special Committee received several explanations from Mori Hamada & Matsumoto about the details of the draft of this press release concerning the Tender Offer to be released by the Company, and the Special Committee confirmed that information will be fully disclosed while obtaining advice from Shibata, Suzuki & Nakada.

(iii) Decisions by the Special Committee

Under the above circumstances, the Special Committee submitted the Report mainly stating the matters set out below on August 1, 2023 to the board of directors of the Company with the unanimous agreement of its members as a result of careful and repeated discussions and deliberations about the Inquired Matters based on the details of the advice from a legal

perspective from Shibata, Suzuki & Nakada, advice from a financial perspective from Plutus, and the Valuation Report (Plutus) and the Fairness Opinion submitted on August 1, 2023.

(a) Contents of the Decisions by the Special Committee

- i. The Special Committee believes it is appropriate for the board of the directors of the Company to pass a resolution to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their Company Shares in the Tender Offer.
- ii. The Special Committee believes the decision by the board of directors of the Company on the implementation of the Transaction (including the decision by the Company's board of directors to express an opinion in support of the Tender Offer and recommend to the Company's shareholders to tender their shares in the Tender Offer, and the decision to implement the Squeeze-out Procedures by the Demand for Share Cash-Out or the Share Consolidation which are to be conducted as part of the Transaction after the successful completion of the Tender Offer) would not be disadvantageous to the minority shareholders of the Company.

(b) Reasons for the Decision

- i. Whether the Transaction Would Contribute to Enhancing the Corporate Value of the Company

Based on the following aspects, the Special Committee believes that the Transaction will contribute to enhancing the corporate value of the Company and that the purpose of the Transaction is reasonable.

- a. The Special Committee confirmed the following understandings and thoughts of ITOCHU by conducting Q&A in writing and by interviewing ITOCHU, and no particular issues or concerns needing to be indicated were found.
 - Since a certain portion of profits will flow out to minority shareholders of the Company when the ITOCHU Group provides management resources to the Company, ITOCHU considers that there are certain limitations on the allocation of the management resources to the Company Group by the ITOCHU Group from the perspective of economic rationality.
 - ITOCHU believes that the ITOCHU Group will be able to allocate further management resources to the Company Group by privatizing the Company through the Transaction, resolving the structural conflicts of interest between ITOCHU and minority shareholders of the Company, and completely reconciling the interests of the ITOCHU Group and the Company Group.
 - At present, ITOCHU does not anticipate any change in the Company's basic management policy, business operation policy, technology strategy and policy,

and other policies even after the Transaction and intends to add new measures that utilize the management resources of the Company to the maximum extent while following the Company's growth strategies. If ITOCHU deems it strategically and reasonably necessary for the growth and development of the Company in the future, ITOCHU intends to make such addition or change after consulting with the Company.

- With respect to personnel measures, ITOCHU considers that it is appropriate to maintain the systems currently adopted by the Company. At present, ITOCHU is not conducting any specific considerations of personnel measures such as changes in the working conditions of employees of the Company or a reduction in the number of employees of the Company after the Transaction.
 - ITOCHU intends to examine measures leading to enhancement of the Company's branding, taking into account the Company's intentions.
- b. The Special Committee confirmed the following understandings and thoughts of the Company by conducting Q&A sessions with the Company with respect to the understandings and thoughts of ITOCHU regarding the Transaction, and a Q&A session by interviewing Ichiro Tsuge, President & CEO of the Company, and no particular issue or concern needing to be indicated was found.
- The Company believes that the implementation of management measures with support from the ITOCHU Group will enable the Company to execute non-organic growth strategies in addition to the existing organic growth, and expects advantages, such as the expansion of highly value-added services including consulting.
 - The Company does not recognize any particular material dissynergies arising from the integration of various functions with ITOCHU.
 - ITOCHU already directly holds 61.24% of the Company Shares and many of business partners are aware of this, the Company considers that the business partners that would contemplate changing the business relationship due to the growing influence of ITOCHU would be limited.
 - The Company considers that while there are concerns that the delisting of the Company resulting from the Transaction may have an impact, etc. on a decrease in motivation and resignation of some employees, and the ability to secure personnel, such impact will be limited by implementing measures leading to enhancement of the Company's branding and providing sufficient explanations regarding the Transaction to employees of the Company.
- c. Upon prudent deliberation and examination, the Special Committee believes that the Company's view that the implementation of management measures with support from the ITOCHU Group will contribute to enhancing the corporate value of the Company is reasonable, given that (i) the explanations by ITOCHU about the significance and purpose of the Transaction had a certain degree of specificity, (ii) there were no unreasonable points with respect to the explanations by the Company based on the explanations by ITOCHU, (iii) while there are advantages in the Transaction, no particular material disadvantages of the Transaction were found, and (iv) the Company and ITOCHU share a

common understanding regarding the issues and future direction of the business operations of the Company.

ii. Fairness of Procedures

Based on the following points, the Special Committee believes that from the perspective of securing the interests of the Company's general shareholders, fair procedures have been taken in the Transaction.

a. Establishment of the Special Committee

- In consideration of the fact that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of (i) addressing these issues, (ii) ensuring the fairness of the Transaction including the Tender Offer Price, (iii) eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and (iv) avoiding conflicts of interest, the Company established and made inquiries with the Special Committee, which consisted of three members in total (two independent outside directors of the Company and one independent outside audit & supervisory board member of the Company).
- The Special Committee consisted of three members, namely Mr. Yasuhiro Ikeda, who has abundant experience and insight as the Representative Director, President, and Chairman of Nichirei Foods Inc. and considerable knowledge with respect to business operations, Ms. Aya Motomura, who has sophisticated expertise as a lawyer and abundant knowledge with respect to corporate legal affairs, and Mr. Katsuhiko Hara, who has sophisticated expertise and abundant knowledge in finance and accounting as a certified public accountant, and therefore, the Special Committee is considered to have the experience and knowledge necessary to consider the Inquired Matters.
- From April 7, 2023 to August 1, 2023, the Special Committee conducted several discussions by holding 19 meetings in total for around 25 hours in total.
- With respect to negotiations between the Company and ITOCHU, it is recognized that ITOCHU made 6 price proposals in total and that earnest negotiations in which the Special Committee was substantially involved have taken place after securing a situation in which reasonable efforts have been made with the aim of the Transaction being conducted under terms and conditions that are as advantageous as possible for general shareholders, in other words, a situation substantially equivalent to an arm's length transaction.

b. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent

- In considering the Inquired Matters, the Special Committee appointed Plutus, which is its own financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group, and obtained advice from Plutus from a financial perspective, including advice on the valuation of

the share value of the Company and on negotiations with ITOCHU, and it obtained the Valuation Report (Plutus) and the Fairness Opinion dated August 1, 2023.

c. Advice Obtained by the Special Committee from an Independent Law Firm

- In considering the Inquired Matters, the Special Committee appointed Shibata, Suzuki & Nakada as its own legal advisor independent from the Tender Offeror, Etc. and the Company Group, and obtained advice from a legal perspective concerning measures to be taken to ensure the fairness of the procedures in the Transaction and negotiations with ITOCHU from Shibata, Suzuki & Nakada.

d. Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent

- In order to ensure the fairness of the Tender Offer Price and fairness of other aspects of the Transaction, the Company appointed Daiwa Securities as its financial advisor and third-party valuation agent independent from the Tender Offerors, Etc. and the Company Group and the Special Committee approved the appointment after confirming that there is no concern with respect to its independence, expertise, accomplishments, and other matters at the meeting of the Special Committee.
- Then, the Company received advice and assistance from Daiwa Securities from a financial perspective, including advice regarding the valuation of the share value of the Company and the negotiation policy with ITOCHU, and obtained the Company Valuation Report (Daiwa) as of August 1, 2023.

e. Advice Obtained by the Company from an Independent Law Firm

- In order to ensure the fairness of the Tender Offer Price and fairness of other aspects of the Transaction, the Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Tender Offerors, Etc. and the Company Group and the Special Committee approved the appointment after confirming that there is no concern with respect to its independence, expertise, accomplishments, and other matters at the meeting of the Special Committee.
- Then, the Company obtained from Mori Hamada & Matsumoto legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters to be noted in relation to decision-making by the Company on the Transaction.

f. Measures to Avoid Mutual Influence on Valuation by Plutus and Daiwa Securities

- When the Special Committee received explanations from and held Q&A sessions with Plutus and Daiwa Securities about (i) calculation methods used by them for their valuations of the share value of the Company Shares, (ii) the

reasons for using those calculation methods, and (iii) the details of calculations and material conditions precedent for each calculation method, the measures were taken to avoid mutually influencing their valuations, not having Plutus participate in Daiwa Securities' explanatory and Q&A sessions, and not having Daiwa Securities participate in Plutus' explanatory and Q&A sessions.

g. Establishment of an Independent Deliberation Framework at the Company

- After the Company received a notice on March 7, 2023 to the effect that the Tender Offeror has commenced deliberations on the implementation of the Transaction, it has established a project team that implements deliberations on the Transaction (including preparation of a business plan that is to be the basis for the valuation of shares of the Company) and discussions and negotiations with ITOCHU. The project team only consists of officers and employees of the Company who do not concurrently serve as officers and employees of companies of the ITOCHU Group (excluding the Company Group) and had never held a position as officers or employees of companies in the ITOCHU Group (excluding the Company Group) in the past.
- Although Senior Managing Executive Officer Takanori Minatohara, who is an officer in charge of negotiating the Transaction, held a position as an employee at ITOCHU INTERACTIVE CORP. ("**ITOCHU INTERACTIVE**"; the trade name was ITOCHU ELECTRONICS CORP. at that time), a subsidiary of ITOCHU, until 1993, the Company has determined that there is no possibility of being affected by the structural conflict of interests in the Transaction since approximately 30 years have passed since his resignation from his position as an employee of ITOCHU INTERACTIVE. The Special Committee has determined that such determination is reasonable and approved that there is no problem from the perspective of independence and fairness with the system for deliberation of the Company, including that treatment (including the scope and duties of the officers and employees of the Company involved in deliberations, negotiations, and decisions on the Transaction).

h. Non-Participation of Interested Directors and Audit & Supervisory Board Members at the Company

- Since of the seven directors of the Company, three (Mr. Ichiro Tsuge, Mr. Mamoru Seki, and Mr. Hiroshi Kajiwara) formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Company is a subsidiary of ITOCHU and that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberations and resolutions at the meeting of the board of directors of the Company being affected by such issues, those three directors had not participated in deliberations and resolutions at the board of directors meeting on the Transaction until August 1, 2023 and will not participate (or substantially participate) in any deliberation and resolution at the board of directors meeting scheduled to be held on August 2, 2023 with respect to expressing an opinion

on the Transaction, and did not participate in examinations, discussions, and negotiations on the Transaction in the position of the Company.

- Mr. Yasuyuki Harada, who is an audit & supervisory board member formerly worked at ITOCHU. Therefore, he had not participated (or substantially participated) in any deliberation at the board of directors meeting on the Transaction until August 1, 2023 and will not participate in deliberations at the board of directors meeting scheduled to be held on August 2, 2023.

i. No Transaction Protection Clause

- The Company and the Tender Offeror have not agreed to any transaction protection clause that prohibits the Company from contacting acquisition offerors other than the Tender Offeror (“**Competing Acquisition Offerors**”) or made any other agreement on any matter that would restrict Competing Acquisition Offerors from contacting the Company.

j. Measures to Ensure Opportunities for the Company’s Shareholders to Appropriately Determine Whether to Tender Shares in the Tender Offer

- As a scheme of the Squeeze-Out Procedures, the Tender Offeror ensures an opportunity for the Company’s shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Company’s shareholders by (i) planning to make a demand to the Company to convene the Special Shareholders’ Meeting at which the agenda items will include proposals for the Demand for Share Cash-Out or the Share Consolidation of all of the Company Shares (excluding the Company Shares owned by ITOCHU and treasury shares owned by the Company), in accordance with the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer promptly after the completion of the settlement of the Tender Offer and a partial amendment to the Company’s articles of incorporation to abolish the provisions on share units on the condition that the share consolidation takes effect, and employing methods ensuring the right of the Company’s shareholders to request purchase of shares or to petition for a determination of the price of shares and (ii) clarifying that the amount of money to be delivered to the Company’s shareholders as consideration for each Company Share in the Demand for Share Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each of those shareholders (excluding ITOCHU, the Tender Offeror, and the Company).
- In order to ensure an appropriate opportunity for the shareholders of the Company to make a decision about the tendering of shares in response to the Tender Offer as a means to guarantee the fairness of the Tender Offer Price, the Tender Offeror has set the tender offer period in the Tender Offer to be 30 business days, which is longer than 20 business days, the shortest tender offer period specified in the laws and regulations.

k. Not Setting of Minimum Number of Shares to be Purchased Exceeding the Number Equivalent to the Majority of Minority cannot be said unreasonable

- ITOCHU, the parent company of the Tender Offeror, has not set a minimum number of shares to be purchased by the so-called “majority of minority” in the Tender Offer because ITOCHU directly owns 141,601,600 shares of the Company Shares (Ownership Ratio: 61.24%), due to which the setting of a minimum number of shares to be purchased in the Tender Offer may make the successful completion of the Tender Offer unstable, which, in turn, may be disadvantageous for general shareholders that wish to tender their shares in the Tender Offer. However, based on the fact that (i) the Company has employed each of the methods above and implemented each of the measures as measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, and it may be considered that the interests of general shareholders of the Company are fully considered and (ii) it is considered that the Tender Offer Price is set at a reasonable level as described below, it cannot be said that not setting a minimum number of shares to be purchase by the so-called “majority of minority” in the Tender Offer is unreasonable.

iii. Appropriateness of Transaction Terms and Conditions

a. Tender Offer Price

The Special Committee considers that the Tender Offer Price of 4,325 yen is a reasonable price for the reasons set out below.

- The Tender Offer Price is a price agreed to after a total of 6 price proposals by ITOCHU and is believed to be a price agreed to based on sufficient negotiations conducted on multiple occasions, from the initial offer price (3,800 yen) to the last offer price (4,325 yen), in which the Special Committee independent from the Company and the Tender Offerors was substantially involved, and after securing a situation in which reasonable efforts have been made with the aim of the Transaction being conducted under transaction terms and conditions that are as advantageous as possible for general shareholders, in other words, a situation substantially equivalent to an arm’s length transaction.
- In light of the long-term share price trends of the Company, the Tender Offer Price is set to be equal to the highest closing price of the Company Shares in the previous 20 years (meaning the closing price on August 3, 2020) and does not have an adverse economic effect on the shareholders who have acquired the Company Shares on the market.
- The Company’s business plan (from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2028), which was used as the basis for calculation of the share value by Plutus and Daiwa Securities, assumes a level of improvement and growth that is not inferior compared to the Medium-Term Management Plan (for the three years from April 2021 to March 2024) announced by the Company on April 28, 2021 and did not tend to be conservative compared to sales and operating profit forecasts set by competitors. As such, no unreasonable points were found, such as making

assumptions that would cause an unreasonably low calculation of the Tender Offer Price.

- In the calculation result of the share price valuation by Daiwa Securities, the value per share of the Company Shares was evaluated to range from 3,396 yen to 3,644 yen under the market price method, from 2,613 yen to 3,202 yen under the comparable company comparison method, and from 3,929 yen to 6,835 yen under the DCF Method, and the Tender Offer Price exceeds the upper limit value of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF Method. In addition, this calculation of the share price valuation was conducted after taking measures to avoid mutually influencing the respective calculations of the share value by Plutus and Daiwa Securities, and such calculation is determined to be credible since no particular unreasonable points were found with respect to the explanations provided by Daiwa Securities to the Special Committee.
 - In the calculation result of the share price valuation by Plutus, the value per share of the Company Shares was evaluated to range from 3,396 yen to 3,644 yen under the market price method, from 3,490 yen to 3,938 yen under the comparable company comparison method, and from 3,916 yen to 4,722 yen under the DCF Method, and the Tender Offer Price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF Method. In addition, this calculation of the share price valuation was conducted after taking measures to avoid mutually influencing the respective calculations of the share value by Plutus and Daiwa Securities, and such calculation is determined to be credible since no particular unreasonable points were found with respect to the explanations provided by Plutus to the Special Committee.
 - The Special Committee obtained the Fairness Opinion from Plutus on August 1, 2023. Plutus has stated the opinion that it believes that the Tender Offer Price is fair to the Company's minority shareholders from a financial perspective, and no particular unreasonable points were found with respect to the issuance procedures and details of the Fairness Opinion. As such, it is believed that the appropriateness of the Tender Offer Price is supported.
 - The Tender Offer Price represents (a) a premium of 18.69% on 3,644 yen, the closing price of the Company Shares on the Prime Market of the TSE as of August 1, 2023, which is the business day immediately preceding the announcement date of the Tender Offer, (b) a premium of 21.59% on 3,557 yen, which is the simple average closing price for the one-month period ending on that day (from July 3, 2023 to August 1, 2023), (c) a premium of 20.57% on 3,587 yen, which is the simple average closing price for the three-month period ending on that day (from May 2, 2023 to August 1, 2023), and (iv) a premium of 27.36% on 3,396 yen, which is the simple average closing price for the six-month period ending on that day (from February 2, 2023 to August 1, 2023).
- b. Amount to be Delivered to the Minority Shareholders Through Squeeze-Out Procedures

With respect to the Squeeze-Out Procedures that are planned to be implemented if the Tender Offeror fails to acquire all of the Company Shares in the Tender Offer, the amount of cash to be delivered to the minority shareholders will be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder. Therefore, the Special Committee considers that the amount of cash is reasonable from the perspective that it is equal to the Tender Offer Price.

iv. Summary

As stated above, the Special Committee considers that the Transaction will contribute to enhancing the corporate value of the Company and the purpose of the Transaction is reasonable, that fair procedures have been taken in the Transaction from the perspective of securing the interests of the Company's general shareholders, and that the appropriateness of the terms and conditions of the Transaction such as the Tender Offer Price have been ensured. The Special Committee therefore believes that (i) it is appropriate for the board of the directors of the Company to pass a resolution to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer and (ii) the decisions by the board of directors of the Company on the implementation of the Transaction (including the decision to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and the decision to implement the Squeeze-out Procedures by the Demand for Share Cash-Out or the Share Consolidation which are to be conducted as part of the Transaction after the successful completion of the Tender Offer) would not be disadvantageous to the minority shareholders of the Company.

D. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent

As explained in "C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee" above, in considering the Inquired Matters, the Special Committee appointed Plutus, which is its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Company Group, and obtained advice from a financial perspective including valuation of the share value of the Company and the policy for negotiations with the Tender Offeror, and it obtained the Valuation Report (Plutus) dated August 1, 2023. The Special Committee obtained the Fairness Opinion to the effect that the Tender Offer Price (4,325 yen per share) was fair to the Company's minority shareholders from a financial perspective from Plutus. For an outline of the Valuation Report (Plutus) and the Fairness Opinion, see "C. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" in "(3) Matters Related to the Valuation" above. Plutus is not a related party of the Tender Offeror, Etc. or the Company Group and it does not have any significant interest to be disclosed in relation to the Tender Offer.

E. Advice Obtained by the Special Committee from an Independent Law Firm

As explained in "C. Establishment of an Independent Special Committee at the Company

and Obtainment of a Report from the Special Committee” above, the Special Committee appointed Shibata, Suzuki & Nakada as its legal advisor independent from the Tender Offeror, Etc. and the Company Group, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction and the discussions and deliberations by the Special Committee with respect to the Inquired Matters.

Shibata, Suzuki & Nakada is not a related party of the Tender Offeror, Etc. or the Company Group and it does not have any significant interest in relation to the Transaction, including the Tender Offer. The remuneration of Shibata, Suzuki & Nakada will be calculated by multiplying the number of hours worked by an hourly rate regardless of whether the Transaction is successfully completed, and no contingency remuneration subject to completion of the Transaction will be paid.

F. Advice Obtained by the Company from an Independent Law Firm

As explained in “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” above, the Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Tender Offeror, Etc. and the Company Group, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters to be noted in relation to decision-making by the Company on the Transaction.

In addition, as explained in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” above, the Special Committee confirmed that there is no concern with respect to the independence, expertise, accomplishments, and other matters of Mori Hamada & Matsumoto and approved the appointment of Mori Hamada & Matsumoto.

Mori Hamada & Matsumoto is not a related party of the Tender Offeror, Etc. or the Company Group and it does not have any significant interest in relation to the Transaction, including the Tender Offer. The remuneration of Mori Hamada & Matsumoto will be calculated by multiplying the number of hours worked by an hourly rate regardless of whether the Transaction is successfully completed, and no contingency remuneration subject to completion of the Transaction will be paid.

G. Establishment of an Independent Deliberation Framework at the Company

As explained in “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” above, the Company internally established a system for deliberations, negotiations, and decisions on the Transaction from a position independent of the Tender Offeror, Etc. Specifically, after the Company received a notice on March 7, 2023 to the effect that the Tender Offeror has commenced deliberations on the implementation of the Transaction, it has established a project team that implements deliberations on the Transaction (including preparation of a business plan that is to be the basis for the valuation of shares of the Company) and discussions and negotiations with ITOCHU. The project team only consists of officers and employees of

the Company who do not concurrently serve as officers and employees of companies of the ITOCHU Group (excluding the Company Group) and had never held a position as officers or employees of companies in the ITOCHU Group (excluding the Company Group) in the past, and that treatment is continuing. Although Senior Managing Executive Officer Takanori Minatohara, who is an officer in charge of negotiating the Transaction, held a position as an employee at ITOCHU INTERACTIVE (the trade name was ITOCHU ELECTRONICS CORP. at that time), a subsidiary of ITOCHU, until 1993, the Company has determined that there is no possibility of being affected by the structural conflict of interests since approximately 30 years have passed since his resignation from his position as an employee of ITOCHU INTERACTIVE.

Further, the approval of the Special Committee has been obtained with respect to the fact that there is no problem from the perspective of independence and fairness with the system for deliberation of the Company, including that treatment (including the scope and duties of the officers and employees of the Company involved in deliberations, negotiations, and decisions on the Transaction).

H. Approval of All Disinterested Directors at the Company and Opinion of All Disinterested Audit & Supervisory Board Members that They Had No Objection

The Company carefully discussed and deliberated on whether the Transaction conducted by the Tender Offeror including the Tender Offer will contribute to the improvement of the corporate value of the Company and whether the terms and conditions of the Transaction including the Tender Offer Price are appropriate based on (a) legal advice received from Mori Hamada & Matsumoto, (b) advice from a financial perspective from Daiwa Securities, (c) the contents of the Company Valuation Report (Daiwa), (d) the Valuation Report (Plutus) and the Fairness Opinion submitted to the Company through the Special Committee, (e) the Report obtained from the Special Committee, (f) the content of the continuous discussions with ITOCHU, and (g) other related materials. Consequently, as explained in “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” above, the Company resolved at the meeting of its board of directors held today to express its opinion in support of the Tender Offer and recommend that the Company’s shareholders tender their Company Shares in the Tender Offer.

Of the seven directors of the Company, three (Mr. Ichiro Tsuge, Mr. Mamoru Seki, and Mr. Hiroshi Kajiwara) formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Company is ITOCHU’s subsidiary and that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberation and resolution at the meeting of the board of directors of the Company being affected by such issues, the four directors excluding these three directors deliberated and passed the above resolutions with the unanimous approval at the above meeting of the board of directors of the Company.

Further, of the four audit & supervisory board members of the Company, all of three audit & supervisory board members excluding Mr. Yasuyuki Harada, who formerly worked at ITOCHU, attended the above board of directors meeting and all of the audit & supervisory

board members who attended the meeting expressed an opinion that they have no objection to the above resolutions. Of the four audit & supervisory board members of the Company, all of three audit & supervisory board members excluding Mr. Yasuyuki Harada, who formerly worked at ITOCHU, attended the Audit & Supervisory Board meeting held today prior to above resolutions at the above meeting of the board of directors of the Company, and it resolved to have no objection to the resolutions that the Company's board of directors expresses an opinion in support of the Tender Offer and recommends that the shareholders of the Company tender their Company Shares in the Tender Offer with the unanimous consent of all audit & supervisory board members present.

Further, in consideration of the fact that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the Transaction being affected by such issues, those three directors (Mr. Ichiro Tsuge, Mr. Mamoru Seki, and Mr. Hiroshi Kajiwara) out of directors of the Company and Mr. Yasuyuki Harada out of audit & supervisory board members of the Company did not participate in deliberations and resolutions at the board of directors meetings on the Transaction including the above board of directors meeting, and did not participate in discussions and negotiations on the Transaction in the position of the Company.

I. No Transaction Protection Clause

The Company and the Tender Offerors have not agreed to any transaction protection clause that prohibits the Company from contacting Competing Acquisition Offerors or made any other agreement on any matter that would restrict Competing Acquisition Offerors from contacting the Company, and have considered to ensure fairness in the Tender Offer by not preventing any opportunity for a competing offer.

J. Measures to Ensure Opportunities for the Company's Shareholders to Appropriately Determine Whether to Tender Shares in the Tender Offer

As stated in "(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition"))" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" above, the Tender Offeror ensures an opportunity for the Company's shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Company's shareholders by (i) planning to make a demand to the Company to convene the Special Shareholders' Meeting at which the agenda items will include proposals for the Demand for Share Cash-Out or the Share Consolidation, in accordance with the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, promptly after the completion of the settlement of the Tender Offer, and a partial amendment to the Company's articles of incorporation to abolish the provisions on share units on the condition that the Demand for Share Cash-Out or the Share Consolidation takes effect, and employing methods ensuring the right of the Company's shareholders to request purchase of shares or to petition for a determination of the price of shares and (ii) clarifying that the amount of money to be delivered to the Company's shareholders as consideration for each Company Share in the Demand for Share Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price

by the number of the Company Shares owned by each of those shareholders (excluding the Company and the Tender Offeror).

In addition, although the shortest tender offer period specified in the laws and regulations is 20 business days, the Tender Offeror has set the tender offer period to be 30 business days, which is relatively longer than the shortest tender offer period specified in the laws and regulations. The Tender Offeror has set a comparatively long tender offer period to ensure an appropriate opportunity for the shareholders of the Company to make a decision about the tendering of shares in response to the Tender Offer as a means to guarantee the fairness of the Tender Offer Price.

4. Details of Material Agreements Between the Tender Offeror and the Shareholders of the Company Concerning Tendering Shares

None.

5. Details of Benefits Received from the Tender Offeror or any of its Specially Related Parties

None.

6. Response Policy with Respect to Basic Policies Relating to the Control of the Company

None.

7. Questions to the Tender Offeror

None.

8. Requests for Extension of the Tender Offer Period

None.

9. Future Prospects

Please refer to the sections titled “B. Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror to Conduct the Tender Offer,” “C. Management Policy After the Tender Offer,” and “D. Decision-Making Process at the Company’s Board of Directors Meeting” in “(2) Grounds and Reasons for the Opinion” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” and “(4) Prospects of and Reasons for Delisting” and “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” above.

10. Details of Transaction, Etc. with Controlling Shareholder

(1) Transactions, Etc. with Controlling Shareholder and Status of Conformity with Policy on Measures to Protect Minority Shareholders

Since ITOCHU, a parent company of the Tender Offeror, is the controlling shareholder (the parent company) of the Company, expressing an opinion regarding the Tender Offer constitutes a transaction with a controlling shareholder. As a “Policy on Measures to Protect Minority Shareholders in Conducting Transactions with a Controlling Shareholder” in the Corporate Governance Report disclosed on June 20, 2023, the Company stated that, in conducting transactions with ITOCHU Corporation, a parent company, the Company pays attention to fairly and appropriately decide transaction conditions based on its reasonable decision in the same manner as it would with standard transactions with a company that has no capital relationship with the Company.

With respect to the Transaction, including the Tender Offer, the Company has implemented measures to address structural conflict of interest issues and to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above. The Company believes that these measures are consistent with the policy stated above.

(2) Details of Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

For the Company, the Transaction including the Tender Offer falls under transactions etc. with a controlling shareholder as stated in “(1) Transactions, Etc. with Controlling Shareholder and Status of Conformity with Policy on Measures to Protect Minority Shareholders” above. Therefore, the Company has concluded that it is necessary to take measures to ensure fairness and measures to avoid conflicts of interest and has made decisions after ensuring fairness and avoiding conflicts of interest by taking measures stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above.

(3) Outline of Opinion Stating that the Transaction Would Not be Disadvantageous to the Minority Shareholders, Obtained from a Party who has No Interest in the Controlling Shareholder

The Company received the Report from the Special Committee on August 1, 2023, which includes contents to the effect that the Special Committee believes it is not disadvantageous to the minority shareholders of the Company that the board of the directors of the Company resolves to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer. For details, please refer to “(iii) Decisions by the Special Committee” in “C. Establishment of an Independent Special Committee at the Company and Obtainment of a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above. The Report also includes

the opinion that it would not be disadvantageous to the minority shareholders of the Company in the event that the Tender Offeror makes the Company private as stated in “(5) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above after the completion of the Tender Offer.

11. Other Matters Necessary for Investors to Properly Understand the Information of the Company and Make an Appropriate Decision

(1) Release of “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (IFRS)”

The Company released the Financial Results of the Company today. For details, please refer to the contents of the release.

(2) Release of “Notice Regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 31, 2024”

The Company passed a resolution at its board of directors meeting held today to revise its dividend forecasts for the fiscal year ending March 31, 2024, released on April 28, 2023, and not to pay dividends for the same fiscal year on the condition that the Tender Offer is successfully completed. For details, please see “Notice Regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 31, 2024” announced by the Company today.

Reference: Outline of the Tender Offer

For an outline of the Tender Offer, please refer to the Tender Offeror’s announcement titled “Announcement in Relation to Commencement of Tender Offer for Shares in ITOCHU Techno-Solutions Corporation (Code No. 4739)” (as attached).

End

Restrictions on Solicitation

This press release is to announce the Tender Offer to the public, and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis for any agreement on the Tender Offer or be relied on when executing such an agreement.

Future Prospects

This press release, including the descriptions regarding the future business of the Company, other companies, may contain expressions indicating future prospects such as the words “expect,” “forecast,” “intend,” “plans,” “believe,” and “assume.” These expressions are based on the Company’s current expectations as to the businesses, and may change depending on the future circumstances. The Company assumes no obligation update the statements regarding future prospects in order to reflect the actual business performance, circumstances, and changes in conditions, or the like.

US Regulations

The Tender Offer will be implemented in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not necessarily the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) nor the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not implemented in accordance with those procedures or standards. Unless otherwise specified, all procedures relating to the Tender Offer are to be implemented entirely in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English. However, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail. This press release and the reference documents for this press release include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results might be substantially different from the express or implied predictions set forth herein as “forward-looking statements” due to known or unknown risks, uncertainties, or any other factors. None of the Tender Offeror and the Company or their affiliates assures that such express or implied predictions included as “forward-looking statements” will be correct in the end. The “forward-looking statements” contained in this press release or the reference documents for this press release have been prepared based on the information held by the Tender Offeror and the Company as of the date hereof, and unless otherwise required under applicable laws and regulations, none of the Tender Offeror and the Company or their affiliates assumes any obligation to update or revise those documents to reflect any future events or circumstances. The financial information contained in this press release and the reference documents for this press release have been prepared in accordance with Japanese accounting standards, and such accounting standards may be substantially different from GAAP of U.S. or other countries. It

may be difficult to exercise any rights or claims under the U.S. securities laws because the Tender Offeror and the Company are incorporated outside the United States and all or some of their officers are non-U.S. residents. It may not be possible to commence legal proceedings against any non-U.S. corporation or its officers in a non-U.S. court for violations of the U.S. securities laws. In addition, it may not be possible for a U.S. court to subject any non-U.S. corporation or such corporation's subsidiaries or affiliates to its jurisdiction.

Before the commencement of the Tender Offer or during the tender offer period of the Tender Offer, the Tender Offeror, the financial advisor of each of the Tender Offeror and the Company, and the tender offer agent (including their affiliates) might purchase the Company Shares listed on the TSE Prime Market by means other than the Tender Offer, or conduct an act aimed at such a purchase, on their own account or the account of their client to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the ordinary course of their business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on the website of the person that conducted that purchase (or by other disclosure method).

Other Countries

Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. The announcement, issue, or distribution of this press release shall not constitute an offer to buy or a solicitation of an offer to sell shares relating to the Tender Offer and shall be deemed to be a distribution of materials for informative purposes only.