This release is an English translation of the original Japanese text of the disclosure document dated March 31, 2026, issued by TAIYO HOLDINGS CO., LTD., and is for reference purposes only. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

March 31, 2026

To whom it may concern:

Company Name: TAIYO HOLDINGS CO., LTD.
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Notice Concerning Expression of Opinion in Support of the Planned Commencement of the Tender Offer for Company Shares by KJ005 Co., Ltd. and Neutral Position Regarding Tendering of Shares

Taiyo Holdings Co., Ltd. (the "Company") hereby announces as below that, as set forth below, at the Company Board of Directors meeting held today, the Company resolved, regarding a tender offer ("Tender Offer") by KJ005 Co., Ltd. ("Tender Offeror") for common shares of the Company ("Company Shares") based on the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; "FIEA") and related laws and regulations, to express, as the Company's opinion as of the current point in time in the event that the Tender Offer is commenced, an opinion in support of the Tender Offer and to leave to the judgment of Company shareholders the matter of whether to tender their shares in the Tender Offer.

According to Tender Offeror, in the Tender Offer, it will be necessary to obtain clearance pertaining to (i) domestic and foreign competition laws (it is believed that advance procedures are needed in Japan, Mainland China, Taiwan, Germany, South Korea, Spain, Israel, Tunisia, and Vietnam (and after-the-fact procedures in Indonesia) and (ii) necessary permissions, authorizations, licenses, approvals, consents, registrations, notifications and other similar acts or procedures based on domestic and foreign laws and regulations regulating investments (it is believed that advance procedures are needed in Japan and the United States , but going forward, it is possible that further confirmation of facts relating to the Company's business and assets and the opinions of related authorities will lead to changes in the determination of whether procedures are necessary) (excluding post procedures under competition laws in Indonesia; collectively, "Clearance"); as of today, the procedures have not been completed and it is expected that the procedures for obtaining Clearance will require a certain period of time. Accordingly, subject to the satisfaction or waiver by Tender Offeror of all conditions including the completion of obtaining Clearance (Note 1), Tender Offeror plans to commence the Tender Offer promptly.

As of today, Tender Offeror, taking into account discussions with local law offices regarding Clearance procedures, aims to commence the Tender Offer around early October 2026, but the screening by the authority may take a long time. Thus, it is difficult to accurately predict the period of time necessary for procedures etc. with the domestic and foreign authorities that are in charge of Clearance procedures; accordingly, Tender Offeror will announce the details of the Tender Offer schedule as soon as they are decided. Further, Tender Offeror will promptly make an announcement if the expected timing for commencement of the Tender Offer changes. On March 18, 2026, Tender Offeror, in accordance with Article 27, Paragraph 1 of Japan's Foreign Exchange and Foreign Trade Act (Law No. 228 of 1949, as amended), made a filing with the Minister of Finance and the minister in charge of business via the Bank of Japan, and the filing was accepted on that same day; regarding other procedures pertaining to Clearance, preparations for filing are underway and as soon as the preparations are

completed the filings will be made. The reason that Tender Offeror made public announcement of plans to commence the Tender Offer through today's press release, "Notice Regarding Plans to Commence a Tender Offer for the Shares of Taiyo Holdings Co., Ltd. (Stock Code: 4626)" ("Tender Offeror Press Release") is that, if clearance pertaining to competition law is obtained in China, Germany, Israel, and Spain, there is a possibility that the State Administration for Market Regulation, which is in charge of China's clearance procedures, the Federal Cartel Office, which is in charge of Germany's clearance procedures, the National Markets and Competition Commission, which is in charge clearance procedures in Spain, and the Israeli Competition Authority, which oversees clearance procedures in Israel, will make announcement of Tender Offeror's acquisition of Company Shares, and accordingly, the announcement is being made to avoid having the public announcement by the State Administration for Market Regulation, the Federal Cartel Office, the National Markets and Competition Commission, or Israeli Competition Authority take place before Tender Offeror's announcement of the Tender Offer.

For this reason, at the above Board of Directors meeting of the Company, the Company resolved to ask the Special Committee (defined below in "(i) Course of Establishment etc." in "[4] Establishment of an Independent Special Committee by the Company and Procurement of a Report from the Special Committee" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same), when the Tender Offer commences, to consider whether or not their opinion in the report that the Special Committee submitted to the Company's Board of Directors today ("March 31, 2026 Report") has changed, and if there were no changes to the previous opinion, to tell that to the Company's Board of Directors, and if there were changes, to tell the Company's Board of Directors the changed opinion; the Company also resolved to take into account such opinion of the Special Committee, and at the time the Tender Offer commences, to again express an opinion regarding the Tender Offer. For the members of the Special Committee and the specifics of its activities, see below, "[4] Establishment of an Independent Special Committee by the Company and Procurement of a Report from the Special Committee" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer".

The above Board of Directors resolution assumes that following the Transaction that includes the Tender Offer (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same), Tender Offeror plans to take the Company private and to delist the Company Shares.

(Note 1) According to Tender Offeror, after commencement of the Tender Offer. the tender offer cannot be withdrawn unless it falls under statutory grounds for withdrawal. Furthermore, if the tender offer is initiated without confirming that matters constituting grounds for withdrawal have been satisfied before its commencement, there is a risk that the successful completion of the Tender Offer becomes uncertain. Therefore, Tender Offeror has set forth certain matters deemed necessary as conditions precedent to the commencement of the Tender Offer. Specifically, if (i) the conditions precedent to the Tender Offer specified in the Oasis Tender Agreement (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) (Note 2) ("Conditions Precedent (Oasis Tender Agreement)"), (ii) the conditions precedent to the Tender Offer specified in the DIC Basic Agreement (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) (Note 5) ("Conditions Precedent (DIC Basic Agreement)"), (iii) the conditions precedent to the Tender Offer specified in the Kowa Basic Agreement (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) ("Conditions Precedent (Kowa Basic Agreement)") (Note 8); and (iv) the obligations (Note 11) that the Company is to perform or comply with by the commencement of the Tender Offer pursuant to the Agreement that Tender Offeror executed today with the Company (the "Agreement") have all been performed or complied with in all material respects; and all the representations and warranties (Note 11) of the Company specified in the Agreement are true and correct in material

respects (the conditions precedent of (i) through (iv) above are referred to collectively as the "Conditions Precedent") or are waived by Tender Offeror, then Tender Offeror plans to commence the Tender Offer promptly.

(Note 2) The Conditions Precedent (Oasis Tender Agreement) are as follows.

[1] The Special Committee has made an affirmative report regarding the Company's Board of Directors expressing an opinion in support of the Transaction and such report has not been changed or retracted.

[2] The Company's Board of Directors has, with the unanimous vote of all disinterested directors, resolved to express an opinion in support of the Transaction, and such resolution has been announced pursuant to laws and regulations and has not been changed or retracted.

[3] (i) No petition, lawsuit or proceedings seeking to restrict or prohibit any part of the Transaction is pending before any judicial or administrative agency etc., and (ii) no determination of a judicial or administrative agency has been made restricting or prohibiting any part of the Transaction; and there is no likelihood of either (i) or (ii).

[4] Pursuant to the Oasis Tender Agreement, all obligations that Oasis (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) is to perform or comply with by the date of commencement of the Tender Offer (Note 3) have all been performed or complied with in material respect.

[5] All representations and warranties of Oasis (Note 4) are true and correct in material respect.

[6] Confirmation has been obtained from the Company that there are no material facts relating to the Company's business etc. (this refers to the facts specified in Article 166, Paragraph 2 of the FIEA; hereinafter the same) that the Company has not announced (this has the meaning specified in Article 166, Paragraph 4 of the FIEA).

[7] The procurement of clearance (including the procurement of the Clearance) has been completed for the permits and approvals and other procedures under laws and regulations necessary for the execution and performance of the Oasis Tender Agreement (excluding the procurement of the clearance as post procedures under competition laws in Indonesia).

[8] The Agreement has been lawfully and validly executed, has not been amended, and survives.

[9] The obligations that the Company is to perform or comply with by the day of commencement of the Tender Offer have all been performed or complied with in material respect (including that all the Company's representations and warranties under the Agreement are true and correct in material respect).

[10] The Company has not decided to pay dividends of surplus or acquire treasury shares.

[11] The DIC Basic Agreement and the Kowa Basic Agreement have been lawfully and validly executed, have not been amended, and survive.

[12] The conditions precedent to commencement of the Tender Offer under the DIC Basic Agreement and Kowa Basic Agreement have all been satisfied or waived by Tender Offeror.

(Note 3) For the details of the obligations of Oasis under the Oasis Tender Agreement, see below "(2) Oasis Tender Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 4) For the details of the representations and warranties of Oasis under the Oasis Tender Agreement, see below "(2) Oasis Tender Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 5) The Conditions Precedent (DIC Basic Agreement) are as follows.

[1] The Special Committee has made an affirmative report regarding the Company's Board of Directors expressing an opinion in support of the Transaction and such report has not been changed or retracted.

[2] The Company's Board of Directors has, with the unanimous vote of all disinterested directors, resolved to express an opinion in support of the Transaction, and such resolution has been announced pursuant to laws and regulations and has not been changed or retracted.

[3] (i) No petition, lawsuit or proceedings seeking to restrict or prohibit any part of the Transaction is pending before any judicial or administrative agency etc., and (ii) no determination of a judicial or administrative agency has been made restricting or prohibiting any part of the Transaction; and there is no concrete likelihood of either (i) or (ii).

[4] Pursuant to the DIC Basic Agreement, all obligations that DIC (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) is to perform or comply with by the date of commencement of the Tender Offer (Note 6) have all been performed or complied with in material respect.

[5] All representations and warranties of DIC (Note 7) are true and correct in material respect.

[6] Confirmation has been obtained from the Company that there are no material facts relating to the Company's business etc. that the Company has not announced (this has the meaning specified in Article 166, Paragraph 4 of the FIEA).

[7] The procurement of clearance (including the procurement of the Clearance) has been completed for the permits and approvals and other procedures under laws and regulations necessary for the execution and performance of the DIC Basic Agreement (excluding the procurement of the clearance as post procedures under competition laws in Indonesia).

[8] The Agreement has been lawfully and validly executed and has not been amended or terminated against the will of Tender Offeror.

[9] The obligations that the Company is to perform or comply with by the day of commencement of the Tender Offer have all been performed or complied with in material respect (including that all the Company's representations and warranties under the Agreement are true and correct in material respect).

[10] The Company has not decided to pay dividends of surplus or acquire treasury shares.

[11] The Kowa Basic Agreement and the Oasis Tender Agreement have been lawfully and validly executed and have not been amended or terminated against the will of Tender Offeror

[12] The conditions precedent to commencement of the Tender Offer under the Kowa Basic Agreement and the Oasis Tender Agreement have all been satisfied or waived by Tender Offeror.

(Note 6) For the details of the obligations of DIC under the DIC Basic Agreement, see below "(3) DIC Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 7) For the details of the representations and warranties of DIC under the DIC Basic Agreement, see below "(3) DIC Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 8) The Conditions Precedent (Kowa Basic Agreement) are as follows.

[1] The Special Committee has made an affirmative report regarding the Company's Board of Directors expressing an opinion in support of the Transaction and such report has not been changed or retracted.

[2] The Company's Board of Directors has, with the unanimous vote of all disinterested directors, resolved to express an opinion in support of the Transaction, and such resolution has been announced pursuant to laws and regulations and has not been changed or retracted.

[3] (i) No petition, lawsuit or proceedings seeking to restrict or prohibit any part of the Transaction is pending before any judicial or administrative agency etc., and (ii) no determination of a judicial or administrative agency has been made restricting or prohibiting any part of the Transaction; and there is no likelihood of either (i) or (ii).

[4] Pursuant to the Kowa Basic Agreement, all obligations that Kowa (defined below in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer"; hereinafter the same) is to perform or comply with by the date of commencement of the Tender Offer (Note 9) have all been performed or complied with in material respect.

[5] All representations and warranties of Kowa (Note 10) are true and correct in material respect.

[6] Confirmation has been obtained from the Company that there are no material facts relating to the Company's business etc. that the Company has not announced (this has the meaning specified in Article 166, Paragraph 4 of the FIEA).

[7] The procurement of clearance (including the procurement of the Clearance) has been completed for the permits and approvals and other procedures under laws and regulations necessary for the execution and

performance of the Kowa Basic Agreement (excluding the procurement of the clearance as post procedures under competition laws in Indonesia).

[8] The Agreement has been lawfully and validly executed, has not been amended, and survives.

[9] The obligations that the Company is to perform or comply with by the day of commencement of the Tender Offer have all been performed or complied with in material respect (including that all the Company's representations and warranties under the Agreement are true and correct in material respect).

[10] The Company has not decided to pay dividends of surplus or acquire treasury shares.

[11] The DIC Basic Agreement and the Oasis Tender Agreement have been lawfully and validly executed, have not been amended, and survive.

[12] The conditions precedent to commencement of the Tender Offer under the DIC Basic Agreement and the Oasis Tender Agreement have all been satisfied or waived by Tender Offeror.

(Note 9) For the details of the obligations of Kowa under the Kowa Basic Agreement, see below "(4) Kowa Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 10) For the details of the representations and warranties of Kowa under the Kowa Basic Agreement, see below "(4) Kowa Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

(Note 11) For the Company' s obligations and representations and warranties under the Agreement, see below, "(1)The Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

1. Overview of Tender Offeror

(1)	Name	KJ005 Co., Ltd.
(2)	Address	Meiji Yasuda Seimei Building, 11th Floor, 2-1-1 Marunouchi, Chiyoda-ku, Tokyo
(3)	Title and Name of Representative	Representative Director Scott Karnas
(4)	Description of Business	Commerce and all businesses ancillary or related to commerce
(5)	Capital	10,000 yen
(6)	Date of Incorporation	February 12, 2026
(7)	Major Shareholders and Shareholding Ratios	KJ005HD Co., Ltd. 100.00%
(8)	Relationship Between the Company and Tender Offeror	
	Capital Relationship	Not applicable.
	Personnel Relationship	Not applicable.
	Transactional Relationship	Not applicable.
	Applicability to Related Party	Not applicable.

2. Purchase etc. Price

4,750 yen per one common share (Note)

(Note) The purchase etc. price per one Company Share in the Tender Offer ("Tender Offer Price") is based on the assumption that the Company will not pay dividends of surplus having a day prior to the day of commencement of settlement for the Tender Offer as the record date and will not buy back treasury shares with an acquisition date prior to the day of commencement of settlement of the Tender Offer. If the corporate organ that makes executive decisions for the Company decides, by the business day immediately prior to the Tender Offer commencement date, to pay dividends of surplus having a day prior to the day of commencement of settlement for the Tender Offer as the record date or decides to submit a proposal to the Company's general shareholders meeting for payment of the above dividends, the dividend amount per one share in such dividends may be deducted from the above amount. Further, if the corporate organ that makes executive decisions for the Company

decides, by the business day immediately prior to the Tender Offer commencement date, to buy back treasury shares with an acquisition date prior to the day of commencement of settlement of the Tender Offer or decides to submit a proposal to the Company's general shareholders meeting to carry out such a buyback, the amount obtained by dividing the total amount of the consideration for such buyback of treasury shares by the total number of issued and outstanding shares of the Company (excluding treasury shares possessed by the Company) may be deducted from the above amount. In the event that a need arises to amend the Tender Offer Price because of any of the above reasons, such amendment will be made prior to the commencement of the Tender Offer.

3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer

(1) Details of the Opinion Relating to the Tender Offer

At the Company Board of Directors meeting held today, based on the grounds and reasons set forth below in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", the Company resolved to express, as the Company's opinion as of the current point in time in the event that the Tender Offer is commenced, an opinion in support of the Tender Offer and to leave to the judgment of Company shareholders the matter of whether to tender their shares in the Tender Offer.

As discussed above, if the Conditions Precedent are satisfied or waived by Tender Offeror, Tender Offeror plans to commence the Tender Offer promptly. As of today, Tender Offeror aims to commence the Tender Offer around early October 2026, but the screening by the authority may take a long time. Thus, it is difficult to accurately predict the period of time necessary for procedures etc. with the domestic and foreign authorities that are in charge of Clearance procedures; accordingly, Tender Offeror will announce the details of the Tender Offer schedule as soon as they are decided.

For this reason, at the above Board of Directors meeting of the Company, as discussed below in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", the Company resolved to ask the Special Committee to consider whether or not their opinion in the March 31, 2026 Report has changed, and if there were no changes to the previous opinion, to tell that to the Company's Board of Directors, and if there were changes, to tell the Company's Board of Directors the changed opinion; the Company also resolved to take into account such opinion of the Special Committee, and at the time the Tender Offer commences, to again express an opinion regarding the Tender Offer.

The above Board of Directors resolution was made using the method set forth below in "[7] Approval of All Directors (Including Audit & Supervisory Committee Members) Without Interests in the Company" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer".

(2) Grounds and Reasons for the Opinion Relating to the Tender Offer

Those descriptions of the grounds and reasons for the opinion relating to the Tender Offer that relate to Tender Offeror are based on explanations received from Tender Offeror.

[1] Overview of the Tender Offer

Tender Offeror is a *kabushiki kaisha* established on February 12, 2026, and having as its primary business the acquisition and possession of the Company Shares through the Tender Offer and, following the successful completion of the Tender Offer, the control and management of the Company's business activities; as of today, all of the issued and outstanding shares of Tender Offeror are owned by KJ005HD Co., Ltd. ("Tender Offeror Parent"), a *kabushiki kaisha* established on February 12, 2026. Further, as of today, all of the issued and outstanding shares of Tender Offeror Parent are owned by KJ005 Investment L.P. ("KKR Fund"), a limited partnership established on January 30, 2026, pursuant to the laws of Ontario Province, Canada, that is indirectly operated by Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds, "KKR"), an investment advisory company established under the laws of the state of Delaware in the United States. As of today, none of Tender Offeror, Tender Offeror Parent, KKR or KKR Fund own any Company Shares.

KKR, which was established in 1976, is an international investment company having roughly 744 billion dollars in assets under management (as of the end of December 2025), including private equity investments; its shares are listed on the New York Stock Exchange. KKR operates under an investment philosophy focusing on investment from the viewpoint of long-term enhancement of corporate value, based on partnerships with management teams; as a partner with the management teams of companies having a superior business foundation and potential, KKR aims to utilize the managerial resources, knowledge, and network of KKR for the creation of companies that are leaders in their industries.

Since opening its Tokyo office in 2006, KKR has aggressively expanded its investment activities in the Japan market and has been operated by staff having a deep knowledge of Japan's commercial practices and coming from a diverse range of backgrounds. In particular, the tender offers it has executed include the tender offers for Topcon Corporation (total purchase amount: 348.2 billion yen) and Forum Engineering Inc. (total purchase amount 57.3 billion yen), announced in 2025; the tender offer for Fujisoft Incorporated (total purchase amount 601.5 billion yen), announced in 2024, which was the largest tender offer ever in the Japan IT services sector; the tender offer for Hitachi Transport System, Ltd. (the current LOGISTEED, Ltd.) (total purchase amount 449.2 billion yen), which was the largest M&A deal in Japan in 2022; and the tender offers in 2017 for Calsonic Kansei Corporation (the current Marelli Holding Co., Ltd.) (total purchase amount 345.5 billion yen), Hitachi Koki Co., Ltd. (the current Koki Holdings Co., Ltd.) (total purchase amount 88.2 billion yen), and Hitachi Kokusai Electric Inc. (the current KOKUSAI ELECTRIC CORPORATION; "KE") (total purchase amount 143.9 billion yen). KKR has thus utilized its global knowledge, best practices, and networks to promote both organic (Note 1) and inorganic (Note 2) growth strategies and to improve profitability and operational efficiency, thereby assisting these portfolio companies in their business growth and enhancement of corporate value and achieving one of the top track records as a private equity fund in Japan in the process. Of note among these, KE, after undergoing a delisting and a corporate split, has, in partnership with KKR, engaged as a specialized manufacturer of semiconductor manufacturing equipment in the manufacture and sale of front-end deposition equipment (Note 3) and treatment equipment (Note 4); in particular, in the field of batch ALD device (Note 5) KE held a strong position (source: TechInsightsInc. (VLSI) "TI_ALDTools_YEARLY" 2024 (April)), establishing a solid managerial foundation. Subsequently, in addition to the recovery of the electronics market, in an industry environment where semiconductor devices are becoming increasingly miniaturized and complicated, the demand for deposition and treatment devices, which are KE's strengths, is expected to continue expanding going forward. In light of this market environment, in October 2023, KE achieved a relisting of its shares, on the Prime Market of the Tokyo Stock Exchange, Inc. ("TSE"). KKR's support for KE is indeed an example that embodies "KKR's utilization of its managerial resources, knowledge, and network of KKR for the creation of companies that are leaders in their industries".

(Note 1) The term "organic" refers to the method of utilizing existing managerial assets.

(Note 2) The term "inorganic" means the method of collaboration with other firms or acquisition etc. of other firms.

(Note 3) A "deposition equipment" is a device used in semiconductor manufacturing for forming an extremely thin film on a silicon wafer or other substrate.

(Note 4) A "treatment equipment" is a device for improving the quality of thin films following deposition in a semiconductor manufacturing process.

(Note 5) A "batch ALD device" is a batch deposition device for processing tens of wafers at once that is capable of atomic layer deposition (ALD).

In addition, KKR has an ample track record of investment and management in the electronics business and medical and pharmaceutical business which are relevant to the businesses the Company runs. In the electronics business, KKR invested in KE in 2017. In the medical and pharmaceutical business, in 2023, KKR invested in Bushu Pharmaceuticals Ltd.

Further, KKR started in 2010 with an investment in Intelligence Holdings Ltd., which provides general human resources services, then in 2014 supported the independence of Panasonic Healthcare Co., Ltd. (currently PHC Corporation; "PHC") from Panasonic Corporation; in 2015, invested in the DJ Device Business (currently AlphaTheta DJ Corporation), which used to be a business unit of Pioneer Corporation; in 2016, through PHC, acquired the diabetes

care business under Bayer Aktiengesellschaft and its subsidiary Bayer HealthCare LLC; in 2019 acquired the anatomical pathology business of Thermo Fisher Scientific, Inc. (the current Epredia Holdings Ltd.) and LSI Medience Corporation, a major domestic clinical testing company under the umbrella of Mitsubishi Chemical Group Corporation (currently Mitsubishi Chemical Group Corporation); in 2021 acquired Seiyu Co., Ltd., a major supermarket chain under the umbrella of Walmart Inc.; in 2022 acquired Yayoi Co., Ltd., which provides business software; and in 2025 acquired Hoken Minaoshi Hompo Group, Inc., which is an insurance agency group. In this and other ways, KKR has aggressively expanded its investment activities in the Japan market and has utilized its global knowledge, best practices, and networks to promote both organic and inorganic growth strategies and to improve profitability and operational efficiency, thereby supporting these portfolio companies in their business growth and enhancement of corporate value.

Now, Tender Offeror has decided to implement the Tender Offer for all Company Shares (excluding the Company's transfer-restricted shares that have been granted to 6 Executive Directors, 3 Senior Corporate Executive Officers, and 7 Executive Officers (including those who already resigned) as performance-linked stock compensation, the transfer-restricted stock compensation, or a post-grant restricted stock compensation (collectively, "Transfer-Restricted Shares"), treasury shares possessed by the Company, and Shares Not Planned to be Tendered (defined below; hereinafter the same), subject to the satisfaction or waiver by Tender Offeror of all the Conditions Precedent, as part of the series of transactions (the "Transaction") with the purpose of making Tender Offeror the sole shareholder of the Company and delisting the Company Shares, which as of today are listed on the TSE Prime Market. The Transaction is constituted by [1] the Tender Offer, [2] the series of procedures (the "Squeeze-Out Procedures"; for details, see below, "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)") to be implemented in the event that Tender Offeror is unable to acquire all the Company Shares through the Tender Offer for the purpose, following successful completion of the Tender Offer, of making Tender Offeror and the Non-Tendering Shareholders (defined below; hereinafter the same) the only shareholders of the Company, [3] measures for securing (a) the distributable amount necessary for implementing the buyback of Shares Not Planned to be Tendered ("Share Buyback") which is to be implemented by the Company subject to completion of the Squeeze-Out Procedures and (b) the funds for the Share Buyback, namely, (i) the provision of funds by Tender Offeror to the Company (this is planned to be carried out in the form of a capital increase through a third-party allotment with Tender Offeror as the subscriber (Note 6) and/or a loan by Tender Offeror to the Company; the "Provision of Funds"), (ii) payment of dividends of surplus from Company subsidiaries to the Company and an extraordinary settlement for preparing extraordinary financial statements as specified in Article 441, Paragraph 1 of the Companies Act (Law No. 86 of 2005, as amended; hereinafter the same), and (iii) a reduction in the amounts of the Company's stated capital and capital reserves based on Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act ("Capital Reduction etc.") (Note 7), and [4] the Share Buyback.

KKR Fund has reached agreement with SEKISUI CHEMICAL CO., LTD. ("Sekisui"), for a capital increase through third-party allotment of preferred share (Note 8) by Tender Offeror Parent with Sekisui as the allottee, during the period following successful completion of the Tender Offer until the time for settlement of the Tender Offer ("Investment"), and as of today, has obtained from Sekisui an equity commitment letter pertaining to the Investment. The Investment will be implemented for the purpose of applying the proceeds to the funds needed for executing the Transaction, and the reason that the Investment will take the form of investment by preferred share is that Sekisui determined that making a capital contribution in the form of preferred shares which provide for the distribution of residual assets in priority to common shares would ensure the certainty of recovery of investment under the Investment. Further, it is possible that any time from today onward, in addition to the Investment, KKR Fund will reach agreement with a third party for the implementation of a capital increase through third party allocation of preferred share with such third party as the allottee, but as of today no decision in this regard has been made.

Further, following the effective date of the Share Consolidation (defined below in "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)"; hereinafter the same), Tender Offeror Parent plans to implement procedures for a capital increase through third-party allotment of preferred share

(Note 9) having as allottee Kowa Co., Ltd. ("Kowa"), the asset management company of Mr. Takato Kawahara, a relative of the Company's founder, and Mr. Kawahara's family, for which Mr. Kawahara serves as representative director, and which is the Company's third largest shareholder (as of September 30, 2025; the same applies below for all descriptions of shareholder rankings) (the "Kowa Reinvestment"). Under the Kowa Reinvestment, it is planned that Tender Offeror Parent will assume payment obligations equivalent to 11 billion yen of the sales price payment obligations pertaining to the Share Buyback that the Company owes to Kowa, and that with this, Kowa will make investment in-kind of the right to demand payment of the sales price that Kowa acquires against Tender Offeror Parent (such right to demand payment of the sales price will be the subject of extinction by merger pursuant to Article 520 of the Civil Code (Law No. 89 of 1896; as amended)). Kowa and KKR had also considered executing the Kowa Reinvestment by having Kowa pay in cash to Tender Offeror Parent, but if the Kowa Reinvestment was carried out using the method of Kowa paying in cash to Tender Offeror Parent, the cash paid in by Kowa would be used as the source of funds for payment from the Company to Kowa for the Share Buyback; because there was little need to circulate the cash in this manner, after discussions, Kowa and KKR decided to implement the Kowa Reinvestment using the method of investment in-kind described above.

(Note 6) It is planned that this capital investment by third-party allotment will be carried out by, as mentioned below in Note 11, the structure including the Share Buyback in order to seek to maximize the Tender Offer Price by allowing a greater distribution to the Company's general shareholders and, from the perspective of the tax efficiency of such structure, issuing class shares so that there will be no impact on the amount of stated capital etc. per one Company Share used in calculating the provision for the exclusion of deemed dividends from taxable income as stipulated in the Corporation Tax Act (Act No. 34 of 1965, as amended; hereinafter the same); as of the current point in time the details are undetermined.

(Note 7) In the Capital Reduction etc., Tender Offeror plans to request that the Company reduce the amounts of its stated capital and capital reserves and transfer all or some of that reduction amount to other capital surplus.

(Note 8) The preferred share that Tender Offeror Parent will issue and that Sekisui is planned to acquire will be preferred share that are shares with voting rights and that can receive distribution of residual assets in preference over common shares, and it is planned to specify a call option having cash or common shares as consideration (the right of Tender Offeror Parent to acquire from preferred shareholders preferred share with cash or common shares as the consideration; hereinafter the same) and the right to demand acquisition of shares having cash or common shares as consideration (the right of a preferred shareholder to demand that Tender Offeror Parent acquire its preferred share with cash or common shares as the consideration; hereinafter the same).

(Note 9) The preferred share that Tender Offeror Parent will issue and that Kowa is planned to acquire will be preferred share that are shares with voting rights and that can receive distribution of residual assets in preference over common shares, and it is planned to specify a call option having cash or common shares as consideration and the right to demand acquisition of shares having cash or common shares as consideration (for the acquisition price and conversion ratio for such call option and right to demand acquisition, it is planned to use the subscription price per one share of preferred share as the basis). As discussed below, Kowa plans to sell all the Company Shares it owns (number of shares owned: 7,067,200 shares, Ownership Ratio (Note 10): 6.35%) in the Share Buyback by the Company; it is planned that the valuation for Company Shares, which will be the basis for deciding the subscription price per one share of Tender Offeror Parent preferred share that Kowa will pay in the Kowa Reinvestment, will be the same as the Tender Offer Price (however, formal adjustments made based on the Company Shares consolidation ratio in the Share Consolidation are planned), and the purpose of the Kowa Reinvestment is for Kowa, which is the asset management company for the family of the founder of the Company and which ever since the Company's incorporation has maintained a position as a stabilizing large shareholder and has deep knowledge of the Company's corporate philosophy and culture, to continue, after the Transaction, to possess a certain percentage of Company Shares indirectly, and, where necessary, to perform a complementary role by providing information, advising the Company based on the Company's corporate philosophy and culture,

and providing support in maintaining relations with business partners and others, thereby contributing to the stability and sustainability of Company management and inheriting the Company's corporate philosophy and culture, and fostering a sense of stability for employees, business partners and other related persons, and in doing so, supporting the smooth operation of Company business and maintaining and increasing the corporate value of the Company, and the Kowa Reinvestment is a matter that was considered separately from the matter of whether or not to tender shares in the Tender Offer. Accordingly, there is no conflict with the purport of the uniformity of tender offer price regulations (FIEA, Article 27-2, Paragraph 3).

(Note 10) "Ownership Ratio" means the percentage that a stake represents of 111,276,762 shares ("Adjusted Total Number of Issued and Outstanding Company Shares"), which is (i) 116,839,616, which is the total number of issued and outstanding shares of the Company as of December 31, 2025, as set forth in the Consolidated Financial Reports for the Nine Months of the Fiscal Year Ended March 31, 2026 <under Japanese GAAP> ("Company Earnings Report"), *less* (ii) (5,562,854, which is the number of treasury shares possessed by the Company as of such date, as set forth in the Company Earnings Report (such ratio is rounded off to the second decimal place; hereinafter the same in the calculation of Ownership Ratios).

Further, as of today, Tender Offeror has executed a tender agreement with Oasis Management Company Ltd. ("OMC") and its related funds or entities Oasis Japan Strategic Fund Y Ltd., the Company's shareholder (number of shares owned: 6,785,360; Ownership Ratio: 6.10%), Oasis Japan Strategic Fund Ltd. (number of shares substantially owned (Note 11): 5,607,512; Ownership Ratio: 5.04%), Oasis Investments II Master Fund Ltd. (number of shares owned: 4,991,388; Ownership Ratio: 4.49%), and Oasis Japan Stewardship Fund (number of shares owned: 200; Ownership Ratio: 0.00%) (Oasis Japan Strategic Fund Y Ltd., Oasis Japan Strategic Fund Ltd. and Oasis Investments II Master Fund Ltd. are collectively referred to as "Tendering Shareholder (Oasis)" and OMC, Tendering Shareholder (Oasis) and Oasis Japan Stewardship Fund are collectively referred to as ("Oasis"); total number of shares substantially owned: 17,384,460; Ownership Ratio: 15.62%), under which all Company Shares owned by Tendering Shareholder (Oasis) (total number of shares substantially owned: 17,384,260; Ownership Ratio: 15.62%; "Oasis-Owned Company Shares") will be tendered in the Tender Offer ("Oasis Tender Agreement"). For details, see below, "(2) Oasis Tender Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

Further, Tender Offeror as of today has executed with DIC Corporation, the Company's largest shareholder and an Other Associated Company ("DIC"; DIC and Kowa will be called, collectively or individually, "Non-Tendering Shareholder(s)") an agreement under which none of the Company Shares owned by DIC (number of shares owned: 22,469,200 shares; Ownership Ratio: 20.19%; "DIC-Owned Company Shares") will be tendered in the Tender Offer, and, after the Share Consolidation takes effect, the Company will execute a Share Buyback of all DIC-Owned Company Shares ("DIC Basic Agreement"); and Tender Offeror as of today has executed with Kowa an agreement under which none of the Company Shares owned by Kowa (number of shares owned: 7,067,200 shares; Ownership Ratio: 6.35%; "Kowa-Owned Company Shares") will be tendered in the Tender Offer, the procedures for the Kowa Reinvestment will be carried out after the Share Consolidation takes effect, and the Company will execute a Share Buyback of all Kowa-Owned Company Shares ("Kowa Basic Agreement", the DIC Basic Agreement and Kowa Basic Agreement are referred to collectively as the "Non-Tender Agreements"), and the Company shares not planned for tender under the Non-Tender Agreements (total: 29,536,400 shares; Ownership Ratio: 26.54%) are referred to the "Shares Not Planned to be Tendered").

In addition, the Non-Tender Agreements also provide that at the Extraordinary General Shareholders Meeting (defined below in "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)"), the Non-Tendering Shareholders will vote all the Company Shares they own as of such time in support of the resolution relating to the Share Consolidation and that all Shares Not Planned to be Tendered will be sold in the Share Buyback that the Company plans to implement after the Share Consolidation takes effect (Note 12).

(Note 11) "Number of shares substantially owned" means the total number of Company Shares held directly or indirectly by a person, regardless of whether they are registered in their name.

(Note 12)Taking into account the fact that the provisions for non-inclusion of deemed dividends in taxable income as stipulated in the Corporate Tax Act (Law No. 34 of 1965) will apply, the share buyback price ("Share Buyback Price") will be set so that the amount of post-tax proceeds obtained in the case where the Non-Tendering Shareholders sell their shares in the Share Buyback will be no greater than the post-tax proceeds that the Non-Tendering Shareholders would obtain were they to tender the Shares Not Planned to be Tendered in the Tender Offer; this will keep the Share Buyback Price low, allowing a greater distribution to the Company's general shareholders, and in this way the Share Buyback will seek to maximize the Tender Offer Price. Tender Offeror held repeated discussions and negotiations regarding the Share Buyback Price separately with each of the Non-Tendering Shareholders, who, on the one hand, wished to maximize the possibility of sale of the Shares Not Planned to be Tendered through execution of the Transaction including the Tender Offer and on the other hand, to seek the maximum Share Buyback Price; as a result, Tender Offeror reached agreement separately with each of the Non-Tendering Shareholders regarding (i) the fact that the tax benefit amounts expected for each of the Non-Tendering Shareholders differed and (ii) in order to increase the probability of the successful completion of the Tender Offer, which the Non-Tendering Shareholders also contemplate, while at the same time incorporating to a maximum extent their wish to maximize the Share Buyback Price, the arrangement of preference being given to distributions to the Company's general shareholders over the above tax benefits to be received by the Non-Tendering Shareholders when setting the Share Buyback Price and the specifics thereof; in light of this, Tender Offeror reached agreement with the Non-Tendering Shareholders that the total sum price of the Share Buyback Price per one Company Share prior to the Share Consolidation would be 82,643,682,400 yen for DIC (provided, however, if fractions arise in the DIC-Owned Company Shares as a result of the Squeeze-Out Procedures, adjustments will be made based on the outcome of the processing of such fractions; "Total Share Buyback Price (DIC)") (the amount per one share of the Company Shares calculated by dividing the Total Share Buyback Price (DIC) by the number of the DIC-Owned Company Shares is 3,678 yen (rounded off to the nearest whole number)) and 24,678,662,400 yen for Kowa (provided, however, if fractions arise in the DIC-Owned Company Shares as a result of the Squeeze-Out Procedures, adjustments will be made based on the outcome of the processing of such fractions; "Total Share Buyback Price (Kowa)") (the amount per one share of the Company Shares calculated by dividing the Total Share Buyback Price (Kowa) by the number of the Kowa-Owned Company Shares is 3,492 yen (rounded off to the nearest whole number)) (for the course of such discussions and negotiations, see below (ii) Discussion Between Tender Offeror and the Company and Tender Offeror's Decision-Making Process, etc." in "[2] Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer and Post-Tender Offer Managerial Policy".

For details of the Non-Tender Agreements, see below, "(3) DIC Basic Agreement" and "(4) Kowa Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer".

Tender Offeror has set the lower limit of the number of shares planned for purchase (Note 12) at 44,648,100 shares (Ownership Ratio: 40.12%); if the total number of share certificates etc. tendered in the Tender Offer ("Tendered Share Certificates etc.") is less than the lower limit of the number of shares planned for purchase (44,648,100 shares), none of the Tendered Share Certificates etc. will be purchased. Meanwhile, because the purpose of the Tender Offer is to acquire all Company Shares and take the Company private, Tender Offeror has not set an upper limit to the number of shares planned for purchase, and provided that the total number of Tendered Share Certificates etc. is no less than the lower limit of the number of shares planned for purchase, 44,648,100 shares, then all Tendered Share Certificates etc. will be purchased.

The lower limit of the number shares planned for purchase, 44,648,100 shares, represents the amount obtained by (i) subtracting from (x) two-thirds (741,845; rounded up to the nearest whole number) of the number of voting rights (1,112,767) attached to the Adjusted Total Number of Issued and Outstanding Company Shares (y) the number of voting rights (295,364) attached to the Shares Not Planned to be Tendered (total 29,536,400 shares, Ownership Ratio:

26.54%), and then (ii) multiplying such result by 100, which is the Company's number of shares in one unit (Note 13). The reason for setting such a lower limit of the number of shares planned for purchase is as follows: the purpose of the Tender Offer is for Tender Offeror to acquire all Company Shares and take the Company private; when, despite successful completion of the Tender Offer, Tender Offeror is unable to acquire all Company Shares and so chooses to implement the Share Consolidation procedures, a special resolution of the general shareholders meeting will be required under Article 309, Paragraph 2 of the Companies Act, and to ensure that such procedures are executed, the lower limit was set so that, after the Tender Offer, Tender Offeror and the Non-Tendering Shareholders own at least two-thirds of the voting rights of all Company shareholders.

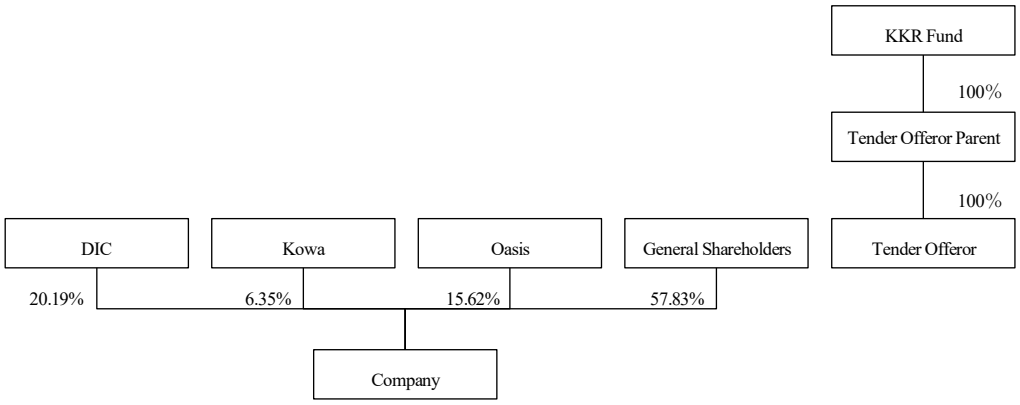
(Note 13)The lower limit of the number of shares planned for purchase is a preliminary figure based on information current as of today; it is possible that because of changes in the number of treasury shares possessed by the Company from such time forward or other reason, the actual number of shares planned for purchase in the Tender Offer will differ from the above figure. Tender Offeror plans to decide the final lower limit of the number of shares for purchase prior to commencement of the Tender Offer, taking into account the most up-to-date information available as of the time of commencement of the Tender Offer.

Tender Offeror plans to cover the funds needed to settle the Tender Offer with loans from a financial institution and a capital contribution from Tender Offeror Parent.

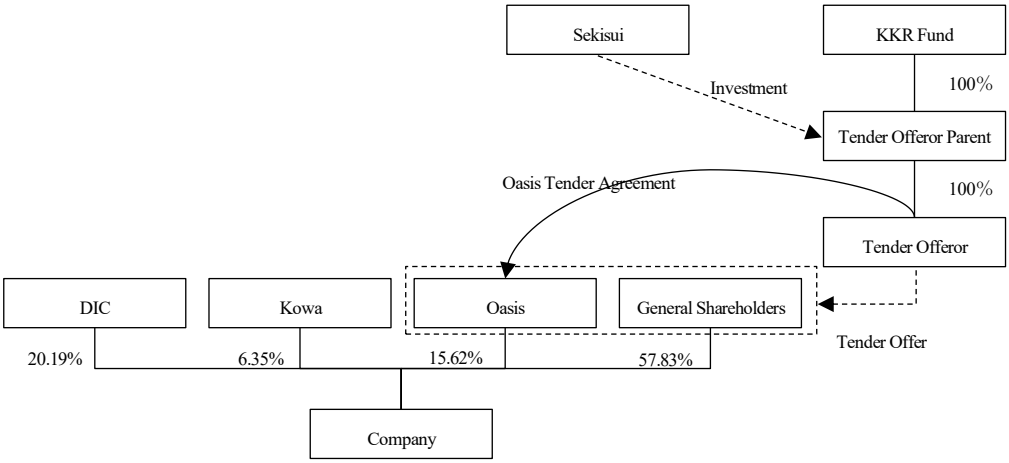
<Transaction Structure Diagram>

The following diagrams illustrate an overview of the structure of the Tender Offer and anticipated subsequent procedures.

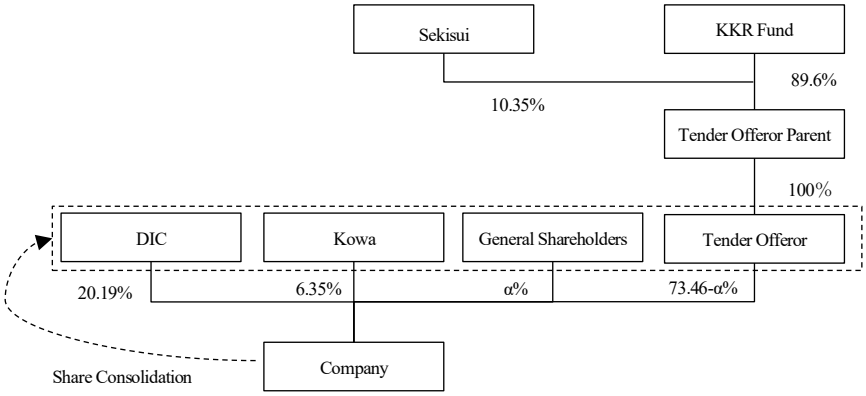
I. Before Execution of Tender Offer



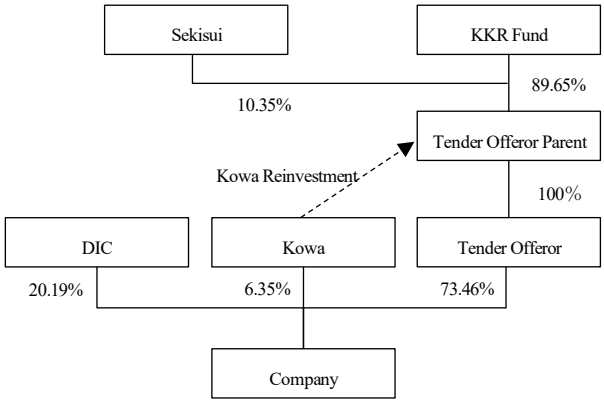
II. Investment and Tender Offer (early October 2026 to early November 2026 (planned))



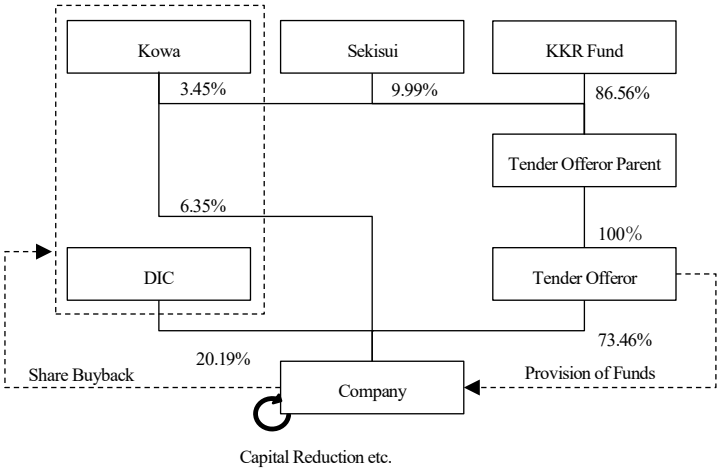
III. Share Consolidation (early November 2026 to late January 2027 (planned))



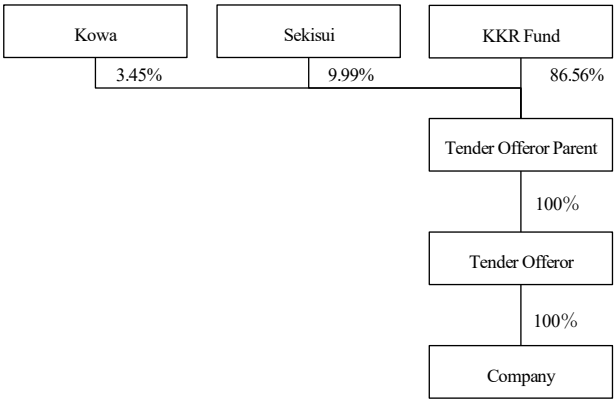
IV. Kowa Reinvestment (early February 2027 to early March 2027 (planned))



V. Provision of Funds and Capital Reduction etc., and Share Buyback (early February 2027 to early March 2027 (planned))



VI. After the Transaction



[2] Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer and Post-Tender Offer Managerial Policy

(i) Managerial Environment Surrounding the Company

The Company was established as Taiyo Ink Mfg. Co., Ltd. in Minato-ku, Tokyo, in September 1953, starting with the business for manufacturing and selling printing inks, and subsequently, in August 1970, commenced selling solder resists (Note 1) for printed circuit boards (Note 2) ("PCBs") and in May 1973 successfully developed and commenced selling epoxy resin, thermally curable single-component solder resists (Note 3). Further, in March 1982, for the purpose of improving its R&D system and expanding its business fields, the Company opened the Ranzan Plant (the current Ranzan Facility) in Ranzan-machi, Hiki-gun, Saitama Prefecture, and in June 1984, the Company succeeded in the development of developable solder resists (Note 4), expanding into the business field of manufacturing and selling chemical products for electronic devices. Company Shares were registered as over-the-counter shares with the Japan Security Dealers Association in September 1990, and listed on the First Section of the TSE in January 2001. Subsequently, in October 2010, the Company changed its name to Taiyo Holdings Co., Ltd. as it transformed into a pure holding company, and the Company is currently listed on the TSE Prime Market as a result of market segment reorganization on April 4, 2022.

(Note 1) "Printed circuit board (PCB)" refers to a board-shaped component on the surface of which electronic components are fixed and on which electronic components are connected by wiring.

(Note 2) "Solder resist" refers to an ink for covering the surface of a PCB used for any electronic product, which serves as an insulating film to protect circuit patterns.

(Note 3) "Epoxy resin, thermally curable single-component solder resist" refers to a one-pack solder resist using epoxy resin as a base.

(Note 4) "Developable solder resist" means a solder resist that enables the formation of fine patterns by exposure to light through a negative film on which circuit patterns are formed and washing away the uncured portions using a dilute alkaline developing solution.

As of today, the Company Group (consisting of the Company, which is a pure holding company, and 25 consolidated subsidiaries; hereinafter the same) is operating in three business segments: electronics, medical and pharmaceuticals, and ICT&S (Note 5). In the electronics segment, which is the core of the Company Group, the Company develops, manufactures and sells solder resists and other components for printed circuit boards and flat panel displays (Note 8), and has a certain degree of presence as a global leading company (Note 9).

(Note 5) "ICT&S" is an abbreviation for "Information and Communication Technology & Sustainability", which collectively means the Company's ICT (Note 6) business, fine chemicals (Note 7) business, energy and food businesses, and other businesses.

(Note 6) "ICT" is an abbreviation for "Information and Communication Technology".

(Note 7) "Fine chemicals" refers to high added-value chemicals manufactured using advanced technology, which are used as raw materials and intermediates of pharmaceuticals, agricultural chemicals, electronic materials, etc.

(Note 8) "Materials for flat panel displays" refer to chemical materials primarily used in touchscreens.

(Note 9) Source: Fuji Chimera Research Institute, Inc., "2024 State of Advanced Electronics Materials and Future Outlook (Outlook as of 2023)"

In the medical and pharmaceuticals business, TAIYO Pharma Co., Ltd., which was established in August 2017, acquired marketing authorizations etc. from Chugai Pharmaceutical Co., Ltd. and carries out the manufacture and sale of long-listed products (Note 10). TAIYO Pharma Tech Co., Ltd., which in October 2019, having acquired shares in the new company in the incorporation-type company split in which Daiichi Sankyo Propharma Co., Ltd. (the current Daiichi Sankyo Co., Ltd.) and others split off the Takatsuki Plant etc., became a Company subsidiary, carries out the contract manufacturing of pharmaceuticals. The Company also carries out the dental prosthetics business as part of the medical and pharmaceuticals business. In the ICT&S segment, the Company is promoting the ICT solutions business, the fine chemicals business, the energy business centering around photovoltaic power generation, the food business, and the like, supporting the multi-faceted business operations of the overall Company Group.

(Note 10) "Long-listed product" means an original pharmaceutical, for which the patent has expired, but which continues to be sold even as generic (defined below) versions are already available on the market.

In "Beyond Imagination 2030" ("Beyond Imagination 2030"), the long-term management vision through the fiscal year ending March 2031 formulated and published on June 4, 2021, the Company describes the vision it aims to achieve by 2030, of "focusing growth on the two segments of the electronics business and the medical and pharmaceuticals business, while at the same time taking group-wide initiatives in the energy business and DX (Note 11)", and has been striving to achieve an ROE of 18% in and maintain a DOE (Note 12) of at least 5%. After "Beyond Imagination 2030" was formulated, sales for the Company increased from 81 billion yen in the fiscal year ended March 2021 to 119 billion yen in the fiscal year ended March 2025, and the operating profit grew from 13.9 billion yen in the fiscal year ended March 2021 to 22.1 billion yen in the fiscal year ended March 2025. On March 24, 2025, the Company also announced a shareholder return target of a total consolidated return ratio (Note 13) of 100% and otherwise took strides to return profits to shareholders. Meanwhile, the Company is aware that the managerial environment surrounding the Company Group is facing changes and challenges which vary primarily at the two segments of the electronics business and the medical and pharmaceuticals business .

(Note 11) "DX" is an abbreviation for "Digital Transformation", referring to the provision of new values and experiences, and the transformation of society through the use of digital technology.

(Note 12) "DOE" refers to an indicator calculated by dividing the total dividend amount over a certain period by

shareholder equity, indicating a dividend level that shows the degree to which dividends are being paid in proportion to shareholder equity.

(Note 13) The "total consolidated return ratio" is an indicator that shows the ratio of the sum total of dividends and share buybacks to consolidated net profit, showing to the extent to which a company is returning profits to shareholders.

(1) Electronics Segment

In the electronics segment, the Company believes that medium-to-long-term growth is expected against a backdrop of expansion of the PCB market, which is a solder resist customer market. In particular, due to the rapid spread of generative AI (Note 14), demand is increasing in such fields as AI servers, data centers, and next-generation communication infrastructure, with demand for products of the Company Group also expected to grow in the medium-to-long term. Furthermore, as next-generation mobility is evolving, vehicle electrification and electronification are advancing, and the increasing solder resist usage due to the popularity of electric and hybrid vehicles is a potentially important business opportunity. The Company Group will strengthen the customer base for solder resists in such growing markets, accelerate the development of new products, and develop new uses for existing technology. The Company Group will also build a new base for technical development of high added-value products, increase manufacturing capacity, and systematically carry out capital investments in preparation for increasing future demand.

(Note 14) "AI" is an abbreviation for Artificial Intelligence, and "generative AI" means artificial intelligence technology capable of automatically generating text, images, audio, and other content.

Meanwhile, the electronics segment is susceptible to supply-demand fluctuations. The electronics market is characterized by an alternating boom-or-bust economic cycle, with supply and demand fluctuating widely every few years due to global economic trends, changes in demand for electronic devices, trends of investment in production equipment, and other factors.

(2) Medical and Pharmaceuticals Segment

The medical and pharmaceuticals segment consists of the pharmaceuticals manufacturing and sales business, the pharmaceuticals contract manufacturing business, and the dental prosthetics business.

The manufacturing and sales business has a lineup of products centered on long-listed products, but because of multiple policy-related factors, such as official prices of pharmaceuticals being subject to ongoing reductions as a result of drug price revisions undertaken as part of the national health cost containment policy, and patients who select long-term listed products being required to bear additional expenses under the selective medical treatment system introduced in October 2024, which promotes the switch to generic pharmaceuticals (Note 15), the market environment for this business is structurally harsher than that for the electronics segment.

(Note 15) "Generic pharmaceutical" refers to a pharmaceutical which, after the patent for the original pharmaceutical expires, is manufactured and sold using the same active ingredients as the original pharmaceutical.

Additionally, due to the weak yen and accelerating inflation in recent years, there has been a substantial increase in the prices of pharmaceutical raw materials (active pharmaceutical ingredients) procured from overseas and pharmaceutical preparation contract costs, pushing up manufacturing costs and adversely affecting profitability. In response to these environmental changes, rather than acquiring sales rights for additional long-listed products, the Company will focus on reducing costs by taking such measures as reviewing manufacturing processes and changing raw material suppliers, and improving profitability by optimizing inventory control of items which tend to be in surplus.

The contract manufacturing business manufactures pharmaceuticals for medical treatment, with a focus

on solid pharmaceutical preparations and pharmaceutical preparations for injection. Employing strict quality control system in conformity with the GMP (Note 16) and a 24-hour operation system through factory automation (Note 17), the Company is aware that it has achieved a stable supply of high quality products to pharmaceutical companies, and as a result has earned the confidence of customers. Moving beyond traditional low molecular weight and high molecular weight pharmaceuticals, and entering into the new modality (Note 18) field, in September 2021, the Company completed a facility for manufacturing cell products for regenerative medicine (Note 19), and built a system for contract manufacturing of cell products. Further, in March 2023, the Company completed a facility for manufacturing products for gene therapy (Note 20), and established a system for contract manufacturing of viral vector (Note 21) products. In such ways, the Company is accumulating specialty manufacturing technology, and establishing a foundation for future business expansion.

(Note 16) "GMP" is an abbreviation for Good Manufacturing Practice and standards relating to manufacturing control and quality control as formulated and operated by the regulatory authorities of countries for the purpose of ensuring quality and safety in the manufacture of pharmaceuticals and medical devices.

(Note 17) "Factory automation" refers to a mechanism for production without human involvement, through the automation of machines, equipment, robots, etc. in manufacturing processes.

(Note 18) "New modality" means pharmaceuticals using new treatment means and manufacturing technology that differ from traditional low molecular weight/high molecular weight pharmaceuticals.

(Note 19) "Cell products for regenerative medicine" means medical cell products derived from cells that have undergone processing such as cultivation and differentiation, intended for the reconstruction, repair and formation of the human body's structure and functions, as well as for the treatment and prevention of diseases.

(Note 20) "Gene therapy" refers to a treatment method where, in order to treat a disease, genes are introduced into a patient's cells or genes in a patient's cell are modified.

(Note 21) "Viral vector" refers to a virus used as a carrier to deliver a gene into cells.

In the dental prosthetics business, centering on Ricc Co., Ltd. (the company name was changed to mystarz Co., Ltd. in April 2025), which became a consolidated subsidiary in March 2022, the Company Group commenced the manufacture and sale of dental prosthetics, and by combining digital technology with the skills of experienced dental technicians, has provided high quality dental prosthetics on a steady basis. The Company is aware that the dental prosthetics business supports the dental care business in Japan, which has a social infrastructure aspect, and as the aging of society progress, an increase in demand over medium-to-long term is expected.

Under the managerial environment surrounding the Company as explained above, for the purpose of accurately capturing opportunities for medium-to-long-term market growth in the electronics segment, addressing structural pressure on revenue in the medical and pharmaceuticals segment and achieving the sustainable growth described in "Beyond Imagination 2030", the Company is aware that it will be increasingly important to invest in technical development that anticipates market needs, and be agile in business portfolio optimization. The Company is also aware that it is required to achieve both a distribution of managerial resources that empowers both the electronics segment, which is susceptible to the supply-demand cycle in the electronics industry, and the medical and pharmaceuticals segment, which has a relatively stable revenue structure, and improvement of capital efficiency and enhancement of shareholder return. With such an awareness, regarding expansion of the human capital that serves as the basis for the advancement of business for the Company Group as a whole, and other measures for achieving sustainable enhancement of the Company's corporate value, the Company, while giving full consideration to the interests of general shareholders, has moved forward with consideration that includes capital policy.

(ii) Discussion Between Tender Offeror and the Company and Tender Offeror's Decision-Making Process, etc.

As the Company moved forward with consideration regarding capital policy as discussed above in "(i) Managerial Environment Surrounding the Company", the Company, as discussed below in "(i) The Building of a Consideration System" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer", took advantage of the introduction by DIC of three private equity funds ("PE Funds") including KKR which expressed interest in the Company to DIC and, starting in December 2024, exchanged opinions with the six PE Funds, including KKR, regarding measures that would contribute to enhancing the Company's medium-to-long-term corporate value.

Meanwhile, starting on December 4, 2024, from the perspective of considering the possibility of tackling managerial issues while utilizing external managerial resources, KKR commenced an initial exchanges of opinions with the Company on measures for enhancement of the corporate value for the Company's future growth through delisting, and on January 17, 2025, discussed a specific proposal for corporate value enhancement measures based on the assumption that the Company would be delisted, and held further discussions on the proposal on February 27, 2025, the Board of Directors would again consider it, on February 28, 2025, KKR submitted to the Company's Board of Directors a legally non-binding letter of intent concerning the delisting of the Company, including a transaction scheme and purchase price. Subsequently, on August 29, 2025, in response to an invitation from SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), the financial advisor for the Company, to participate in the Initial Proposal Request Process (defined below in "(ii) Course of Consideration and Negotiations" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer"; hereinafter the same), KKR participated in the Initial Proposal Request Process. KKR carried out initial consideration taking into account public information and business prospects provided by the Company, and as a result of deepening its understanding of the Company's business in the process, decided to make a proposal that reflected this understanding, and on September 17, 2025, submitted to the Company a legally non-binding initial proposal based on the assumption that the Company would be delisted.

Subsequently, on October 10, 2025, KKR was told by SMBC Nikko Securities, the financial advisor for the Company, that it had passed the Initial Proposal Request Process, and was invited to the Final Proposal Request Process (defined below in "(ii) Course of Consideration and Negotiations" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer"; hereinafter the same). In response to the invitation, KKR decided to participate in the Final Proposal Request Process for the purpose of submitting a legally binding proposal.

Under such circumstances, from early October through early December, 2025, KKR conducted due diligence on the Company's business, financial, tax and legal affairs, held interviews with the Company's management, and analyzed and considered acquiring Company Shares. Through the due diligence and various analyses, KKR gained a deeper understanding of industry characteristics and growth potential for each business segment to which the Company belongs, the competitive advantages established by the Company in the relevant markets, the orientation of the Company's medium-to-long-term growth strategies, and the potentials for enhancing its corporate value, and gained a deeper understanding of the Company's medium-to-long-term growth and future vision. Then, KKR came to the following conclusion: by carrying out the Delisting Measures (defined in "(i) The Building of a Consideration System" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" below; hereinafter the same) through implementation of the Transaction, by collaborating as a strategic partnership between (a) the Company, which in the electronics segment has molecular design and formulation design capabilities that can meet the substrate requirements for individual customers; in the medical and pharmaceuticals segment has a system for contract manufacturing of investigational drugs and regenerative medicine-related products; and has abundant human resources strengthened through the training of self-directed personnel, who are the source of growth, and initiatives to achieve sustainable development goals, and a stable customer base based on a production system transferred from Daiichi Sankyo, and (b) KKR, which has ample experience of investing in the electronics segment; customer relations through data center investments; and a global network based on its "Global One-firm Approach" (global-wide collaboration), then business development will be

accelerated in all directions through the utilization of KKR's network in the electronics segment, and in the medical and pharmaceuticals segment, by utilizing the knowledge at KKR portfolio companies and re-constructing the business foundation for the manufacturing and sales business and the contract manufacturing business using measures for expanding orders and improving profitability, the Company's further rapid growth can be supported ("Transaction Purpose"). Specifically, the Delisting Measures enacted through the Transaction will, while respecting the orientation of "Beyond Imagination 2030" and the "2030 Committee Final Report" ("2030 Committee Final Report") received on November 7, 2025 from the 2030 Committee (defined in "(i) The Building of a Consideration System" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" below), will enable the execution of managerial strategies based on a medium-to-long-term outlook, without excessive concern over short-term or consecutive growth; in the electronics business, proactive investment will be made, addressing the structural market changes the electronics industry is facing, and in the medical and pharmaceuticals business, structural reform based on a long-term perspective will be promoted, aiming to secure profitability in the medical and pharmaceuticals business and to expand the contract manufacturing business.

As a result of such consideration, on December 3, 2025, KKR submitted to the Company a legally binding proposal ("Final Proposal") with a Tender Offer Price of 4,650 yen, based on the assumption that no final dividend will be distributed on the Company Shares for the fiscal year ending March 2026,. In the Final Proposal, KKR made to a request to the Company for the implementation of additional due diligence with the purpose of study of some offices of the Company. The proposed price of 4,650 yen is 1.04% (rounded to the second decimal place; hereinafter the same applies to the calculation of premium rates and discount rates) below the closing price of Company Shares of 4,699 yen on the TSE Prime Market on December 2, 2025, the business day preceding the date of the proposal, 5.13% over the simple average closing price of 4,423 yen (share prices prior to the two-for-one share split of Company Shares on December 1, 2025 were included in average price calculation taking into account impact of the share split; average prices were rounded off to the nearest whole number; hereinafter the same) for the one month up to such date, 13.69% over the simple average closing price of 4,090 yen for the three months up to such date, and 24.93% over the simple average closing price of 3,722 yen for the six months up to such date, but KKR believed that (i) since through the submission of a large-volume holding report on February 18, 2025 ("Oasis Large-volume Holding Report Submission Date") and a change report on April 1, 2025, Oasis disclosed that it held a certain percentage of Company Shares (Note), some market participants may have anticipated that Oasis would acquire additional Company Shares, and (ii) because subsequently, on May 28, 2025 ("Date of Speculative Press Reports"), some news media published speculative reports on the Company being taken private ("Speculative Press Reports"), the Company Share price surged to a level exceeding the previous all-time high, and from such time, an excessive expectation of a delisting was incorporated into share prices, which did not reflect changes in the Company's business or finance. The proposed price of 4,650 yen includes a premium of 142.82% over the closing price of Company Shares of 1,915 yen on the TSE Prime Market on the Oasis Large-volume Holding Report Submission Date, 126.83% over the simple average closing price of 2,050 yen for the one month up said date, 126.06% over the simple average closing price of 2,057 yen for three months up to such date, and 135.09% over the simple average closing price of 1,978 yen for the six months up to such date, and also a premium of 77.82% over the closing price of Company Shares of 2,615 yen on the TSE Prime Market on May 27, 2025, the business day preceding the Date of Speculative Press Reports, 82.28% over the simple average closing price of 2,551 yen for the one month until said date, 100.00% over the simple average closing price of 2,325 yen for the three months up to such date, and 112.62% over the simple average closing price of 2,187 yen for the six months up to such date.

(Note) Oasis's Ownership Ratio of share certificates is recorded as 8.00% in the large-volume holding report submitted on the Oasis Large-volume Holding Report Submission Date, and as 10.57% in the change report submitted on April 1, 2025.

Subsequently, following the submission of the Final Proposal after additional due diligence for the purpose of

study of some offices of the Company, on December 24, 2025, KKR submitted a proposal ("Revised Final Proposal") with a Tender Offer Price of 4,650 yen based on the assumption that no final dividend will be distributed on the Company Shares for the fiscal year ending March 2026.

Subsequently, on February 18, 2026, KKR was notified by the Company that it had been granted the exclusive right to negotiate the Transaction, and from late February 2026 through late March 2026, commenced consultations with the Company about the sharing of the Company's business and financial information required to obtain the Clearance and other practical coordination in preparation for execution of the Transaction, and in such consultations KKR explained its belief that there were no specific disadvantages that it anticipated in connection with the Transaction.

Subsequently, based on the discussions held with the Company thus far and the results of due diligence etc., on March 11, 2026, based on the assumption that no final dividend will be distributed on the Company Shares for the fiscal year ending March 2026, KKR submitted a proposal ("Second Revised Final Proposal") to the Company with a Tender Offer Price of 4,650 yen, which is the same price as that of the Revised Final Proposal . However, given that KKR had not reached an agreement with a major shareholders of the Company on the transaction terms as of the same date, KKR was requested by the Special Committee on the same day to proceed with discussions aimed at forming an agreement with a major shareholders of the Company.

Subsequently, on March 23, 2026, in response to such request from the Special Committee, and based on the publicly available information as of such point in time, the results of due diligence up to the current point in time, the status of discussions with Sekisui, and the negotiations with Oasis, Kowa, and DIC, assuming that no final dividend will be distributed on the Company Shares for the fiscal year ending March 2026, KKR submitted a proposal ("March 23 Final Proposal") with a Tender Offer Price of 4,750 yen, the Total Share Buyback Price (DIC) of 82,643,682,400 yen (the amount per one share of the Company Shares calculated by dividing the Total Share Buyback Price (DIC) by the number of the DIC-Owned Company Shares is 3,678 yen (rounded off to the nearest whole number) and the Total Share Buyback Price (Kowa) of 24,678,662,400 yen (the amount per one share of the Company Shares calculated by dividing the Total Share Buyback Price (Kowa) by the number of the Kowa-Owned Company Shares is 3,492 yen). The proposed price of 4,750 yen is 4.71% below the closing price of Company Shares of 4,985 yen on the TSE Prime Market on March 23, 2026, the date of proposal, 9.00% below the simple average closing price of 5,220 yen for the one month up to such date, 7.75% below the simple average closing price of 5,149 yen for the three months up to such date, but 0.72% above the simple average closing price of 4,716 yen for the six months up to such date, but includes a premium of 148.04% over the closing price of Company Shares of 1,915 yen on the TSE Prime Market on the Oasis Large-volume Holding Report Submission Date, 131.71% over the simple average closing price of 2,050 yen for the one month up to such date, 130.92% over the simple average closing price of 2,057 yen for the three months up to such date, and 140.14% over the simple average closing price of 1,978 yen for the six months up to such date, and also a premium of 81.64% over the closing price of Company Shares of 2,615 yen on the TSE Prime Market on May 27, 2025, the business day preceding the Date of Speculative Press Reports, 86.20% over the simple average closing price of 2,551 yen for the one month up to such date, 104.30% over the simple average closing price of 2,325 yen for the three months up to such date, and 117.19% over the simple average closing price of 2,187 yen for the six months up to such date.

As a result of continuous consultation with the Company as described above, on March 24, 2026, as it was agreed to execute the Transaction with a Tender Offer Price of 4,750 yen per Company Share, the Total Share Buyback Price (DIC) of 82,643,682,400 yen (the amount per one share of the Company Shares calculated by dividing the Total Share Buyback Price (DIC) by the number of the DIC-Owned Company Shares is 3,678 yen (rounded off to the nearest whole number), and a Share Buyback Price (Kowa) of 24,678,662,400 yen (the amount per one share of the Company Shares calculated by dividing the Share Buyback Price (Kowa) by the number of the Kowa-Owned Company Shares is 3,492 yen (rounded off to the nearest whole number) , and on the same day, Tender Offeror decided to implement the Tender Offer.

The Tender Offer Price is a discounted price compared to the most recent share price of the Company, but given that (i) the Company's share price rose conspicuously when compared to the Company's normal share price

fluctuations, by 7.05% from the closing price (1,915 yen) on the Oasis Large-volume Holding Report Submission Date to the closing price (2,050 yen) on February 19, 2025, the following business day, and by 19.12% from the closing price (2,615 yen) on May 27, 2026, the business day preceding the Date of Speculative Press Reports, to the closing price (3,115 yen) on the Date of Speculative Press Reports, and even now, after the passage of a certain period of time from the Oasis Large-volume Holding Report Submission Date and the Speculative Press Reports, the share price remains high, it is reasonable to consider, in evaluating the Company's intrinsic value, a premium over the market share price during a time when it was not impacted by the Speculative Press Reports or the market expectation that Oasis would acquire additional Company Shares, and that (ii) the Tender Offer Price is a price agreed to by Oasis, which, as an institutional investor owing fiduciary duty to its own clients, has an interest in maximizing share price that coincides with the interests of general shareholders , and (iii) the Tender Offer Price is the highest price presented after the market check through the Initial Proposal Request Process and the Final Proposal Request; therefore, KKR, as Tender Offeror, believes that the Company's general shareholders will also tender their shares in the Tender Offer.

In parallel with its consultations with the Company, on January 30, 2026, KKR explained to Oasis the Tender Offer terms, including the Tender Offer Price, the Transaction Purpose and KKR's proposal, and made an initial inquiry regarding the sale of the Oasis-Owned Company Shares; on February 3, 2026, Oasis requested that KKR provide a proposal for a deal structure that assumed the tendering of the Oasis-Owned Company Shares in the Tender Offer. Subsequently, in response to such request, on February 9, KKR submitted to Oasis a proposal for the execution of the Oasis Tender Agreement, under which the Oasis-Owned Company Shares would be tendered in the Tender Offer on the assumption that such shares would be acquired in a tender offer in which the tender offer price per one Company Share would be 4,650 yen. In response, on February 25, 2026, Oasis requested that KKR reconsider the tender offer price. In response to such request, on March 22, 2026, KKR proposed to Oasis acquisition of the Oasis-Owned Company Shares at the Tender Offer Price of 4,750 yen. In response, on March 22, 2026, Oasis expressed to KKR its intent to accept the proposal from KKR, and subsequently, as of today, executed the Oasis Tender Agreement with Tender Offeror (for details of the Oasis Tender Agreement, please refer to "(2)Oasis Tender Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer" below).

Furthermore, given that it is expected that the provisions for non-inclusion of deemed dividends in taxable income as stipulated in the Corporate Income Tax Law will apply to DIC, and this will lead to some tax advantages, KKR considered that, regarding DIC, by setting the Share Buyback Price per one Company Share prior to the Share Consolidation ("Share Buyback Price (DIC)") so that the amount of post-tax proceeds obtained in the case where DIC sold its shares in the Share Buyback will be no greater than the post-tax proceeds that the DIC would obtain were it to tender its shares in the Tender Offer, keeping the Share Buyback Price (DIC) low, allowing a greater distribution to the Company's general shareholders, and in this way the Share Buyback would both maximize the Tender Offer Price and ensure fairness among the shareholders, and in parallel with its consultations with the Company, on February 13, 2026, KKR explained to DIC the Tender Offer terms including the Tender Offer Price, the Transaction Purpose and KKR's proposal, presented the Transaction scheme including the Share Buyback with a Share Buyback Price (DIC) of 3,461 yen, and then, requested that DIC execute the DIC Basic Agreement, which provides that DIC will not tender its shares in the Tender Offer, and that after the Tender Offer is completed, the Company will buy back the DIC-Owned Company Shares. As a response, on February 16, 2026, KKR received from DIC a request to reconsider the Share Buyback Price presented by KKR. In response to this request from DIC for reconsideration, on February 17, 2026, KKR resubmitted a proposal having a Share Buyback Price (DIC) of 3,461 yen that was the same price as the terms presented on February 13, 2026. Subsequently, on February 23, 2026, KKR received a request from DIC to again reconsider the Share Buyback Price (DIC). Subsequently, KKR had multiple consultations with DIC but was unable to reach agreement on the terms. On March 5, 2026, DIC asked the Special Committee to request that KKR revise its terms. On March 11, 2026, KKR received a request from the Special Committee to make progress in its discussions directed towards agreement with DIC. Subsequently, on March 19, 2026, taking such request into account, KKR made a final proposal to DIC, with

the Total Share Buyback Price (DIC) of 82,643,682,400 yen, which would absolutely not be changed. In response, on March 23, 2026, DIC manifested its intent to accept the final proposal from KKR, with the Total Share Buyback Price (DIC) of 82,643,682,400 yen, and subsequently, as of today, executed the DIC Basic Agreement with Tender Offeror (for details of the DIC Basic Agreement, please refer to "(3) DIC Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer" below).

Similarly, given that it is expected that the provisions for non-inclusion of deemed dividends in taxable income as stipulated in the Corporate Income Tax Law will apply to Kowa, and this will lead to some tax advantages, KKR considered that, regarding Kowa, by setting the Share Buyback Price per one Company Share prior to the Share Consolidation ("Share Buyback Price (Kowa)") so that the amount of post-tax proceeds obtained in the case where Kowa sold its shares in the Share Buyback will be no greater than the post-tax proceeds that the Kowa would obtain were it to tender its shares in the Tender Offer, keeping the Share Buyback Price (Kowa) low, allowing a greater distribution to the Company's general shareholders, and in this way the Share Buyback would both maximize the Tender Offer Price and ensure fairness among the shareholders; in parallel with its consultations with the Company, on February 4, 2026, KKR explained to Kowa the Tender Offer terms including the Tender Offer Price, the contents of repeated consultations between KKR and the Company concerning the enhancement of corporate value and KKR's proposal, presented the Transaction scheme including the Share Buyback, and then, requested Kowa to execute the Kowa Basic Agreement which provides that Kowa will not tender its shares in the Tender Offer, that procedures for Kowa Reinvestment will be carried out after the Share Consolidation takes effect, and that after the Tender Offer is completed, the Company will buy back the Kowa-Owned Company Shares. Subsequently, on March 19, 2026, based on the status of discussions with the Company and negotiations with Oasis and DIC, KKR made a renewed proposal to Kowa. In response, today, Kowa expressed to KKR its intent to accept the request from KKR, and today executed the Kowa Basic Agreement with Tender Offeror (for details of the Kowa Basic Agreement, please refer to "(4) Kowa Basic Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer" below).

(iii) Post-Tender Offer and Post-Transaction Managerial Policy

After the Transaction, KKR, together with the Company's officers and employees, utilizing the solid business foundation built by the Company thus far, will use KKR's global human and capital resources, know-how and network to further grow Company's business and enhance its corporate value through promotion of both organic and inorganic growth strategies. After the Transaction is completed, KKR will hold discussions with the Company's management team on managerial policies and business strategies, and consider the execution of sales growth and profitability improvement measures for the Company.

KKR plans to maintain the employment and compensation levels of the Company's employees after the Transaction, and will grant the Company's management team a certain managerial authority relating to the Company's business operations, respecting the management's independent business decisions. Regarding protection of the Company's technical information that is a source of corporate value, KKR plans to deal with it by consult with the Company's management. In order to contribute to enhancement of the Company's corporate value, KKR is considering having a KKR-nominated directors take positions as Company directors, and establishing a support system, including the introduction of an advisor system, to support management by the Company management team, but the specific numbers, timing, and the candidates etc. have yet to be decided.

After the Transaction is completed, Tender Offeror plans to appoint one person nominated by Sekisui as a Company director, but a specific candidate etc. has yet to be decided.

Since KKR focuses on talent investment aimed at medium-to-long-term business growth and has extensive expertise in personnel and compensation systems through numerous investment cases as a global fund, KKR believes that it can support the "development and utilization of self-reliant talent to meet the needs of an increasingly diverse society and workplace" prompted by the Company by leveraging its knowledge, and Tender Offeror and the Company's officers and employees will work as one to enhance the Company's long-term corporate value.

[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer

The process and reasons behind the decision-making leading to the Company's support of the Tender Offer are as follows.

(i) The Building of a Consideration System

As described in "(i) Managerial Environment Surrounding the Company" in "[2] Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer and Post-Tender Offer Managerial Policy", the business environment surrounding the Company is drastically changing across the business segments. Such changes cannot be understood uniformly and take different forms in different businesses, but when taking a broader view of the Company Group as a whole, the Company Group in general is entering a phase of demand growth. Meanwhile, DIC in recent years has explicitly positioned a fundamental improvement in capital efficiency as one of the key issues in management, and on February 13, 2024, announced a revision to its DIC Vision 2030, a long-term management plan published on February 18, 2022, and unveiled efforts to streamline its balance sheet, including reviewing of cross-shareholdings and unloading of other assets. Under such circumstances, DIC began deliberating the significance of holding DIC-Owned Company Shares and, on March 15, 2024, proposed to the Company discussions on the handling of DIC-Owned Company Shares. In response to such proposal, the Company deliberated how to dispose of DIC-Owned Company Shares, and during the discussions between the two sides, in April 2024, the Company proposed to DIC implementation of a tender offer aimed at acquiring DIC-Owned Company Shares ("Own Share Tender Offer").

As the two companies subsequently considered carrying out the Own Share Tender Offer, in late July 2024, the Company was notified by DIC that, given the differences in terms of conditions, it was difficult to proceed with the discussions on the Own Share Tender Offer, and no progress was since made in the discussions with DIC.

Under such circumstances, starting in December 2024, taking advantage of the introduction by DIC of three PE Funds including KKR which expressed interest in the Company to DIC, the Company exchanged views on measures designed to enhance corporate value in the medium to long term with the six PE Funds, including KKR. Further, in light of the foregoing discussions with PE Funds, the Company began deliberating both (a) corporate value-enhancing measures including a capital measure premised on maintaining the listing of the Company Shares ("Measures for Maintaining Listing") and (b) corporate value-enhancing measures including a capital measure premised on delisting Company Shares mainly through a tender offer by an external partner ("Delisting Measures"; collectively with Measures for Maintaining Listing, "Capital Measures"). Subsequently, in or after February 2025, given that it received non-binding letters of intent relating to the Capital Measures, including a transaction scheme and acquisition price, from six PE Funds, including KKR, starting in early February 2026, the Company sought to examine more multifaceted corporate value-enhancing measures and thus retained SMBC Nikko Securities as financial advisor and third-party valuation institution independent of PE Funds, including KKR, and the Company for considering corporate value-enhancing measures, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") as external legal advisor for considering such measures. Additionally, in light of the Guidelines for Corporate Takeovers ("Guidelines for Corporate Takeovers") published by the Ministry of Economy, Trade and Industry on August 31, 2023, the Company determined it necessary to conduct diligent consideration while ensuring the fairness and transparency of the consideration process, and thus, at the Company Board of Directors meeting on March 12, 2025, approved the creation of a Special Committee composed of external directors and external experts, and engaged the Special Committee to submit to the Company a written report on Inquired Matters (to be defined in "(i) Course of Establishment etc.", in "[4] Establishment of an Independent Special Committee by the Company and Procurement of a Report from the Special Committee" of "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below; hereinafter the same applies). Further, because the Special Committee needs to consider the Capital Measures with sufficient consideration to the interests of the Company's minority shareholders, in early July 2025, the Special Committee engaged Plutus Consulting Co., Ltd. ("Plutus") as its own financial advisor and third-party valuation institution, and Shibata, Suzuki & Nakada (Shibata,

Suzuki & Nakada renamed itself LBX Law Office in February 2026. "LBX Law Office") as legal advisor.

Moreover, as announced in the Notice Regarding the Establishment of a "2030 Committee" dated May 28, 2025 and the Notice Regarding the Details of a "2030 Committee" dated June 12, 2025, with the aim of maximizing the interests of general shareholders and achieving sustainable enhancement of the Company's corporate value, the Company established a 2030 Committee consisting of a majority of external experts as a forum for discussing strategic options, including the Capital Measures, that ensures objectivity and transparency ("2030 Committee"), and, at its working groups ("WG"), has since conducted a multifaceted examination of the optimal capital policy for enhancing corporate value, with the WGs being: (1) WG for strengthening the foundation, (2) WG for growth strategy and business portfolio, (3) WG for capital allocation, (4) WG for governance, (5) WG for shareholder and investor relations, and (6) WG for capital policy. Additionally, the Company in late April 2025 engaged QuestHub Co., Ltd. as external advisor for consideration of the Capital Measures (due to reorganization of QuestHub Co., Ltd., in September 2025, QuestHub Advisory Co., Ltd. succeeded to the position of advisor).

Later, as announced in the 2030 Committee Interim Report dated August 1, 2025, the 2030 Committee recommended to the Company's Board of Directors that the Company Group implement the following initiatives for achieving the "Beyond Imagination 2030": capturing growth opportunities and branching out to new business fields in the Electronics business; expansion of contract manufacturing and improving profitability in the Medical and Pharmaceuticals business, improving capital efficiency and expansion of shareholder returns, and strengthening of the governance structure, among others. Further, in light of the evaluation and recommendations in the Interim Report, the Company on August 28, 2025 formulated and unveiled the Medium-term Management Plan for the period from the fiscal year ending March 2026 through the fiscal year ending March 2031 ("Medium-term Management Plan").

(ii) Course of Consideration and Negotiations

As described in "(i) The Building of a Consideration System" above, as the 2030 Committee and the WGs considered measures for maximizing the Company's corporate value on a standalone basis, after the creation of the foregoing consideration framework, the Company and the Special Committee believed that it was necessary to appropriately evaluate the rationality, fairness and reasonableness of implementing the Capital Measures, including collaboration with external partners, from the perspective of general shareholders. In order to compare and consider all options for maximizing the Company's corporate value and shareholder interests, starting in late August 2025, the Company invited six business companies that were interested in a capital alliance with the Company and ten PE Funds, including KKR, and carried out a process of requesting Capital Measures proposals ("Initial Proposal Request Process"), and provided an opportunity to carry out due diligence with a limited scope of information necessary for considering measures for enhancing corporate value. Later, in late September 2025, the Company received from seven PE Funds, including KKR, proposals for Delisting Measures and nonbinding letters of intent relating to the Measures for Maintaining Listing. The Company and the Special Committee then carefully compared and considered the proposals from various perspectives such as share appraisal value and tender offer price, transaction scheme, financing capability and the conditions for procuring funds, Delisting Measures including growth strategy or management strategy for after implementation of the Measures for Maintaining Listing and support framework therefor, terms of management policies such as employee treatment and governance structure, and maximization of the interests of general shareholders, and as a result, concluded that it would be desirable to carry out a process where two PE Funds that proposed Delisting Measures, including KKR ("Final Proposal Request Process Candidates"), would be invited to the final proposal process, an opportunity to conduct more detailed due diligence would be provided and a request would be made for submission of a legally binding final proposal ("Final Proposal Request Process").

Based on the foregoing considerations, in early October 2025, the Final Proposal Request Process commenced, and from early October 2025 to early December 2025, the Final Proposal Request Process Candidates further analyzed and considered the Delisting Measures through full-scale due diligence concerning the Company's businesses, finances, legal affairs, environment and technology, visits to the Company business locations in and

outside of Japan, and interviews with the Company's senior management. On December 3, 2025, the Company received from all Final Proposal Request Process Candidates legally binding final proposals contingent upon the implementation of the Delisting Measures. Further, because KKR in its final proposal requested to carry out additional due diligence aimed at thoroughly reviewing certain business locations of the Company, from early December to late December of 2025, the Company allowed it to carry out due diligence that includes visits to certain business locations of the Company. Subsequently, on December 24, 2025, KKR re-submitted to the Company a legally binding revised final proposal contingent upon the implementation of the Delisting Measures.

During the due diligence period in the Final Proposal Request Process, on November 7, 2025, the Company received the 2030 Committee Final Report from the 2030 Committee, which stated the following: upon considerations at the WGs, the Medium-term Management Plan announced on August 28, 2025 was set at a level reasonably achievable based on the business environment and management structure; by seeking to achieve various targets under the current senior management who formulated the Medium-term Management Plan, the Company was expected to realize sustainable growth and strengthen earnings capabilities, and that this will result in enhancement of its corporate value, and that in considering the Capital Measures including the Final Proposal Request Process, the determination of whether to choose Measures for Maintaining Listing or Delisting Measures, the potential for enhancement of corporate value that the Company is unable to achieve on its own should be a major criterion of determination, and if the Company receives a proposal that might generate added value that could not be achieved with just the managerial resources possessed by the Company and the Company's own strategies, contributes to enhancement of corporate value and securing of common interests of shareholders, it should actively consider such proposal.

Subsequently, based on the advice from Nishimura & Asahi, the Company's legal advisor, and SMBC Nikko Securities, the Company's financial advisor, the above recommendations by the 2030 Committee, and the opinions of the Special Committee, the Company comprehensively considered the final proposals from the Final Proposal Request Process Candidates from the perspectives of share appraisal value, tender offer price, financing capability and the conditions for procuring funds, growth strategy for after implementation of the Capital Measures, financial strategy that takes into consideration maintaining the Company's financial soundness and support framework therefor, certainty of obtaining clearances under competition and other applicable laws and other procedures, in relation to the implementation of the Delisting Measures, and at the same time, the Company received information from the Company's business execution divisions, regarding such matters as points to consider in advance regarding the handling of technical information and securing the workforce when the Company becomes under the umbrella of a specific shareholder rather than being a listed company, and also carefully considered the Measures for Maintaining Listing to be implemented by the Company on its own, and repeatedly compared such measures with the Delisting Measures.

As described in "(i) Managerial Environment Surrounding the Company" of "[2] Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer and Post-Tender Offer Managerial Policy", in terms of the business environment surrounding the Company, in the electronics business, while medium-to-long-term market growth is anticipated amid growing demand among generative AI and data centers and the electrification of and increasing adoption of electronic systems in automobiles, due to effects of supply-demand cycles in the electronics market, there is an inherent risk of short-term earnings fluctuations depending on economic conditions and during the phases of customer inventory corrections, and therefore we believe maintaining and enhancing our capability to respond to such changes continue to be key management issues. In the medical and pharmaceutical business, while the Company faces structural pressure on earnings, such as continuous implementation of drug price revisions, the contract manufacturing business is expected to achieve medium- to long-term growth on the backdrop of the rationalization of manufacturing capacities at domestic pharmaceutical companies and growing demand for outsourcing, and the Company, seeking to reliably capture such business opportunities, intends to build new production plants. As described above, the Company Group currently faces complex and dynamic changes in the business environment, namely the expansion of market growth opportunities and the need to respond to supply-demand cycle risks in the Electronics business

and, in the medical and pharmaceutical business, efforts to improve earnings structure and the implementation of growth-oriented investment for the contract manufacturing business. The Company understands that, under such market environment, accurately assessing the potential for medium-to-long-term market expansion for the Company's products and technologies and swiftly making agile and flexible management decisions in response to changes in the environment are essential for the sustainable growth of the Company Group and for the medium- to long-term enhancement of its corporate value.

The Special Committee pointed out that, at a time when the Company Group requires future competitiveness-bolstering capital investment and continuous and proactive investment in technology development in both the electronics business and the medical and pharmaceutical business, assuming the implementation of the Measures for Maintaining Listing, there is a possibility of an unfavorable evaluation by major shareholders or rejection of a Company resolution on director appointments at the Company's general shareholders meeting, potentially destabilizing its management structure. Further, the Special Committee shared a view that, in the case of the implementation of the Delisting Measures, regarding points to consider in advance regarding the handling of technical information and securing the workforce when the Company becomes under the control of a specific shareholder rather than becoming a listed company, these issues should be resolved through continued discussions with the Final Proposal Request Process Candidates, on the assumption that the implementation of the Delisting Measures would be considered.

In light of such opinion of the Special Committee, the Company comprehensively examined the proposals by the Final Proposal Request Process Candidates. The Company then found that KKR's final proposal relating to the Delisting Measures had the highest price when comparing the Tender Offer Price with the share appraisal value presented by the Final Proposal Request Process Candidate other than KKR had more advantageous financing capability and more favorable conditions for procuring funds compared to the terms for procuring funds presented by the Final Proposal Request Process Candidate other than KKR, KKR's details of financial strategy for after the implementation of the Delisting Measures that takes into consideration maintenance of the Company's financial soundness and support structure therefor were more favorable compared to those of the Final Proposal Request Process Candidate other than KKR, and thus concluded that KKR had the best proposal among the Final Proposal Request Process Candidates.

With such conclusion, in early January 2026, the Company began discussions with KKR regarding the feasibility of implementing the Transaction. At the request of KKR to hold direct discussions with major shareholders of the Company, the Company and the Special Committee approved such request, and subsequently, KKR began negotiating specific terms with major shareholders of the Company.

Meanwhile, on February 24, 2026, the Company received from the Final Proposal Request Process Candidate other than KKR a non-binding proposal under which, broadly, (1) with the Company maintaining its listing, a capital increase through third-party allotment of preferred shares (class shares that are non-voting stock with the right to nominate directors in proportion to potential voting rights ratio, the priority right for dividends of surplus over common shares, and the right to demand redemption by the Company with cash or common shares as consideration) would be implemented and (2) a share buyback from some major shareholders using the funds procured through the foregoing investment would be implemented.

The Special Committee considered this proposal, and provided the Company with its opinion that the proposal received from the Final Proposal Request Process Candidate other than KKR was divergent from the Company's consideration process, which sought to ensure fairness and transparency, and the Special Committee, which has prioritized fairness of procedures, believes that even considering this proposal threatened to injure the fairness of procedures, and that the dividend design in such proposal was a scheme under which the Final Proposal Request Process Candidate other than KKR was treated more favorably than general shareholders and for that reason was likely to harm the interests of general shareholders. In light of such opinion, the Company did not initiate negotiates with the Final Proposal Request Process Candidate other than KKR and decided to move forward with continuous discussions and negotiations with KKR directed towards implementation of the Delisting Measures.

On March 11, 2026, based on the discussions held with the Company and the results of due diligence etc., KKR

resubmitted the legally-binding Second Revised Final Proposal with updates on status of negotiations with major shareholders of the Company. The Second Revised Final Proposal included a statement indicating that KKR was prepared to consider a certain upward revision in the event of reinvestment by Kowa or presentation of final terms.

However, considering the fact that DIC asked the Special Committee to request that KKR revise its terms, the Special Committee requested KKR on the same day to proceed with discussions aimed at forming an agreement with DIC.

Subsequently, on March 23, 2026, as a result of continuous discussions and negotiations between KKR, the Company and the Special Committee regarding the implementation of the Delisting Measures, based on the publicly available information as of such point in time, the results of due diligence up to the current point in time, the status of discussions with Sekisui, and the negotiations with Oasis, Kowa, and DIC, KKR submitted the March 23 Final Proposal to the Company with a Tender Offer Price of 4,750 yen and on March 24, 2026, the Company and KKR reached an agreement to set the Tender Offer Price at 4,750 yen, the Total Share Buyback Price (DIC) at 82,643,682,400 yen and the Total Share Buyback Price (Kowa) at 24,678,662,400 yen.

The Company believes that if the Company implements the Measures for Maintaining Listing on its own, there is the danger that this could lead to destabilization of the management due to assessment by major shareholders; and if the Delisting Measures are implemented with KKR, this would enable, under a stable managerial system, the steady implementation of assorted measures towards enhancement of corporate value, heightening the effectiveness of the Medium-Term Management Plan.

On the other hand, the Company believes that the following points can be expected through partnership between the Company and KKR.

In the electronics business, with the firm business foundation centering on the Company's solvent resins and the support of KKR, the Company can agilely utilize discontinuous growth strategies, such as M&A and business alliance, while at the same time incorporate electronics fields where structural growth is anticipated, and an expansion of business opportunities and faster growth can be anticipated. Through these measures, the electronics business of the Company Group can transition to a new growth phase.

In the medical and pharmaceuticals business, the Company is aware that it is important to improve resilience against system changes, such as price revisions, and changes in the market environment and at the same time to move steadily forward with structural reform of business. By utilizing the knowledge that KKR has accumulated through investment in the healthcare industry, including pharmaceutical contract manufacturing companies, the Company can aim to build a business operating system that can adapt flexibly to changes in the market environment.

The Company believes that, for the ICT&S business, both the establishment of a stable revenue basis and the improvement in growth potential can be achieved at the same time, and it is anticipated that the ICT&S business expands into important business fields, contributing to the diversification of the Company Group's overall business portfolio and the sustained enhancement of corporate value.

(iii) Determination

During the course of events described above in "(i) The Building of a Consideration System" and "(ii) Course of Consideration and Negotiations", the Company at its Board of Directors meeting on March30, 2026 carefully discussed and examined various conditions for the Transaction, based on the share valuation report provided by SMBC Nikko Securities on March 30, 2026 ("Share Valuation Report (SMBC Nikko Securities)") and legal advice from Nishimura & Asahi, while paying utmost deference to the March 31, 2026 Report from the Special Committee.

As a result, as described in "(ii) Course of Consideration and Negotiations" above, the Company determined that, compared with implementing the Measures for Maintaining Listing on its own, implementing the Delisting Measures with an external partner would contribute more to the enhancement of the Company's corporate value, and that the Delisting Measures by KKR are the best option among the measures available to the Company for enhancing its corporate value.

The Company also determined that with the support of KKR, which boasts an extensive track record of investments chiefly in domestic and overseas companies as well as ample knowledge and a network, the Company

would be able to further promote its business strategies and thereby increase the likelihood of medium- to long-term enhancement of the Company's corporate value.

Additionally, the Company believed that the implementation of delisting measures through the Transaction would stabilize its shareholder composition and enable it to reliably implement various measures for enhancing its corporate value, thereby increasing the executability of the Medium-term Management Plan.

It is generally thought that, if delisting is implemented, it will no longer be possible to procure funds directly from the stock market through a public offering or other equity finance; however, with the Transaction, backed by the credit of KKR, the Company will be able to utilize the optimal funds procurement means, as appropriate, and no particular disadvantages are seen in terms of the Company's ability to procure funds. In addition, given that the Company has long operated its businesses consistently and in its relationships with business partners it already has sufficient name recognition and social reputation, no particular disadvantages are seen in terms of impact on the Company's business from the dissolution of capital relationships with its major shareholders and its joining the Tender Offeror group. With regards to the opinion from the Special Committee, as set forth above in "(ii) Course of Consideration and Negotiations", of "points to consider in advance regarding the handling of technical information and securing the workforce when the Company becomes under the umbrella of a specific shareholder rather than being a listed company ", in light of KKR's explanation that because KKR shares the awareness of the necessity to pay attention to such points, KKR will deal with them properly after the implementation of the Delisting Measures, the Company believes that the risks may be dealt with, considering that , after discussions, the Agreement contains provisions regarding Tender Offeror's commitment to maintain the employment of employees of the Company Group and the handling of the technical information thereof, and it has been agreed that KKR and the Company will continue to cooperate with each other

In addition, as described below, the Company has determined that the Tender Offer Price and other conditions of the Tender Offer are reasonable.

(a) As described in "(ii) Course of Consideration and Negotiations" above, the Tender Offer Price is the highest price among the proposed prices in the legally binding proposals submitted by several PE Funds.

(b) Sufficient measures were taken by the Company to ensure the fairness of the transaction terms for the Transaction, including the Tender Offer Price, set forth in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer", and with the Special Committee's involvement, reasonable efforts were made with the aim of carrying out the Transaction on transaction terms that are as favorable as possible to minority shareholders.

(c) The Tender Offer Price exceeds the range of valuation of the Company Shares by SMBC Nikko Securities using the market price method (record date 2), the comparable companies method, and the discounted cash flow method ("DCF Method") in the Share Valuation Report (SMBC Nikko Securities) set forth in "[1] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" of "(3) Matters Relating to Valuation".

(d) The Tender Offer Price and other terms of the Tender Offer are, as described in "[4] Establishment of an Independent Special Committee by the Company and Procurement of a Report from the Special Committee" of "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer", deemed to be reasonable in the March 31, 2026 Report obtained from the Special Committee.

(e) Tender Offeror plans to set the purchase period for the Tender Offer ("Tender Offer Period") at 21 business days in principle (provided, however, due to the difference of holidays between Japan and the U.S., it is possible that this period will exceed 21 business days); but it is expected to take at least 6 months from the announcement of the plans to commence the Tender Offer to the actual commencement of the Tender Offer, and accordingly it can be said that opportunities are ensured for Company shareholders to properly determine whether to tender their shares in the Tender Offer, and the Company

can be said to ensure that there are opportunities for parties other than Tender Offeror to conduct a competing tender offer.

(f) In the Transaction, the amount of funds to be delivered to shareholders at the time of implementing the Share Consolidation as consideration is expected to be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares held by such shareholders (excluding Tender Offeror, Non-Tendering Shareholders and the Company), and accordingly, opportunities are secured for general shareholders to properly determine whether to tender their shares in the Tender Offer, and consideration has been given to ensure that no coercion arises.

On the other hand, the Tender Offer Price represents discounts of 5.13%, 7.32%, 8.21%, 0.23%, respectively, to the closing price of the Company Shares yesterday (5,007 yen) on the TSE Prime Market and the simple average closing prices for the most recent month (from March 1, 2026 to March 30, 2026), for the most recent three months (from December 31, 2025 to March 30, 2026), and for the most recent six months (from October 1, 2025 to March 30, 2026) (respectively, 5,125 yen, 5,175 yen and 4,761 yen). The market price of the Company Shares is (1) thought to be impacted by expectations of delisting following the Speculative Press Reports. However, as described in (c) above, it is thought that the Tender Offer Price exceeds the range of valuation of the Company Shares by SMBC Nikko Securities using the market price method (record date 1), the comparable companies method, and the DCF Method in the Share Valuation Report (SMBC Nikko Securities) set forth below in "[1] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" of "(3) Matters Relating to Valuation", and given this, the Tender Offer Price is thought to reasonably reflect the intrinsic value of the Company Shares, and accordingly, it is possible to view that the Tender Offer Price is not necessarily disadvantageous to general shareholders of the Company. However, because, as stated above, given that the Tender Offer Price represents a certain discount to the closing price yesterday and to the simple average closing prices for the most recent month, for the most recent past three months, and for the most recent past six months, taking all of the above (a) through (f) into account, as of the current point in time, it cannot be said that the Tender Offer has reached a level where the Company can recommend to its shareholders that they tender their shares in the Tender Offer, as of the current point in time, the Company has concluded that it is appropriate to take a neutral stance on whether to recommend shareholders to tender their shares in the Tender Offer and leave the ultimate decision on whether to tender their shares to the shareholders.

Thus, at the Company Board of Directors meeting held today, the Company resolved to express, as the Company's opinion as of the current point in time, in the event that the Tender Offer is commenced, an opinion in support of the Tender Offer and to leave to the judgment of Company shareholders the matter of whether to tender their shares in the Tender Offer.

If the Conditions Precedent are satisfied or waived by Tender Offeror, Tender Offeror plans to commence the Tender Offer promptly. As of today, Tender Offeror aims to commence the Tender Offer around early October 2026 , but the screening by the authority may take a long time. Thus, it is difficult to accurately predict the period of time necessary for procedures etc. with the domestic and foreign authorities that are in charge of Clearance procedures; accordingly, Tender Offeror will announce the details of the Tender Offer schedule as soon as they are decided.

For this reason, at the above Board of Directors meeting, the Company resolved to ask the Special Committee, when the Tender Offer commences, to consider whether or not their opinion in the March 31, 2026 Report has changed, and if there were no changes to the previous opinion, to tell that to the Company's Board of Directors, and if there were changes, to tell the Company's Board of Directors the changed opinion; the Company also resolved to take into account such opinion of the Special Committee, and at the time the Tender Offer commences, to again express an opinion regarding the Tender Offer. As discussed above, the Company believes that the pricing of Company Shares following the Speculative Press Reports was not necessarily appropriate and did not properly reflect the Company's intrinsic value; given that the delisting of Company Shares through the Transaction including the Tender Offer will contribute to enhancement of the Company's corporate value and that the Tender Offer Price is an appropriate price that can be

reasonably applauded as appropriately reflecting the intrinsic value of the Company, in the case where, as a result of accurate information relating to the Transaction being sufficiently and appropriately provided to the market through the Tender Offeror Press Release and this Press Release, at the point in time the Tender Offer commences, the situation where the Tender Offer Price represents a certain discount to the Company Share price is resolved and circumstances are otherwise in place where the Company can recommend to shareholders that they tender their shares in the Tender Offer, the Company plans to respect the new opinion of the Special Committee to the utmost, and change its neutral stance as of March 31, 2026 regarding whether to recommend to Company shareholders to tender their shares, and will consider the Company's opinion including recommending that Company shareholders tender their shares in the Tender Offer.

For the method of resolution at the above Board of Directors, see below, "[7] Approval of All Directors (Including Audit & Supervisory Committee Members) Without Interests in the Company" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer".

(3) Matters Relating to Valuation

[1] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company

(i) Name of the Valuation Institution and Its Relationship with the Company and Tender Offeror

When expressing its opinion on the Tender Offer, in order to ensure the fairness of decision-making regarding the Tender Offer Price presented by Tender Offeror, the Company requested that its financial advisor SMBC Nikko Securities, as a third-party valuation institution independent of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders and the Company, calculate the share value of the Company Shares, and received the Share Valuation Report (SMBC Nikko Securities) dated March 30, 2026. The Company determined that the Company and Tender Offeror have taken the measures described in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below, whereby the fairness of the Transaction has been sufficiently ensured, and thus the Company has not obtained an opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from SMBC Nikko Securities.

SMBC Nikko Securities is not a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders or the Company and has no material interests in the Tender Offer. The fees paid to SMBC Nikko Securities include contingency fees to be paid subject to the successful completion of the Transaction. However, considering general business customs in similar transactions as well as the appropriateness of a fee structure where, even if the Transaction is not successfully completed, the Company will have a commensurate financial burden, the Company determined that including such contingency fees would not jeopardize the independence of SMBC Nikko Securities.

At the second meeting of the Special Committee, held on April 7, 2025, the Special Committee confirmed that there were no problems in terms of the independence or expertise of SMBC Nikko Securities and approved SMBC Nikko Securities as the Company's financial advisor and third-party valuation institution.

(ii) Overview of Valuation of Company Shares

After considering which of the multiple valuation methods to use in calculating the Company's share value, and based on the thinking that it was appropriate to make a multi-faceted valuation of the Company Shares, SMBC Nikko Securities used the following valuation methods in its valuation of the Company Shares: the market price method because the Company Shares are listed on the TSE Prime Market and a market price exists; the comparable companies method because there are several listed companies comparable to the Company and it is possible to estimate the value of the Company Shares through the comparable companies method; and the DCF Method in order to reflect the status of future business activities in the valuation. The ranges of the per-share value of the Company Shares calculated using the above valuation methods are as follows:

Market price method (Record Date 1):	4,761 yen to 5,175 yen
Market price method (Record Date 2):	2,187 yen to 2,551 yen
Comparable companies method:	2,064 yen to 3,145 yen
DCF Method:	2,633 yen to 4,008 yen

In the valuation using the market price method, [i] with the record date of the valuation set on March 30, 2026 ("Record Date 1"), the per-share value of the Company Shares was calculated to range from 4,761 yen to 5,175 yen, based on the following prices of the Company Shares on the TSE Prime Market: the closing price of the Company Shares on the TSE Prime Market on the record date (5,007 yen); the simple average closing price for the one month up to such date (5,125 yen); the simple average closing price for the three months up to such date (5,175 yen); and the simple average closing price for the six months up to such date (4,761 yen), and [ii] with the record date of the valuation set on May 27, 2025 ("Record Date 2"), a time when it can be assumed that the market price of the Company Shares was not affected by the Speculative Press Reports regarding the privatization of the Company, and the per-share value of the Company Shares was calculated to range from 2,187 yen to 2,551 yen, based on the following prices of the Company Shares on the TSE Prime Market: the closing price of the Company Shares on the TSE Prime Market on the record date (2,615 yen); the simple average closing price for the one month up to such date (2,551 yen); the simple average closing price for the three months up to such date (2,325 yen); and the simple average closing price for the six months up to such date (2,187 yen).

In the valuation using the comparable companies method, by comparing financial indicators such as market prices and profitability of listed companies engaged in businesses relatively similar to that of the Company, the per-share value of the Company Shares was calculated to range from 2,064 yen to 3,145 yen.

In the valuation using the DCF Method, taking into account such factors as the business plan prepared by the Company for the six fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2031 (the "Business Plan"), recent performance trends, and publicly disclosed information, the free cash flow expected to be generated by the Company was discounted to present value using a certain discount rate, the Company's enterprise value and share value were analyzed, and the per-share value of the Company Shares was calculated to range from 2,633 yen to 4,008 yen.

In addition, regarding the Business Plan prepared by the Company, based on the previously disclosed Medium-term Management Plan, the Special Committee has confirmed that segment-specific growth strategies that take into account differences in business environment and growth potential are reflected, the numerical forecasts in the Business Plan were appropriately revised in light of recent performance, and there were no significant differences in key KPIs or estimation methods when compared to the Medium-term Management Plan, and therefore the Business Plan is reasonable.

The Business Plan used by SMBC Nikko Securities for the valuation by the DCF Method does not include any fiscal years in which a significant year-over-year increase or decrease in income is expected, but does include fiscal years in which substantial fluctuations in free cash flow are expected. Specifically, in the fiscal year ending March 2027, because of large-scale capital investment in domestic business sites in the electronics business, a significant year-over-year decrease (8,907 million yen) is expected, and in the fiscal year ending March 2028, because of decrease in the amount of capital investment in the preceding year, a significant year-over-year increase (11,494 million yen) is expected. Further, as the Business Plan does not assume that the Tender Offer will be implemented, the synergy effects expected to be realized through the Tender Offer are not factored into the Business Plan.

(Note) In preparing the Company's Share Valuation Report (SMBC Nikko Securities), SMBC Nikko Securities has assumed that all materials and information on which it is based are accurate and complete, has not independently carried out any verification of such accuracy and completeness, bears no obligation or responsibility for such verification, and assumes that the Company is not aware of any fact or circumstance that would render any provided information to be inaccurate or misleading. In addition, it has not independently evaluated, appraised or assessed, nor has it requested a third-party valuation institution to

evaluate, appraise or assess, the assets or liabilities of the Company Group. If any problem is found with the accuracy or completeness of these materials and information, the calculation results may differ significantly. Furthermore, it is assumed that there are no undisclosed lawsuits, disputes, environmental or tax claims or other contingent or off-balance-sheet liabilities relating to the Company Group, or other facts which would have a material impact on the Share Valuation Report (SMBC Nikko Securities). The Business Plan provided to SMBC Nikko Securities and other forward-looking information which are used by SMBC Nikko Securities in the Share Valuation Report (SMBC Nikko Securities) are assumed to have been prepared by the Company in accordance with reasonable and proper procedures based on the best projections and determinations as of the record date of the valuation. In addition, in the Share Valuation Report (SMBC Nikko Securities), where SMBC Nikko Securities conducts analysis based on the materials and information provided to SMBC Nikko Securities and based on the assumptions provided, it is assumed that the materials, information and assumptions provided are accurate and reasonable. SMBC Nikko Securities has not independently verified the accuracy, appropriateness and feasibility of these assumptions and bears no obligation or responsibility for any such verification.

[2] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Special Committee

(i) Name of the Valuation Institution and Its Relationship with the Company and Tender Offeror

When considering the Inquired Matters, in order to ensure the fairness of the transactional terms and conditions regarding the Transaction including the Tender Offer Price, the Special Committee obtained from its financial advisor Plutus, as a third-party valuation institution independent of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders and the Company, a share valuation report regarding the share value of the Company Shares ("Share Valuation Report (Plutus)") dated March 30, 2026. The Special Committee determined that the Company and Tender Offeror have taken the measures described in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below, whereby the fairness of the Transaction has been sufficiently ensured, and thus the Special Committee has not obtained an opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Plutus.

Plutus is not a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders or the Company and has no material interests in the Tender Offer. The fees paid to Plutus in connection with the Transaction are limited to fixed fees to be paid regardless of whether the Transaction is successfully completed or not, and do not include any contingency fees to be paid subject to the successful completion etc. of the Transaction.

(ii) Overview of Valuation of Company Shares

After considering which of the multiple valuation methods to use in calculating the Company's share value, and based on the thinking that it was appropriate to make a multi-faceted valuation of the Company Shares, Plutus used the following valuation methods to conduct the valuation of the Company Shares: the market price method because the Company Shares are listed on the TSE Prime Market and a market price exists; the comparable companies method because there are similar listed companies comparable to the Company and it is possible to estimate the value of the Company Shares through comparison with similar listed companies; and the DCF Method in order to reflect the status of future business activities in the valuation. Regarding the market price method, on May 27, 2025, some news media published reports on the Company moving forward with procedures for privatization, the price of Company Shares surged the day after such date, and has continued to rise until the current point in time since then. Subsequently, the price has also shown movements different from those of similar listed companies whenever similar speculation report was published. Thus, it is difficult to place full trust in the objectivity of the market price, and therefore, it is presented only as reference information.

Market price method: 4,761 yen to 5,175 yen

Comparable companies method: 2,959 yen to 3,978 yen
DCF Method: 3,355 yen to 4,641 yen

In the valuation using the market price method which is presented as reference information, with the record date of the valuation set at March 30, 2026, the per-share value of the Company Shares was calculated to range from 4,761 yen to 5,175 yen, based on the following prices of the Company Shares on the TSE Prime Market: the closing price of the Company Shares on the TSE Prime Market on the record date (5,007 yen); the simple average closing price for the one month up to such date (5,125 yen); the simple average closing price for the three months up to such date (5,175 yen); and the simple average closing price for the six months up to such date (4,761 yen).

In the valuation using the comparable companies method, by comparing financial indicators such as market prices and profitability of listed companies engaged in businesses relatively similar to that of the Company, the per-share value of the Company Shares was calculated to range from 2,959 yen to 3,978 yen.

In the valuation using the DCF Method, based on the Business Plan prepared by the Company and taking into account such factors as the profits forecast and investment plans set out in the business plan for the six fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2031 and publicly disclosed information, the free cash flow expected to be generated by the Company during or after the fiscal year ending March 2026 was discounted at a certain discount rate to present value, the enterprise value and the share value of the Company were analyzed, and the per-share value of the Company Shares was calculated to range from 3,355 yen to 4,641 yen.

The Business Plan used by Plutus for the calculation by the DCF Method does not include any fiscal years in which a significant year-over-year increase or decrease in income is expected, but does include fiscal years in which substantial fluctuations in free cash flow are expected. Specifically, in the fiscal year ending March 2027, because of large-scale capital investment in domestic business sites in the electronics business, a significant year-over-year decrease (8,924 million yen) is expected, and in the fiscal year ending March 2028, because of decrease in the amount of capital investment in the preceding year, a significant year-over-year increase (11,562 million yen) is expected.

Further, as the Business Plan does not assume that the Tender Offer will be implemented, the synergy effects expected to be realized through the Tender Offer are not factored into the Business Plan.

(Note) In calculating the value of Company Shares, Plutus has in principle used as-is all information provided by the Company and public information and has assumed that such materials and information are all accurate and complete, and Plutus has not independently carried out any verification of such accuracy or completeness. It has not independently evaluated, appraised or assessed, nor has it requested a third-party valuation institution to evaluate, appraise or assess, the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company. In addition, it is assumed that the information regarding the Company's financial projections has been reasonably prepared based on the best projections and judgments available at the time of valuation by the Company's management (limited to those independent from Tender Offeror). However, Plutus has conducted multiple interviews to analyze and review the contents of the Business Plan, which was used as the basis for the valuation. Regarding the Business Plan prepared by the Company, based on the previously disclosed Medium-term Management Plan, the Special Committee has confirmed that segment-specific growth strategies that take into account differences in business environment and growth potential are reflected, the numerical forecasts in the Business Plan were appropriately revised in light of recent performance, and there were no significant differences in key KPIs or estimation methods when compared to the Medium-term Management Plan, and therefore the Business Plan is reasonable.

(4) Prospects for Delisting and Reasons Therefor

As of today, the Company Shares are listed on the TSE Prime Market; because Tender Offeror has not set an upper limit to the number of shares planned for purchase in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may, pursuant to the delisting standards of the TSE, be delisted following certain procedures.

Further, even if such standards do not apply as of the time of successful completion of the Tender Offer, after successful completion of the Tender Offer, Tender Offeror plans to implement the Squeeze-Out Procedures discussed below in "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)"; if these procedures are implemented, pursuant to the delisting standards of the TSE, the Company Shares will be delisted following certain procedures. After delisting, it will not be possible to trade Company Shares on the TSE.

(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)

As set forth above in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", if Tender Offeror is unable to acquire all Company Shares through the Tender Offer, following the successful completion of the Tender Offer, Tender Offeror plans to implement the Squeeze-Out Procedures in the manner set forth below.

Specifically, promptly after completion of settlement of the Tender Offer, Tender Offeror plans to request that the Company hold an Extraordinary General Shareholders Meeting ("Extraordinary General Shareholders Meeting") that includes on its agenda proposals (i) to carry out a share consolidation of Company Shares pursuant to Article 180 of the Companies Act ("Share Consolidation") and (ii) subject to the Share Consolidation coming into effect, to make partial amendment of the articles of incorporation, eliminating the provisions for number of shares in one unit. From the viewpoint of enhancement of the Company's corporate value, Tender Offeror wishes to hold the Extraordinary General Shareholders Meeting as soon as possible and plans to request that the Company give public notice of the record date for the Extraordinary General Shareholders Meeting during the Tender Offer Period, so that a day soon after commencement of the settlement of the Tender Offer becomes such record date. The date on which the Extraordinary General Shareholders Meeting will be held is undecided at present, but if the Tender Offer is commenced by early October 2026, the Extraordinary General Shareholders Meeting will be held in late December 2026. If Tender Offeror makes such a request, the Company plans to comply. Tender Offeror and the Non-Tendering Shareholders plan to support the above proposals at the Extraordinary General Shareholders Meeting.

If the Share Consolidation proposal is approved at the Extraordinary General Shareholders Meeting, on the day the Squeeze-Out Procedures take effect ("Squeeze-Out Effective Date"), Company shareholders will come to treasury shares in a number adjusted according to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If in this case the Share Consolidation causes a fractional share of less than one share to arise in the number of shares a shareholder owns, in accordance with Article 235 of the Companies Act and other relevant laws and regulations, Company shareholders owning such fractional shares will receive the cash proceeds from the sale to the Company or Tender Offeror of Company Shares in a number corresponding to the sum total of such fractions (if there are any fractional shares less than one share in the sum total, such fraction will be discarded; hereinafter the same). Regarding the sales price for the Company Shares corresponding to the sum total of such fractions, Tender Offeror plans to ask the Company to first calculate such price so that the amount of money delivered as a result of such sale to Company shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders) will be the same as the price obtained by multiplying the number of Company Shares each such shareholder had possessed by the Tender Offer Price, and then to petition the court for permission to make voluntary sale. Further, while the ratio of consolidation for Company Shares is undecided as of today, Tender Offeror plans to ask the Company to decide such ratio so that the number of Company Shares owned by any Company shareholder who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders) is a fractional share of less than one share, so that only Tender Offeror and the Non-Tendering Shareholders will own any Company Shares. If the Tender Offer is successfully completed, the Company plans to comply with these requests of Tender Offeror. However, if after the Tender Offer, a shareholder (excluding Tender Offeror and the Non-Tendering Shareholders) owning Company Shares in a number equal to or more than the number of Company Shares owned by any Non-Tendering Party exists or is expected to arise, Tender Offer plans to hold discussions with Non-Tendering Shareholders, so as to realize the capital relationships illustrated in the "Transaction Structure Diagrams" of "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer" above, and have Non-Tendering Shareholders lend Company Shares to Tender Offeror for no

compensation or take other necessary measures.

As provisions under the Companies Act with the purpose of protecting the interests of general shareholders in regards to a share consolidation, the Companies Act specifies that in the case where a share consolidation is carried out and fractions of less than one share arise through such share consolidation, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, Company shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders) can demand that the Company purchase all shares they possess that are fractions of less than one share at a fair price and can petition the court to decide the price of Company Shares. As discussed above, in the Share Consolidation, it is planned to have the number of Company Shares owned by all Company shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders) be a fraction of less than one share; accordingly, Company shareholders (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders) who oppose the Share Consolidation will be able to demand purchase of their shares and petition for a share price decision, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If the above petition is made, the acquisition price will ultimately be decided by the court.

The amount of time needed for the above procedures, as well as the method of their implementation and the timing, may change because of revision, enforcement, or interpretation by authorities of related laws and regulations. Nevertheless, even in this case, if the Tender Offer is successfully completed, it is planned to employ a method where ultimately cash will be delivered to Company shareholders who did not tender their shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders), and it is planned to make calculations so that the amount of cash that will be delivered to such shareholders of the Company will be the same as the price obtained by multiplying the number of Company Shares that each such Company shareholder had owned by the Tender Offer Price.

Tender Offeror and the Company will discuss the specific procedures in the above case and the implementation timing, and when a decision is made, the Company plans to promptly make announcement.

Regarding Transfer-Restricted Shares, under the allotment agreement, in the event that during the transfer-restricted period, an act is executed that involves the change of the Company's controlling shareholder (limited to a case where there is a person who will become the new controlling shareholder of the Company) (such acts including, without limitation, the issue of offered shares by the Company or a tender offer for the Company's share certificates etc., resulting in a change of the Company's controlling shareholder; "Act Changing Controlling Shareholder") (limited to a case where the day on which such change of Company's controlling shareholder takes place ("Controlling Shareholder Change Date") arrives before the expiration of the transfer-restricted period), by Board of Directors resolution, as of the time immediately before the business day preceding the Controlling Shareholder Change Date, the transfer restrictions will be lifted for all Transfer-Restricted Shares that grantees possess as of such date. However, regarding any Transfer-Restricted Shares that are transfer-restricted stock compensation, (a) if during the distribution eligibility period (from the day of the regular general shareholders meeting immediately before the day of the Board of Directors resolution pertaining to the allotment of Transfer-Restricted Shares to the day immediately before the day of the regular general shareholders meeting in the following year), an Act Changing Controlling Shareholder is undertaken, the transfer restrictions will be lifted for Transfer-Restricted Shares in the number obtained by multiplying (x) the number of Transfer-Restricted Shares a grantee has on the Controlling Shareholder Change Date by (y) the number obtained by dividing the number of months from the month that includes the day of the regular general shareholders meeting immediately before the day of the Board of Directors resolution pertaining to the allotment of Transfer-Restricted Shares until the month containing the Controlling Shareholder Change Date (any fraction of less than one share that arises will be discarded) divided by 12, and (b) in a case where (a) applies, as of the Controlling Shareholder Change Date, the Company will automatically acquire without consideration all Transfer-Restricted Shares owned by the grantee as of such day for which the transfer restrictions have not been lifted. In the Squeeze-Out Procedures, in accordance with the above procedures, those Transfer-Restricted Shares granted as transfer-restricted stock compensation for which the transfer restrictions have not been lifted will be subject to the Squeeze-Out Procedures.

The Tender Offer is not a solicitation for the approval of Company shareholders at the Extraordinary General Shareholders Meeting. Regarding the handling of tax matters in the tender of shares in the Tender Office or in the

foregoing procedures, Company shareholders should consult with tax professionals at their own responsibility.

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

As of today, the Company is not a subsidiary of Tender Offeror and the Tender Offer does not fall under the category of a tender offer by a controlling shareholder. Further, it is not planned for all or a portion of the Company's management team to invest in Tender Offeror, either directly or indirectly, and thus the Transaction including the Tender Offer does not fall under the category of a so-called management buyout. Considering that the purpose of the Tender Offer is for Tender Offeror to take the Company private and Tender Offeror has executed the Oasis Tender Agreement with Oasis and the Non-Tender Agreements with the Non-Tendering Shareholders and that the Company plans to buy back the Company Shares owned by the Non-Tendering Shareholders in the Share Buyback, that the Kowa Reinvestment is planned, and that therefore it is possible that the interests of Oasis and the Non-Tendering Shareholders may not necessarily match those of minority shareholders of the Company, the Company and Tender Offeror have executed the following types of measures from the perspective of ensuring the fairness of the Tender Offer Price, eliminating any arbitrariness from the decision-making process leading to the decision to implement that Transaction, ensuring the fairness, transparency and objectivity of the Transaction, and avoiding conflicts of interest. The description below of measures implemented by Tender Offeror are based on explanations received from Tender Offeror.

Because the sum total of the 17,384,460 Oasis-Owned Company Shares (Ownership Ratio: 15.62%) and the 29,536,400 Shares Not Planned to be Tendered (Ownership Ratio: 26.54%) will be 46,920,860 shares (Ownership Ratio: 42.17%), if in the Tender Offer a lower limit of shares planned for purchase constituting a so-called "majority of minority" were to be set, there is the possibility that this may render the successful completion of the Tender Offer uncertain and may not actually be in the interests of general shareholders who wish to tender their shares in the Tender Offer, and for that reason a lower limit of shares planned for purchase constituting a so-called "majority of minority" has not been set; because Tender Offeror and the Company have taken the measures set forth below, Tender Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders and the Company has made the same determination.

[1] Receipt and Consideration of Proposals from Multiple Purchaser Candidates

As discussed above in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", in order to compare and consider all options for maximizing the Company's corporate value and shareholder interests, the Company six business companies and ten PE Funds and carried out the Initial Proposal Request Process, and in late September 2025, the Company received from seven PE Funds, including KKR, proposals for Delisting Measures and nonbinding letters of intent relating to the Measures for Maintaining Listing. The Company and the Special Committee then carefully compared and considered the proposals and as a result, concluded that it would be desirable to implement the Final Proposal Request Process, where two PE Funds that proposed delisting measures, including KKR, would be invited to the final proposal process and an opportunity to conduct more detailed due diligence would be provided. In early October 2025, the Final Proposal Request Process commenced, and following full-scale due diligence, visits to the Company business locations in and outside of Japan, and interviews with the Company's senior management, in early December 2025, the Company received from all Final Proposal Request Process Candidates legally binding final proposals contingent upon the implementation of the Delisting Measures.

Subsequently, taking into account the advice from Nishimura & Asahi, the Company's legal advisor, and SMBC Nikko Securities, the Company's financial advisor, as well as the opinions of the Special Committee, the Company concluded that KKR's final proposal relating to the Delisting Measures was superior to those of the other Final Proposal Request Process candidates, and thus concluded that KKR had the best proposal among the Final Proposal Request Process candidates. Among the Final Proposal Request Process candidates that submitted a legally binding proposal, there were none that presented conditions for the Tender Offer Price that were more favorable to Company shareholders than the conditions presented by KKR.

[2] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company

As discussed above in "[1] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" in "(3) Matters Relating to Valuation", in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by Tender Offeror, the Company procured the Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities, a third-party valuation institution independent from Tender, Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders, and the Company, as of March 30, 2026.

For an overview of the Share Valuation Report (SMBC Nikko Securities), see above, "(ii) Overview of Valuation of Company Shares" in "[1] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" in "(3) Matters Relating to Valuation".

[3] Advice for the Company from an Independent Law Firm

In order to ensure the fairness, objectivity and reasonableness of the decision-making process regarding the expression of opinion relating to the Tender Offer, the Company selected Nishimura & Asahi as its outside legal advisor and received the necessary legal advice from Nishimura & Asahi regarding the expression of opinion and decision-making method relating to the Tender Offer and points to keep in mind in the decision-making relating to the Tender Offer. Nishimura & Asahi is not a related person of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders, or the Company, and has no material interests in the Transaction. The Special Committee confirmed that there were no problems regarding Nishimura & Asahi's independence and approved its selection as the Company's legal advisor. The compensation paid to Nishimura & Asahi does not depend on the success or failure of the Transaction and is calculated by multiplying the number of hours worked by an hourly fee, and thus does not include a contingency fee that would be paid subject to successful completion of the Transaction.

At the second meeting of the Special Committee, held on April 7, 2025, the Special Committee confirmed that there were no problems in terms of the independence or expertise of Nishimura & Asahi and approved Nishimura & Asahi as the Company's legal advisor.

[4] Establishment of an Independent Special Committee by the Company and Procurement of a Report from the Special Committee

(i) Course of Establishment etc.

As described in above "(i) The Building of a Consideration System" in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", after receiving non-binding letters of intent relating to the Delisting Measures, including transaction scheme and acquisition price, from several PE Funds, including KKR, and in light of the Guidelines for Corporate Takeovers, the Company determined it was necessary to conduct diligent consideration while ensuring the fairness and transparency of the consideration process, and thus, at the Company's Board of Directors meeting on March 12, 2025, approved the creation of a Special Committee composed of four members, Ms. Keiko Tsuchiya (Independent Outside Board Director of the Company), Ms. Ikumi Sato (Independent Outside Board Director of the Company), Mr. Hidenori Sugiura (Independent Outside Board Director of the Company) and Mr. Masayuki Hizume (outside expert; when the Special Committee was first established, in accordance with the Guidelines for Corporate Takeovers, as a skill matrix of members of the Special Committee, Mr. Masayuki Hizume, who possessed extensive practical experience as a certified public accountant, has previously served as an outside officer of the Company, and has a certain understanding of the Company's business operations, was appointed as an outside expert to the Special Committee. Subsequently, at the annual general shareholders meeting held in June 2025, Ms. Misae Maruyama, who possessed extensive practical experience as a certified public accountant, was appointed as an Outside Director of the Company. With the skill matrix now fulfilled by comprising the Special Committee solely of the Company's Outside Directors, Mr. Masayuki Hizume resigned as a Special Committee member for personal reasons on July 2, 2025) (the Company additionally

appointed Ms. Misae Maruyama (Independent Outside Board Director of the Company), who was appointed outside director of the Company on June 21, 2025, as a Special Committee member as of June 25, 2025; the five-member special committee including Ms. Misae Maruyama following such additional appointment and the four-member special committee excluding Mr. Masayuki Hizume following the resignation of Mr. Masayuki Hizume are hereinafter referred to as "Special Committee"). On March 21, 2025, through election among themselves, the members of the Special Committee elected Ms. Keiko Tsuchiya as Chair of the Special Committee, but in light of her work load, on April 21, 2025, the Chair of the Special Committee was changed to Ms. Ikumi Sato.

The Company engaged the Special Committee to (1) deliberate the reasonableness, including the feasibility, of each of (a) corporate value-enhancing measures premised on maintaining the listing of the Company Shares and (b) corporate value-enhancing measures premised on delisting the Company Shares; (2) compare and consider, from the perspective of ensuring or enhancing the Company's corporate value and by extension, the common interests of its shareholders, (a) corporate value-enhancing measures premised on maintaining the listing of the Company Shares and (b) corporate value-enhancing measures premised on delisting the Company Shares, and consider desirable measures; (3) in a case where (b) corporate value-enhancing measures premised on delisting the Company Shares are deemed more desirable than (a) corporate value-enhancing measures premised on maintaining the listing of the Company Shares, carry out comparison and consideration, including an examination from the perspective of the legitimacy and reasonableness of the purpose of the delisting proposals, the fairness and appropriateness of the transaction terms, and the fairness of the procedures, and make a proposal or recommendation to the Company's Board of Directors as to whether the Board of Directors should approve proposals concerning delisting measures (collectively, "Inquired Matters"), and additionally, it was decided that the Company's Board of Directors would give maximum respect to the Special Committee's determinations regarding the Inquired Matters above in making its own decisions on such matters, and that the Special Committee would be authorized (i) to nominate or approve (including after-the-fact approval of) the Company's financial advisor, third-party valuation institution, legal advisor, and other advisors ("Advisors"), (ii) to appoint Advisors to the Special Committee (with the Company to bear any reasonable expense pertaining to the expert advice of the Special Committee's Advisors), (iii) to request that a Company director, employee, or other person the Special Committee finds to be necessary appear before the Special Committee and to request explanations of necessary information of any such person, and (iv) regardless of whether it is corporate value enhancement measures premised on maintaining listing or corporate value enhancement measures premised on delisting, including the assorted delisting proposals, to make advance confirmation of policy and receive timely reports regarding the discussion and negotiation processes with acquisition proposers and other related persons, and where necessary, to state opinions and make requests at important stages of such processes. Further, given the need to consider the Capital Measures with sufficient consideration to the interests of the Company's minority shareholders, in early July 2025, the Special Committee engaged Plutus as its own financial advisor and third-party calculation institution, and LBX Law Office as legal advisor.

The members of the Special Committee are to be paid a fixed fee as compensation for their duties regardless of their recommendations, and such compensation does not include any fee contingent upon completion of the Transaction.

(ii) Course of Consideration

The Special Committee had 37 meetings in total, from March 21, 2025 through March 30, 2026 and performed its duty pertaining to Inquired Matters by reporting, sharing information, deliberating and making decisions. In addition to the meeting dates, the committee members made reports, shared information, deliberated and made decisions via email etc. from time to time, and the Special Committee, and Plutus and LBX Law Office had meetings, as necessary, without presence of the Company's officers and employees involved in business execution, to discuss the Inquired Matters.

The Special Committee confirmed that there were no problems in terms of the independence and expertise of SMBC Nikko Securities, the Company's financial advisor and third-party valuation institution, and approved the

appointment of SMBC Nikko Securities, and also confirmed that Nishimura & Asahi, the Company's legal advisor, does not fall under a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders or the Company, and has no material interests in the Transaction including the Tender Offer, and approved the appointment of Nishimura & Asahi. The Special Committee also confirmed that there were no problems in terms of the independence and expertise of Plutus, and appointed Plutus as the Special Committee's financial advisor and third-party valuation institution, and also confirmed that LBX Law Office, the Special Committee's legal advisor, does not fall under a related party of Tender Offeror or the Company, and has no material interests in the Transaction including the Tender Offer, and appointed LBX Law Office. Further, as described below in "[8] The Building of an Independent Consideration System at the Company", the Special Committee confirmed that there were no problems in the inhouse consideration system (including the scope and duties of the Company's officers and employees engaging in consideration, negotiations and determinations pertaining to the Transaction) established by the Company in terms of independence and integrity.

The Special Committee received explanations from the Company on the purpose and significance of the Transaction, the assessment of added value which cannot be realized only with the Company's managerial resources or unique strategies, a possibility of damage to the corporate value by the emergence of risks of technical information and brain drain which may occur to the Company as a result of the Delisting Measures, had question-and-answer sessions about these points, as well as submitted questions to and had question-and-answer sessions with related parties of Tender Offeror in interviews or in writing about the purpose and background of the Transaction, the post-Transaction managerial policy, countermeasures against dyssynergies which may occur to the Company as a result of the Delisting Measures, and other matters.

As described in "[2] Procurement by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution of the Special Committee" in "(3) Matters Relating to Valuation" above, the Special Committee received explanations from Plutus and SMBC Nikko Securities on the calculation methods for calculating the Company's share value used by each company, the reason for adopting said calculation methods, calculation details of and important assumptions for each calculation method, and the like, had question-and-answer sessions, deliberated and considered these matters, and confirmed the reasonableness of these matters.

Additionally, the Special Committee received reports from the Company and SMBC Nikko Securities from time to time on negotiations between the Company and Tender Offeror, deliberated and considered, and provided required opinions on the Company's negotiation policy as appropriate. Specifically, as soon as a proposal for the Tender Offer Price was received from Tender Offeror, the Special Committee was informed of each proposal, and after it received analyses and opinions from SMBC Nikko Securities and Plutus on response policies, policies for negotiating with Tender Offeror, and other matters, gave consideration in view of Plutus's advice from a financial standpoint and LBX Law Office's advice from a legal standpoint. Then, the Special Committee was substantially involved in the process for consultation and negotiation of the Transaction terms including the Tender Offer Price between the Company and Tender Offeror, by providing the Company with opinions, instructions and requests relating to matters to be discussed with Tender Offeror to achieve the meaning and purpose of the Transaction as the Company.

(iii) Overview of March 31, 2026 Report

In the process above, as a result of repeated careful consideration and consultations on the Inquired Matters in view of LBX Law Office's legal advice, Plutus' advice, and the Share Valuation Report (SMBC Nikko Securities) and the Share Valuation Report (Plutus) submitted on March 30, 2026, on that same day, the Special Committee submitted to the Company Board of Directors the March 31, 2026 report unanimously approved and substantially as follows.

(a) Contents of the Report

1. The Transaction assumes that the Delisting Measures will be implemented, and it can be evaluated that such measures will contribute to resolution of the current challenges of the Company of which the Special Committee

is aware and are more desirable than the Measures for Maintaining Listing from the perspective of enhancing the Company's corporate value and pursuing the interests of general shareholders. Given that, the Committee considers that the purpose of the Transaction is reasonable and justifiable on the grounds that the Transaction will contribute to enhancement of the Company's corporate value.

2. Given that the Tender Offer Price is below the closing price of the Company Shares on the TSE Prime Market on March 30, 2026, the business day preceding the date of announcement of the Tender Offer, and the simple average closing prices for the one month up to such date, for the three months up to such date, and for the six months up to such date, the Tender Offer Price, the Share Buyback Price, and the Transaction scheme and other transaction terms cannot be said at a level where the Company can recommend its shareholders to tender their shares in the Tender Offer, but because such prices (i) exceed the valuation range in the share valuation results by Plutus under the comparable companies method and the DCF method, and (ii) exceed the valuation range in the share valuation results by SMBC Nikko Securities under the market price method (Record Date 2), the comparable companies method and the DCF Method, such transaction terms cannot be said to be unreasonable. Therefore, the requirement is fulfilled of having the appropriateness necessary for the Company to decide to express an opinion in support of the Tender Offer and to leave to the judgment of Company shareholders the matter of whether to tender their shares in the Tender Offer has been fulfilled.
3. The procedures pertaining to the Transaction are fair.
4. Although the Tender Offer Price is not found to be at a level where the Company can recommend to its shareholders that they tender their shares in the Tender Offer, given 1. through 3. above, the Transaction including the Tender Offer is not unfair to the minority shareholders of the Company.

(b) Reasons behind the Report

A. Inquired Matters [1] and [2]

The Transaction is premised upon implementation of that the Delisting Measures, and it can be evaluated that such measures will contribute to resolution of the current challenges facing the Company of which the Committee is aware as described in (a) below and are more desirable than the Measures for Maintaining Listing from the perspective of enhancing the Company's corporate value and pursuing the interests of general shareholders. Given that, in consideration of all of (a) through (d), as a whole the Committee considers the purpose of the Transaction to be reasonable and justifiable, as the Transaction will contribute to enhancement of the Company's corporate value.

(a) Challenges currently faced by the Company as understood by the Committee

The Special Committee is aware that in understanding the Company's managerial environment, it is important to keep in mind first and foremost that in the Company's shareholder composition, there are multiple shareholders having a certain shareholding ratio. The Special Committee is aware that, based on the experience of its members as outside directors of the Company, efforts have been made to establish management control functions and internal control systems within the Company. On the other hand, given the current social climate in which corporate governance requirements for group companies are becoming increasingly stringent, and particularly as a listed company, the Company is aware that further development and strengthening of management control functions and internal control systems are required in order to secure stable profitability and achieve autonomous and sustainable growth in the future. Therefore, the Company is aware that a key task is to focus the Company's human and organizational resources on these critical areas. Although the Special Committee believes that the presence of such major shareholders forms an important support base for the Company, it is expected that there may be occasions where the Company's approach to managerial policy is not aligned with that of such shareholders; accordingly, the Company may occasionally be required to have talks and exchange opinions with its shareholders when it considers and implements important managerial measures. In doing so, a certain part of the management team and inhouse human and organizational resources will have to be diverted to engage with shareholders, and this can have a certain impact on growth investments

made from a medium-to-long-term perspective, and initiatives to have in place and strengthen business management functions and internal control systems. In particular, amid drastic changes in the business environment surrounding the Company Group, it is required that investment in technical development that anticipates market needs, optimization of business portfolios, and expansion of human capital be agilely executed, but at the same time, the Special Committee believes that circumstances where careful decision-making process is required in light of the characteristics of shareholder composition, and a business management system and an internal control system to be established and strengthened may have certain impact from the perspective of agile management. Therefore, the Special Committee believes that for the purpose of ensuring stable earning power and realizing autonomous and continuous growth going forward, it is important that the Company focus its human and organizational resources in key areas, and establish a system in which managerial resources can be devoted to growth investment from a medium-to-long-term viewpoint, and on having in place and strengthening business management functions and internal control systems.

(b) KKR's understanding of or thinking on the Transaction

According to KKR, as a result of the Delisting Measures through the Transaction, the Company, which in the electronics business has molecular design and formulation design capabilities that can meet the PCB requirements for individual customers; the medical and pharmaceuticals business has a system for contract manufacturing of investigational drugs and regenerative medicine-related products; and has human resources and a stable customer base, and KKR, which has ample experience of investing in the electronics segment, customer relations through data center investments, and a global network will collaborate as strategic partners, making it possible to accelerate the Company's growth, and after the Transaction, KKR will aim to further grow the Company and enhance the corporate value through promotion of both organic and inorganic growth strategies utilizing its human and capital resources, know-how and network, while cooperating with the Company's officers. KKR will also discuss with the Company's management team on managerial policies and business strategies, and consider implementing measures for sales growth and revenue improvement. KKR assumes that the employment and compensation levels of the Company's employees after the Transaction will be maintained, and will grant the Company's management team a certain managerial authority, respecting their independent business decisions.

The purpose of the Kowa Reinvestment, which will be carried out after the Share Consolidation takes effect, is that through indirect ownership of a certain percentage of Company Shares after the Transaction, Kowa, which is an asset management company of a relative of the founder of the Company and has a profound understanding of the business philosophy and culture of the Company, will provide information, the business philosophy and culture of the Company, give advice based on the business philosophy and culture of the Company, provide support for maintaining relationships with business partners, and perform other roles from the perspective of supplementing the support from KKR, thus contributing to ensuring the stability and sustainability of the Company's management and inheriting the business philosophy and culture of the Company, and to maintain and increase the corporate value by supporting smooth business operations.

(c) Company's understanding of or thinking on the Transaction

According to the Company, the Company is aware that, as effects to be expected as a result of the Transaction, (i) in the electronics business, with a firm business foundation centering on the Company's solder resists, while incorporating electronics fields where structural growth is anticipated, it will be possible to develop business through KKR's network, and the expansion of the end-use market of the Company's products and the field of business can be anticipated; (ii) in the medical and pharmaceuticals business, it is important to improve resilience against changes in systems and the market environment, and at the same time to move steadily forward with structural reform of business, and by utilizing the knowledge that KKR has accumulated through investment in the healthcare industry, it will be possible

to build a flexible business operating system; (iii) in the ICT&S business, by utilizing KKR's knowledge on growth support, it will be possible to advance technical capabilities and know-know across the group, and accelerate the creation of competitive products and services, and the Company has determined that with support from KKR, which has ample experience of investing in domestic and overseas companies, as well as knowledge and networks, the Company's business strategies will be further strongly promoted, making the medium-to-long-term enhancement of the Company's corporate value more feasible.

Additionally, the Company considers that after stabilizing shareholder composition by implementing the Delisting Measures through the Transaction, assorted corporate value enhancement measures can be implemented with certainty, resulting in higher feasibility of attainment of the Medium-term Management Plan.

(d) The Special Committee's Understanding of or Opinion on the Transaction

The Special Committee received explanations from KKR on the significance and purpose of the Transaction including synergy effects to be created as a result of the Delisting Measures including the matters described in (b) above, and the post-Transaction business operation policy for the Company, and confirmed KKR's view through written question-and-answer sessions about these matters. As a result, the Special Committee has determined that nothing particularly unreasonable is found in KKR's understanding of and opinion on the Transaction.

The Special Committee also received explanations on the Company's understanding of and opinion on the Transaction including the matters described in (c) above, and confirmed the Company's view. As a result, the Special Committee has determined that nothing particularly unreasonable is found in the Company's understanding of or thinking on the Transaction.

Additionally, the Special Committee independently considered the presence or absence of dyssynergies in conjunction with the delisting of Company Shares and changes to the shareholder composition as a result of the Transaction. Specifically, delisting may have a certain impact on the social reputation and brand value that the Company has enjoyed as a listed company, and may restrict to a certain degree the flexibility of stock-based incentive measures for officers and employees. As between major business partners of the Company, it is also expected that being placed under the umbrella of KKR, a U.S.-based investment fund, through the Transaction, may have a certain impact on how such business partners view changes in the shareholder composition and business operation policy for the Company. From the perspective of hiring employees and securing talent, such changes may have a certain impact on the brand value as a listed company. However, given KKR's experience of investing in and support policy for Japanese companies, and its policy of maintaining the same managerial structure after the Transaction, the Special Committee believes that the impact above will remain within a scope fully manageable by the post-Transaction system. Comprehensively considering the above, it is determined that the dyssynergies caused by delisting and changes in the shareholder composition will not be at a level where it can be reasonably expected that the future cash flow of the Company will suffer material adverse effects, and do not override the Transaction's effect of enhancing the Company's corporate value.

Given the above, the Committee considers that the purpose of the Transaction is reasonable and justifiable on the ground that the Transaction will contribute to enhancement of the Company's corporate value.

B. Regarding Inquired Matter [3]

If (a) through (e) below are taken into account comprehensively, while the Tender Offer Price, the Share Buyback Price, the Transaction scheme and other transaction terms cannot be said to be at a level where the Company can recommend to its shareholders that they tender their shares in the Tender Offer, it also cannot be said that such transaction terms are unreasonable. Therefore, it is believed that the decision to have the Company express an opinion in support of the Tender Offer while leaving to the judgment of Company shareholders the matter of whether to tender their shares in the Tender Offer has the level of appropriateness.

(a) Tender Offer Price

The Tender Offer Price of 4,750 yen is an amount lower than the closing price for Company Shares on the TSE Prime Market on March 30, 2026, the business day prior to the date of announcement of the Tender Offer, as well as the simple average closing prices for the one month, three months, and six months up to such date; given this, the Tender Offer Price is not found to be at a level where it can be recommended to Company shareholders that they tender their shares in the Tender Offer. On the other hand, the Tender Offer Price is the highest among the prices proposed by the candidates that submitted a legally binding proposal in the Final Proposal Request Process and is a price that was agreed to following repeated serious negotiations under the substantial involvement of the Special Committee; nothing unreasonable is found in the important conditions precedent or feasibility of the Business Plan and the Business Plan is found to be sufficiently reasonable to serve as the basis for valuation of the Company Shares; the Tender Offer Price is a price that exceeds the valuation range of the valuation results under the comparable companies method and DCF Method in the share valuation results of Plutus; the Tender Offer Price is a price that exceeds the valuation range of the valuation results under the market price method (Record Date2), comparable companies method, and DCF Method in the share valuation results of SMBC Nikko Securities; and it is found that in a case where the share price for Company Shares on May 27, 2025, which is thought to be a day on which the share price for Company Shares was not impacted by the Speculative Press Reports made on the Date of the Speculative Press Reports is used as the reference, it can be said that a considerable premium exists; if the foregoing factors are taken into account comprehensively, then there is found to be a certain reasonableness in the Tender Offer Price and the Tender Offer Price is not found to be at a level where its appropriateness can be denied.

(b) Share Buyback Price

Taking into account the application of the provisions under the Corporate Tax Act for non-inclusion of deemed dividends in taxable income, the Share Buyback Price is set at an amount so that the amount of post-tax proceeds in the case where the Non-Tendering Shareholders sell their shares in the Share Buyback would be the same amount as or lower than the post-tax proceeds in the case where the Non-Tendering Shareholders tendered their shares in the Tender Offer; in addition, Tender Offeror had repeated discussions and negotiations individually with the Non-Tendering Shareholders who, on the one hand, wished to maximize the possibility of sale of the Shares Not Planned for Tender through execution of the Transaction including the Tender Offer and on the other hand wished to seek maximization of the Share Buyback Price. As a result, given (i) that the amount of the tax benefits expected for each of the Non-Tendering Shareholders will differ and (ii) from the perspective of increasing the possibility of successful completion of the Tender Offer, as the Non-Tendering Shareholders wish, the Share Buyback Price (DIC) is set at 3,614 yen and the Share Buyback Price (Kowa) is set at 3,492 yen, by restraining the Share Buyback Price and applying the funds saved to distributions to general shareholders, it is possible to seek to maximize the Tender Offer Price. Further, it is found that the Share Buyback Price does not grant undue profits to the Non-Tendering Shareholders at the expense of general shareholders.

(c) The amounts to be delivered to general shareholders in the Squeeze-Out Procedures

In the Squeeze-Out Procedures, in the case where the Tender Offer is successfully completed, it is planned to use a method where ultimately cash is delivered to shareholders who did not tender the shares in the Tender Offer (excluding Tender Offeror, the Company, and the Non-Tendering Shareholders), and it is planned that in this case, calculations will be made so that the amount of money to be delivered to each such shareholder will be the same as the price that would have been obtained if the number of Company Shares each such shareholder had held was multiplied by the Tender Offer Price. The Tender Offer Price, as discussed above in (a), has a certain reasonableness and is not at a level where its appropriateness can be denied; thus the amounts to be delivered to general shareholders in the Squeeze-Out Procedures, based on the same thinking as applied to the Tender Offer Price, are not found to be at a level where their appropriateness can be denied.

(d) Appropriateness of the Transaction scheme

Under the Squeeze-Out Procedure, it is intended that cash will ultimately be paid to shareholders of the Company who did not tender their shares in the Tender Offer (excluding Non-Tendering Shareholders). As stated in (c) above, such paid amount is intended to be calculated so as to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by the relevant shareholder; consequently, it can be assessed that sufficient consideration has been given to ensure that the Company's general shareholders are afforded the opportunity to make an appropriate judgement as to whether or not to tender their shares in the Tender Offer, and that no coercion arises; Furthermore, the Capital Reduction etc. and related measures are being undertaken for the purpose of securing the distributable funds necessary to implement the Share Buyback and the funds required for the Share Buyback; no particular unreasonableness is apparent. Moreover, regarding the Share Buyback, as described in (b) above, the Company intends to maximize the Tender Offer price by suppressing the Share Buyback price and allocating the resulting difference to general shareholders; and given that the adoption of this scheme is deemed to enable the Company to offer its general shareholders the opportunity to sell their shares at a higher price through the Tender Offer, it is considered that there are no particular unreasonable aspects to the scheme for this transaction and that it is appropriate.

(e) Terms of the Agreement

The terms of the Agreement are as mentioned below in "(1) The Agreement" in "4. Matters Relating to Important Agreements Pertaining to the Tender Offer", and regarding terms agreed to as a result of serious negotiations between independent parties, absent particular circumstances, it is usually not envisioned that the terms will be particularly advantageous to one of the parties; the parties to the Agreement, the Company and Tender Offeror, are independent parties, and no circumstances can be seen in the negotiation process where negotiations took places that resulted in terms particularly favorable to any one of the parties. In addition, the Agreement is found to have terms that were agreed to after receiving legal advice from Nishimura & Asahi, the Company's legal advisor regarding which the Special Committee confirmed that there were no problems in terms of independence, expertise, or track record. Given the foregoing circumstances, the terms of the Agreement can be evaluated as being appropriate.

Comprehensively taking into account (a) through (m) below, the procedures pertaining to the Transaction are believed to be fair.

(a) Establishment of the Special Committee

(i) Regarding the Transaction, the Special Committee began its involvement in the Transaction at any early stage, and circumstances were secured where the Special Committee was involved in the Transaction from the initial stage of the process of formation of the transaction terms for the Transaction; (ii) the Special Committee is composed of four independent outside directors of the Company, with each member owing statutory duties and responsibilities to the Company and being in a position of direct involvement in managerial determinations as a member of the Company Board of Directors and with each being found to possess a certain knowledge regarding the Company's business and having independence from both the Company and the Tender Offeror, and thus the composition of the Special Committee can be evaluated as being in line with the purport of the Guidelines for Corporate Takeovers; (iii) it is found that the Special Committee has the necessary experience and sufficient knowledge for the purpose of considering the Inquired Matters; (iv) the Company's Board of Directors has adopted a mechanism where the members of the Special Committee, as consideration for their work, will be paid a fixed compensation, regardless of whether the Transaction successfully concludes or not, and compensation for appropriately fulfilling the roles required of the Special Committee for which a contingency fee system is not employed will be paid to such members regardless of whether the Transaction is successfully concluded, and accordingly, an environment is in place where it is possible

for the members to make sufficient commitments in terms of time and work and to make determinations from a position independent from the success or failure of the Transaction; (v) the Special Committee held a total of 37 committee meetings between March 21, 2025 and March 30, 2026, and in addition to these committee meeting days, from time to time, through email and the like, made reports, shared information, deliberated, made decisions, and where necessary, held meetings attended by only the Special Committee members, Plutus and LBX Law Office and carried out discussions regarding the Inquired Matters under a system without the attendance of officers and employees of the Company who are involved in the execution of business; in light of the foregoing course of events, the evaluation can be made that the necessary deliberations were carried out for the purpose of considering the Inquired Matters; and (vi) regarding negotiations over transaction terms (including terms specified in the Agreement) for the Company's Transaction with KKR, the Special Committee received reports from time to time from the Company and the Company's advisors and took into account advice from a financial perspective from Plutus and advice from a legal perspective from LBX Law Office when engaging in deliberations and consideration and giving instructions and making requests to the Company in relation to negotiation policy, and thus it is found that a system was secured where, under the substantial involvement of the Special Committee, reasonable efforts could be directed at realizing transaction terms that were advantageous to general shareholders to the extent possible, and serious negotiations took place with that system in place; in light of the foregoing, the establishment of the Special Committee and the consideration by the Special Committee are found to have been fair.

(b) Implementation of the Initial Proposal Request Process and the Final Proposal Request Process

Given (i) that the Company, for purpose of comparing and considering a wide range of options directed towards maximization of the Company's share price and shareholder interests, implemented both the Initial Proposal Request Process and the Final Proposal Request Process, inviting to such processes six operating companies and ten PE Funds including KKR that had expressed an interest in a capital alliance with the Company. Thus, it can be said that an opportunities was secured for receiving proposals for a delisting transaction from a wide range of candidates; (ii) that the Company and Special Committee, from such perspectives as share price valuation amount, tender offer price, financing strengths and conditions precedent for financing, strategic growth after implementation of the Capital Measures, financial strategy taking into account maintaining the financial soundness of the Company and a support system therefor, and the certainty of procedures for procuring clearance under competition law and other applicable laws and regulation, moved forward with comprehensive consideration of executing the Delisting Measures, also sincerely considered the Measures for Maintaining Listing which the Company would implement on its own, and then compared these with the Delisting Measures, and only after repeated comparison and consideration did the Company and the Special Committee select KKR as the final candidate; and (iii) that among the candidates that submitted legally binding proposals, there were no candidates that presented terms that surpassed the terms KKR presented for the tender offer price level, that is, terms more advantageous to the Company's shareholders, the evaluation can be made that the Initial Proposal Request Process and Final Proposal Request Process were properly implemented.

(c) The Business Plan formulation process

The Business Plan was reasonably prepared based on the Medium-Term Management Plan, which was formulated under a consideration system where objectivity and transparency were secured, and such formulation process is found to have been fair.

(d) Procurement by the Special Committee of advice and share valuation report from an independent financial advisor and third-party valuation institution

The Special Committee confirmed that Plutus did not fall under the category of a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, or the Company, and did not have material interests in the Transaction; further, the consideration paid to Plutus was only a fixed consideration which would be paid regardless of the success or failure of the Transaction

and did not include contingency fees that would be paid subject to the successful completion of the Transaction or other condition, and for that reason, the procurement of advice from a financial perspective from Plutus as well as the Share Valuation Report (Plutus) served to ensure the fairness of the procedures pertaining to the Transaction.

(e) Procurement by the Company of advice and share valuation report from an independent financial advisor and third-party valuation institution

The Special Committee confirmed that SMBC Nikko Securities did not fall under the category of a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, or the Company, and did not have material interests in the Transaction, and after confirming there were no problems with its independence, expertise, or track record, approved its selection; further, while the consideration paid to SMBC Nikko Securities does include a contingency fee to be paid subject to successful completion of the Transaction, the Company, considering general practice and customs in similar transactions and the propriety of a consideration system under which the Company would incur a considerable monetary burden even if the Transaction was not successful, judged that such contingency fee being included did not serve to deny the independence of SMBC Nikko Securities, and the Special Committee judged such judgment to be reasonable; accordingly, it is found that the procurement of advice from a financial perspective from SMBC Nikko Securities as well as the Share Valuation Report (SMBC Nikko Securities) serve to ensure the fairness of the procedures pertaining to the Transaction.

(f) Procurement by the Special Committee of advice from an independent law office

Since it is necessary to consider the Capital Measures while giving due regard to the interests of general shareholders of the Company, the Special Committee, after confirming its independence, expertise, and track record etc., selected LBX Law Office as its own legal advisor and receives legal advice on the measures to ensure the fairness of the Transaction and to avoid conflicts of interest, as well as on all other matters relating to the Transaction; the Special Committee confirmed that LBX Law Office did not fall under the category of a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, or the Company, and that they had no material interests in the Transaction. In addition, the compensation paid to LBX Law Office does not depend on the success or failure of the Transaction and is calculated by multiplying the number of hours worked by an hourly fee, and thus does not include a contingency fee that would be paid subject to successful completion of the Transaction; in light of this the procurement of legal advice from LBX Law Office is found to serve to ensure the fairness of the procedures pertaining to the Transaction.

(g) Procurement by the Company of advice from an independent law office

Since February 2025, the Company has received non-binding letters of intent, including transaction schemes and acquisition prices, from six PE funds including KKR in relation to the Delisting Measures. In order to examine measures to enhance corporate value from multiple perspectives, the Company, after confirming its independence, expertise, and track record etc., selected Nishimura & Asahi as the Company's legal advisor and receives legal advice on the measures to ensure the fairness of the Transaction and to avoid conflicts of interest, as well as on all other matters relating to the Transaction; the Special Committee confirmed that Nishimura & Asahi did not fall under the category of a related party of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, or the Company, and that they had no material interests in the Transaction. In addition, the compensation paid to Nishimura & Asahi does not depend on the success or failure of the Transaction and is calculated by multiplying the number of hours worked by an hourly fee, and thus does not include a contingency fee that would be paid subject to successful completion of the Transaction; in light of this the procurement of legal advice from Procurement by the Special Committee of advice from an independent law office is found to serve to ensure the fairness of the procedures pertaining to the Transaction.

(h) The Building of an independent consideration system at the Company

As discussed below in "[8] The Building of an Independent Consideration System at the Company", the Special Committee has confirmed that there are no problems from the perspective of independence and fairness in the internal system of consideration of the Transaction that the Company built (including the scope of officers and employees of the Company involved in the consideration, negotiations, and determinations pertaining to the Transaction, and their duties).

(i) KKR's discussions with Oasis, DIC, and Kowa

In the negotiation process pertaining to the Transaction, in parallel with discussions with the Company, KKR held discussions and negotiations individually with Oasis, DIC, and Kowa; in light of the explanation from KKR, it is found that each of these parties negotiated independently, and in those negotiation processes no circumstances are found where negotiations were carried out so that any one party would receive particularly favorable terms. In the specific negotiations, according to KKR, with Oasis, there were multiple proposals and requests for reconsideration regarding the tender offer price and other transaction terms, and with DIC and Kowa, taking into account their respective handling of taxes, there were multiple proposals and requests for reconsideration regarding the Share Buyback Price and other transaction terms. In light of this, it can be seen that each of these parties negotiated independently based on its own economic reasons, and the Committee can evaluate the negotiation process in the Transaction as being a fair process that was sincerely carried out among independent parties.

(j) Measures for ensuring purchase opportunities from other purchasers

With the purpose of selecting, in addition to KKR, investors who might become desirable shareholders of the Company, the Company implemented the Initial Proposal Request Process and Final Proposal Request Process, securing an opportunity to receive a wide range of delisting proposals. Thus, in circumstances where a proactive market check was implemented through a bid process and a competitive environment was maintained, the Company selected Tender Offeror from the perspective of enhancement of corporate value and maximization of shareholder interests, and the evaluation can be made that an opportunity was secured for purchase etc. of Company Shares by a person other than Tender Offeror.

(k) The fact that the lower limit for the number of shares planned for purchase greater than the number constituting a majority of minority has not been set is not unreasonable

If in the Tender Offer a lower limit of shares planned for purchase constituting a so-called "majority of minority" were to be set, there is the possibility that this may render the successful completion of the Tender Offer uncertain and may not actually be in the interests of general shareholders who wish to tender their shares in the Tender Offer, and for that reason a lower limit of shares planned for purchase constituting a so-called "majority of minority" has not been set; because Tender Offeror and the Company have taken the measures set forth below, Tender Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders and the Company has made the same determination. In addition to the foregoing circumstances, the Tender Offer Price is at a level that has a certain degree of reasonableness; considering these and other factors, the Special Committee can make the evaluation that not setting a lower limit of number of shares planned for purchase that exceeds a number corresponding to a majority of minority cannot be called unreasonable.

(l) Consideration to ensure that coercion does not arise

In the Tender Offer Press Release, according to Tender Offeror, promptly after completion of the settlement for the Tender Offer, Tender Offeror plans to ask the Company to hold an extraordinary general shareholders meeting that includes on its agenda proposals for implementing the Share Consolidation and, subject to the coming into effect of the Share Consolidation, for partial amendment of the articles of incorporation, eliminating the provisions for number of shares in one unit; no methods will be employed where Company shareholders are not secured the right to demand purchase of shares and the right to petition for decision on share price; and it has been made clear that in the Share

Consolidation, the amount of cash to be delivered to Company shareholders as consideration will be calculated so as to be the same as the price obtained by multiplying the number of Company Shares owned by a shareholder (excluding Tender Offeror, the Company and the Non-Tendering Shareholders) by the Tender Offer Price. It can be said that in relation to the Transaction, consideration has been given to ensure that the Company shareholders are not exposed to coercion, and it is found that measures have been taken to ensure the fairness of procedures.

(m) Full provision of information to shareholders and greater transparency of process

It is found that this Press Release has ample descriptions of the involvement of the Committee in the course of consideration and the negotiation process, the content of the Report, an overview of the Share Valuation Report (Plutus) and the Share Valuation Report (SMBC Nikko Securities) and related information, the process leading to implementation of the Transaction, and the background behind and the reasons for selection of the Transaction, and other related information, and that an opportunity has been secured for Company shareholders to make appropriate judgment regarding the Transaction based on sufficient information.

C. Conclusion

In view of the foregoing, while the Tender Offer Price cannot be said to be at a level where the Company can recommend to its shareholders that they tender their shares in the Tender Offer, (i) the purpose of the Transaction is reasonable and justifiable in that it contributes to enhancement of the Company's corporate value, (ii) the Tender Offer Price, the Share Buyback Price, the scheme of the Transaction, and other transaction terms fulfill the requirement of having the appropriateness necessary for the Company to decide to express an opinion in favor of the Tender Offer and to leave to Company shareholders the judgment of whether to tender their shares in the Tender Offer, and (iii) the procedures pertaining to the Transaction are fair; in comprehensive view of the foregoing, the Transaction including the Tender Offer is not unfair to the Company's minority shareholders.

[5] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Special Committee

As discussed above in "[2] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company" in "(3) Matters Relating to Valuation", in considering the Inquired Matters, in order to ensure the fairness of the Tender Offer Price and other transaction terms relating to the Transaction, the Special Committee asked Plutus, as a financial advisor and third-party valuation institution independent from Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, and the Company to calculate the share value of the Company Shares, and on March 30, 2026, procured the Share Valuation Report (Plutus). For an overview of the Share Valuation Report (Plutus), see above, "(ii) Overview of Valuation of Company Shares" in "[2] Procuring a Share Valuation Report from an Independent Third-Party Valuation Institution by the Special Committee" in "(3) Matters Relating to Valuation".

[6] Advice for the Special Committee from an Independent Law Firm

The Special Committee selected LBX Law Office as a legal advisor independent from Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, the Non-Tendering Shareholders, and the Company, and received legal advice including advice regarding such matters as measures to take in order to confirm the fairness, objectivity, and reasonableness of the procedures in the Transaction, the assorted procedures in the Transaction, and the Company's methods of and process of decision-making pertaining to the Transaction.

LBX Law Office is not a related person of Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders, or the Company, and has no material interests in the expression of opinion relating to the Tender Offer. The compensation paid to LBX Law Office does not depend on the success or failure of the Transaction and is calculated by multiplying the number of hours worked by an hourly fee, and thus does not include a contingency fee that would be paid subject to successful completion of the Transaction.

[7] Approval of All Directors (Including Audit & Supervisory Committee Members) Without Interests in the Company

As discussed above in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", taking into account the advice from a financial perspective and the Share Valuation Report (SMBC Nikko Securities) received from SMBC Nikko Securities and the legal advice from Nishimura Asahi concerning points to keep in mind regarding the decision-making relating to the Transaction including the Tender Offer and giving maximum respect to the March 31, 2026 Report, the Company sincerely discussed and considered such matters as whether the Transaction would contribute to enhancement of the Company's corporate value and whether the various terms of the Transaction were fair.

As a result, as discussed above in "[3] The Process and Reasons Behind the Decision-Making Leading to the Company's Support of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", at the meeting of the Company's Board of Directors meeting held today, the Company's six directors (of which, four are independent outside directors) resolved unanimously to express, as the Company's opinion as of the present time, if the Tender Offer is commenced, an opinion supporting the Tender Offer and to leave to Company shareholders the judgment of whether to tender their shares in the Tender Offer.

[8] Building an Independent Consideration System at the Company

The Company built an internal system for engaging in considering, negotiating, and making determinations regarding the Transaction from a viewpoint independent from Tender Offeror, Tender Offeror Parent, KKR, KKR Fund, Oasis, Non-Tendering Shareholders, and the Company. Specifically, from December 2025 onwards, since receiving non-binding letters of intent pertaining to the Delisting Measures, including transaction scheme and acquisition price, from multiple private equity funds, including KKR, the Company built a consideration system composed only of officers and employees (including Company director Mr. Hitoshi Saito; former Company director Mr. Eiji Sato, who left his position as Company director following expiration of term on June 21, 2025, is no longer involved in the consideration system) who were found to be independent and who, together with the Special Committee, were involved in the process of negotiating with Tender Offeror on the Tender Offer Price and other transactional terms of the Transaction and in the process of preparation of the Business Plan.

Further, the internal system for consideration of the Transaction built by the Company (including how it should be handled), specifically, the scope and duties (including preparation of the Business Plan and other duties requiring a high degree of independence on the part of the officers and employees involved in the consideration, negotiations, and determinations pertaining to the Transaction), were based on advice from Nishimura Asahi, and the Special Committee has affirmed that there are no problems with this system in terms of independence.

[9] Measures for Ensuring Purchase Opportunities from Other Purchasers

As discussed above in "[1] Receipt and Consideration of Proposals from Multiple Purchaser Candidates", with the purpose of selecting, in addition to KKR, investors who might become desirable shareholders of the Company, the Company implemented the Initial Proposal Request Process and Final Proposal Request Process, securing an opportunity to receive a wide range of delisting proposals and thus implementing a proactive market check through a bid process, and amidst a competitive environment, selected Tender Offeror from the perspective of enhancement of corporate value and maximization of shareholder interests. In addition, in the wake of the Speculative Press Reports, the Company, on that same day, disclosed, in a press release entitled, "Notice Regarding Reports in the Media" that the Company had received various proposals, including capital and business alliances as well as privatization offers through a special purpose company, and thus had established the Special Committee; therefore, even investors that had not participated in the Initial Proposal Request Process or Final Proposal Request Process were given sufficient opportunity and time to express their interest to the Company if they were interested in a transaction for taking the Company private. Therefore, opportunities for purchase etc. of Company Shares by a person other than Tender Officer

have already been sufficiently secured.

Tender Offeror does not execute any agreement with the Company that includes transaction protection clauses prohibiting the Company from contacting a competing proposer or any other terms restricting a competing proposer from contacting the Company. Tender Offeror plans to set the length of the Tender Offer Period at 21 business days, in principle (however, because holidays in Japan and the US differ, the number of days may exceed 21 business days); however, because it is expected that at least six months will be needed between the announcement of plans to commence the Tender Offer and the actual commencement of the Tender Offer, an opportunity is secured for Company shareholders to make appropriate judgment regarding whether to tender their shares in the Tender Offer and an opportunity is secured for persons other than Tender Offeror to make a competing purchase etc. regarding the Company, and in such manner Tender Offeror plans to ensure the fairness of the Tender Offer Price.

[10] Consideration to Prevent Coercion

As discussed above in "[1] Overview of the Tender Offer" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", (i) in the Tender Offer, the lower limit of the number of shares planned for purchase is set at a level at which approval of the proposal for the Share Consolidation can be reasonably expected, and, as discussed above in "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)", (ii) promptly after the settlement of the Tender Offer is completed, Tender Offeror plans to ask the Company to hold the Extraordinary General Shareholders Meeting having on its agenda proposals for executing the Share Consolidation and, subject to the Share Consolidation coming into effect, for partially amending the articles of incorporation to eliminate provisions for number of shares in one unit; and no methods will be employed where Company shareholders are not secured the right to demand purchase of shares and the right to petition for a decision on share price; and (iii) it has been made clear that in the Share Consolidation, the amount of cash to be delivered to Company shareholders as consideration will be calculated so as to be the same as the price obtained by multiplying the number of Company Shares owned by a shareholder (excluding Tender Offeror, the Company and the Non-Tendering Shareholders) by the Tender Offer Price. Accordingly, an opportunity is secured for Company shareholders to make appropriate judgment regarding whether to tender their shares in the Tender Offer, and in such manner consideration has been given to ensuring that coercion does not arise.

4. Matters Relating to Important Agreements Pertaining to the Tender Offer

(1) The Agreement

In connection with the Tender Offer, the Company executed the Agreement with Tender Offeror and Tender Offeror Parent as of today, pursuant to which the Company agreed on (a) representations and warranties by the Company, Tender Offeror and Tender Offeror Parent (Note 1), (b) covenants of the Company (Note 2), (c) covenants of Tender Offeror and Tender Offeror Parent (Note 3), (d) indemnification obligations in the event of a breach of obligations or representations and warranties under the Agreement, (e) clauses for termination by the Company in the case of breach of obligations or representations and warranties; the case of petition for the commencement of insolvency proceedings against the counterparty; the case of the Tender Offer non-commencement by March 31, 2027; the case where, even after the commencement of the Tender Offer, the Tender Offer is not successfully completed and terminated; the case where, even after successful completion of the Tender Offer, the settlement for the Tender Offer is not completed within 10 business days from the start date of the Tender Offer settlement period, and clauses for termination by Tender Offeror on in the case of breach of obligations or representations and warranties, or petition for the commencement of insolvency proceedings against the counterparty; (f) confidentiality obligation; (g) prohibition of assignment of contractual rights and obligations; (h) confirmation of non-transfer of control under this Agreement; and (i) other general provisions.

(Note 1) Under the Agreement, the Company represents and warrants: (1) procurement and completion of necessary licenses and permits, (2) compliance with competition laws, economic sanctions, anti-money-laundering laws, anti-corruption laws or export control laws and establishment of internal regulations to ensure compliance therewith and compliance with such internal regulations, and non-existence of illegal transactions with government-related persons or sanctioned persons. Tender Offeror represents and warrants: (1) valid

incorporation and existence, (2) the existence of the authority and capacity necessary to execute and perform the Agreement and implementation of the procedures necessary under laws and regulations and Tender Offeror's international regulations for execution and performance of the Agreement, (3) the validity and enforceability of the Agreement, (4) non-existence of any violation of laws and regulations or Tender Offeror's international regulations in connection with the execution and performance of the Agreement, (5) absence of insolvency proceedings and (6) no transactions or involvement with anti-social forces.

(Note 2) Under the Agreement, it is broadly agreed regarding (a) matters regarding notification relating to breach of representations and warranties by the Company, (b) compliance with competition laws, economic sanctions, anti-money-laundering laws, anti-corruption laws or export control laws and response measures and information provision in the event of violation, (c) obligation to conduct business within the scope of ordinary course of business based on past practice, (d) obligation to consult in good faith regarding the stock compensation scheme, (e) obligation to cooperate with Tender Offeror concerning request for provision of information after the completion of the Tender Offer, (f) obligation to cooperate in financing to a commercially reasonable extent, (g) obligation of the Company to take necessary actions for execution of the Transaction to a commercially reasonable extent, and (h) obligation to make efforts to provide information and offer other assistance regarding procedures for procurement of licenses and approvals etc. (including procurement of the Clearance).

(Note 3) Under the Agreement, it is broadly agreed regarding (a) notice obligation in the case of breach of representations and warranties by Tender Offeror and Tender Offeror Parent; (b) restrictions on agreed termination of the Agreement, (c) consultation obligation with regard to the Company Group's management following the completion of the Transaction, (d) obligation to maintain the employment of the Company Group's employees in principle , and respect for the terms of the remuneration structure for the Company Group's executive officers following the completion of the Transaction, (e) obligation to consult in good faith regarding the stock compensation scheme, (f) respect for the group policy regarding key customers and the supply chain following the completion of the Transaction and the obligation to consult in the event of any changes to or termination of transactions with key customers, (g) respect for the Company Group's trade name, brand, etc. and obligation to consult regarding any changes thereof following the completion of the Transaction, (h) obligation to consult regarding the Company Group's research and development and capital investment and respect for results of such consultation, (i) obligation to consult regarding establishment, closure or consolidation of the Company Group's production sites and research centers, transfer abroad of production sites or any relocations or reductions of the Company Group's production sites and research centers and respect for results of such consultation, (j) obligation to consult regarding the establishment of systems and other measures to prevent the divulgence of important technical information in terms of enhancing the Company Group's corporate value and preventing any damage thereto following the completion of the transaction and respect for results of such consultations, (k) obligation for prior consultation regarding the procedures for obtaining licenses and approvals etc., and (l) Tender Offeror's obligation to consult in the event of assignment etc. of the Company Shares and respect for results of such consultation.

(2) Oasis Tender Agreement

In connection with the Tender Offer, Tender Offeror executed the Oasis Tender Agreement with Oasis as of today, pursuant to which Tender Offeror and Oasis agreed that:

[i] In the event that the Tender Offer is commenced, Tendering Shareholder (Oasis) will tender the Oasis-Owned Company Shares in the Tender Offer within 10 business days after the commencement date, and following such tendering of Company Shares ("Tendering of Shares"), unless otherwise stipulated in the Oasis Tender Agreement, Tendering Shareholder (Oasis) will not revoke the Tendering of Shares or terminate the agreement for purchase, etc. of such shares to take effect upon the Tendering of Shares; and

[ii] Tendering Shareholder (Oasis) will fulfill its obligation to conduct the Tendering of Shares, provided that all of the following conditions are satisfied.

(i) The Tender Offer has been lawfully commenced in accordance with FIEA and other laws and regulations and has not been withdrawn.

(ii) (i) No petition, lawsuit or proceedings seeking to restrict or prohibit any part of the Transaction is pending before any judicial or administrative agency etc., and (ii) no determination of a judicial or administrative agency has been made restricting or prohibiting any part of the Transaction; and there is no likelihood of either (i) or (ii).

(iii) Pursuant to the Oasis Tender Agreement, all obligations that Oasis is to perform or comply with by the date of commencement of the Tender Offer have all been performed or complied with in material respect.

(iv) All representations and warranties of Tender Offeror are true and correct in material respect.

(v) Confirmation has been obtained from the Company that there are no material facts relating to the Company's business etc. that the Company has not announced.

(vi) The procurement of clearance (including the procurement of the Clearance) has been completed for the permits and approvals and other procedures under laws and regulations necessary for the execution and performance of the Oasis Tender Agreement (excluding the procurement of the clearance as post procedures under competition laws in Indonesia).

(vii) The DIC Basic Agreement and the Kowa Basic Agreement have been lawfully and validly executed, have not been amended, and survive.

(viii) As a result of any transaction stipulated in any agreement regarding tendering or non-tendering of Company Shares in the Tender Offer executed between Tender Offeror and a third party (including transactions stipulated in the DIC Basic Agreement and the Kowa Basic Agreement, regardless of form such as so-called discount TOB in parallel to the Tender Offer and acquisition of treasury shares), the monetary consideration or other consideration per one share directly or indirectly delivered to such third party for the Company Shares held by such third party does not exceed the Tender Offer Price.

[iii] Tendering Shareholder (Oasis) will not be obligated to conduct the Tendering of Shares and, in case already conducted, may withdraw the Tendering of Shares if any of the following applies (provided, in the case of (i), limited to the case where the Competing Proposal (as defined below) is not withdrawn and continues to be the Superior Proposal (as defined below)).

(i) If, during the period from the date of execution of the Oasis Tender Agreement until the expiration date of the Tender Offer (including any extended expiration date if the Tender Offer Period is extended), all of the following conditions are satisfied:

(A) (a) (1) A tender offer is commenced or disclosed in advance (limited to sincere disclosures in advance announcing a future tender offer due to regulatory restrictions) by a third party, or (2) Tendering Shareholder (Oasis) receives a legally binding, concrete, and feasible sincere proposal from a third party to acquire all shares of the Oasis-Owned Company Shares (regardless of the transaction method or legal form, including schemes combining capital injection into the Company and acquisition of treasury shares by the Company to indirectly acquire the Oasis-Owned Company Shares) (limited to the purpose of taking the Company private in the case of (1), but nor for (2); (1) and (2) are collectively referred to as "Competing Proposal").

(b) In the cases of (a)(1) and (a)(2) with the purpose of taking the Company private, the purchase price per one common share of the Company in the Competing Proposal ("Competing Price") exceeds the Tender Offer Price by 3% or more and maintains such status.

(c) In the cases of (a)(2) without the purpose of taking the Company private, the Competing Proposal where the Competing Price exceeds the Tender Offer Price by 20% or more and maintains such status (the Competing Proposal in the case of (b) or (c), respectively, "Superior Proposal").

(B) If the Superior Proposal is made public, or if Oasis individually receives the Superior Proposal, Oasis will promptly deliver to Tender Offeror a written notice outlining the terms of such Superior Proposal ("Superior proposal Notice") and engage in good faith discussions with the Tender Offeror.

(C) Tendering Shareholder (Oasis) has, after the discussions prescribed in (B) above, taking into account

the transaction conditions of the Superior Proposal such as the Competing Price, the attributes of the proposer of the Superior Proposal, the certainty of executing the transaction and other circumstances, determined that not participating in the Tender Offer is more advantageous to Tendering Shareholder (Oasis), and notified Tender Offeror in writing of such determination at least five business days before the expiration date of the Tender Offer (such written notice will state the reasons for such determination to the reasonable extent).

(D) Tender Offeror has not amended the Tender Offer Price to a price equal to or higher than the Competing Price within five business days from the date it receives the notice described in (C) above or by the business day immediately before the expiration date of the Tender Offer, whichever is earlier.

(E) Tendering Shareholder (Oasis) is not in breach of its obligations under the Oasis Tender Agreement and applicable laws and regulations.

(F) Tendering Shareholder (Oasis) has reasonably determined that not responding to the Superior Proposal would likely violate any agreement to which Tendering Shareholder (Oasis) or OMC is a party or any applicable laws or would be inappropriate in terms of Oasis's fiduciary duties.

(ii) If all or part of the DIC Basic Agreement or the Kowa Basic Agreement is terminated.

(iii) If, after the commencement of the Tender Offer, the higher of the market closing price or volume-weighted average price ("Reference Price") of Company Shares exceeds the price of the Tender Offer Price multiplied by 1.2 ("Record Price") for 10 consecutive business days.

(iv) Notwithstanding the provisions of the preceding paragraph, if the Reference Price has exceeded the Record price for three consecutive business days up to the second business day prior to the final day of the Tender Offer Period, and where, as of such date, the 10 business days specified in the preceding subparagraph have not yet elapsed, and Tender Offeror fails to publish an amended Tender Offer Statement by 12:00 noon Japan Standard Time on the business day preceding the final day of the Tender Offer Period, which includes a revision of the Tender Offer Price such that the Record Price exceeds the Reference Price or an extension of the Tender Offer Period.

(v) If the Tender Offer is not commenced by the end of March 2027.

(vi) If DIC or Kowa, under the DIC Basic Agreement or the Kowa Basic Agreement, is no longer obligated to cooperate in the privatization of the Company due to the so-called fiduciary out clause or similar provisions.

[iv] During the period from the date of execution of the Oasis Tender Agreement to the completion of settlement of the Tender Offer, Oasis will not, directly or indirectly, (a) assign, grant a security interest in, offer as collateral, or dispose of, the Oasis-Owned Company Shares (including by tendering the Oasis-Owned Company Shares into any tender offer other than the Tender Offer), acquire shares etc. of the Company, or enter into any other transaction that practically competes, contradicts or conflicts with, or would practically compete, contradict or conflict with, the Transaction, or renders or would render the consummation of the Transaction difficult ("Competing Transaction"; provided, excluding transfers, creation or provision of collateral, or dispositions conducted among Tendering Shareholder (Oasis)), or (b) provide information (including provision of any information relating to the Company Group), make a proposal or offer, or solicit, any third party, or enter into discussions, negotiations or an agreement with any third party with respect to any of the foregoing actions, and if Oasis receives any proposal for a Competing Transaction from any third party or becomes aware of the existence of any such proposal, Oasis will promptly notify Tender Offeror of such fact and the overview of terms of such proposal, and discuss with Tender Offeror in good faith how to respond to such proposal. However, if Tendering Shareholder (Oasis) receives a specific, sincere proposal that is not legally binding but is feasible, for the acquisition of all shares of the Oasis-Owned Company Shares or taking the Company private (regardless of the transaction method or legal form, including schemes combining capital injection into the Company and acquisition of treasury shares by the Company to indirectly acquire the Oasis-Owned Company Shares; provided, being limited to the one for the purpose of privatization of the Company), Oasis may engage in discussions with such proposer to receive a legally binding proposal.

In addition to the foregoing, the Oasis Tender Agreement contains agreements on (a) matters relating to the terms of the Tender Offer, (b) the Conditions Precedent (Oasis Tender Agreement), (c) representations and warranties of Tender Offeror and Oasis (Note), (d) an obligation to perform any procedures required for the implementation of the Transaction, (e) an obligation of Oasis to use its efforts to cause the Company to carry on its business in the ordinary course of business consistent with past practice until the completion of settlement of the Tender Offer, (f) an obligation of Oasis to refrain from exercising its rights in the Company Shares as a shareholder without prior written consent of Tender Offeror until the completion of settlement of the Tender Offer (excluding cases without violating the provisions of the Oasis Tender Agreement), and after the commencement of the Tender Offer, an obligation of Oasis to exercise its voting rights in accordance with instructions given by Tender Offeror or grant power of attorney to Tender Offeror or a person designated by Tender Offeror and not to revoke such power of attorney in the case where a general shareholders meeting of the Company is held after the completion of the settlement of the Tender Offer and after Tender Offeror has acquired all shares of the Oasis-Owned Company Shares, by designating a day prior to the completion of settlement of the Tender Offer as a record date for exercising rights, (g) agreement by Oasis not to use the purchase price amount of the Tender Offer for any purpose that would violate economic sanctions, anti-money laundering laws, or anti-corruption laws, and not to transfer the purchase price amount of the Tender Offer to or for the benefit of any sanctioned parties or in violation of economic sanctions, (h) an indemnification obligation by OMC and Tender Offeror in the event of a breach of any of the obligations or the representations and warranties under the Oasis Tender Agreement, (i) an obligation to pay taxes and public charges and expenses incurred by the respective parties, (j) an obligation of confidentiality, (k) prohibition on transfer of the rights and obligations under the Oasis Tender Agreement, (l) obligations of OMC to fulfill, and cause Tendering Shareholder (Oasis) to fulfill or comply with obligations under the Oasis Tender Agreement, and (m) termination by either Tender Offeror or Oasis in the event that any of the obligations or the representations and warranties of the other party are breached, a petition is filed against the other party for the commencement of insolvency proceedings, or the Tender Offer is not commenced by March 31, 2027 through no fault of the terminating party, and other general provisions.

(Note) Under the Oasis Tender Agreement, Oasis represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the Oasis Tender Agreement and the performance of procedures required under laws and regulations and any internal regulations of Oasis for the execution and performance of the Oasis Tender Agreement, (3) the validity and enforceability of the Oasis Tender Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of Oasis or decisions of judicial or administrative agencies with respect to the execution and performance of the Oasis Tender Agreement, and non-existence of any economic sanctions to which Oasis is subject or a violation of any such economic sanctions, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of the Oasis Tender Agreement, (6) non-existence of any transactions with, or involvement with, anti-social forces, and (7) legal and valid title to the Oasis-Owned Company Shares and matters relating to authority to tender the Oasis-Owned Company Shares into the Tender Offer. Tender Offeror represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the Oasis Tender Agreement and the performance of procedures required under laws and regulations and any internal regulations of Tender Offeror for the execution and performance of the Oasis Tender Agreement, (3) the validity and enforceability of the Oasis Tender Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of Tender Offeror or decisions of judicial or administrative agencies with respect to the execution and performance of the Oasis Tender Agreement, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of the Oasis Tender Agreement, and (6) non-existence of any transactions with, or involvement with, anti-social forces.

Except for the Oasis Tender Agreement, no agreement has been executed between Tender Offeror and Oasis with

regard to the Transaction, and other than payment of the Tender Offer Price, there will be no economic benefit granted by Tender Offeror to Oasis in relation to the Transaction.

(3) DIC Basic Agreement

In connection with the Tender Offer, Tender Offeror executed the DIC Basic Agreement with DIC as of today, pursuant to which Tender Offeror and DIC agreed that:

[1] DIC will not tender the DIC-Owned Company Shares into the Tender Offer;

[2] During the period from today to the completion of the Transaction, DIC will not make a proposal to, solicit, provide information to, enter into discissions, negotiations or an agreement with, or consummate any transaction with, any third party other than Tender Offeror in connection with any Competing Transactions, and if DIC receives any proposal for a Competing Transaction from any third party other than Tender Offeror or becomes aware of the existence of any such proposal, DIC will promptly (within three business days) notify Tender Offeror of such fact and the details of such proposal, and discuss with Tender Offeror in good faith how to respond to such proposal (provided that such act does not conflict with any contracts or other agreements currently entered into by DIC);

[3] In the event that, prior to the expiration of the Tender Offer Period, DIC receives from any third party other than Tender Offeror ("Competing Proposer (DIC)") a legally binding, concrete, and feasible proposal or public announcement to acquire all shares of the DIC-Owned Company Shares at a price (i) that is at least 3% higher than the Tender Offer Price, and (ii) that is at least 3% higher than the after-tax proceeds DIC would receive if it participated in the Transaction, and such proposal or public announcement (limited to sincere public announcement scheduled for a future certain time due to regulatory restrictions), provided that DIC is not in violation of [2] above and that the purpose is to take the Company private through a monetary consideration, ("Competing Proposal (DIC)"), DIC may request Tender Offeror to negotiate an increase in both the Tender Offer Price and the Total Share Buyback Price (DIC). In such cases, DIC and the tender offeror shall negotiate in good faith regarding the response;

[4] If, based on the discussions described in [3] above, DIC determines that it would be advantageous for DIC to tender its shares into the Competing Proposal (DIC) than consummating the Transaction after giving consideration to the purchase price and the other terms proposed in the Competing Proposal (DIC), the attribute of the Competing Proposer (DIC), the certainty of the consummation of the transactions and other factors, and DIC obtains a legal opinion from an attorney that failure to tender its shares into the Competing Proposal (DIC) has a high probability of breaching the fiduciary duty of the directors of DIC, DIC may so notify Tender Offeror in writing at least five business days prior to the last day of the Tender Offer Period (such written notice is required to specify the reason for such determination to the extent reasonable);

[5] DIC may tender its shares into the Competing Proposal (DIC) (including providing information, holding discussions, negotiating, or reaching agreement with the party making the Competing Proposal (DIC) in relation to the Competing Proposal (DIC), as well as engaging in any other acts that may conflict with or make the execution of the Tender Offer difficult.) if (i)(a) Tender Offeror fails to modify the terms of the Transaction by the earlier of the expiration of the five-business day period counting from the date of receipt by Tender Offeror of such written notice and the day immediately prior to the last day of the Tender Offer Period, so that the aggregate amount of net proceeds after tax that DIC would receive if DIC tendered its shares in the Transaction will be equal to or greater than the aggregate amount of the purchase price (net proceeds after tax that DIC would receive) if DIC tendered its shares into the Competing Proposal (DIC) and otherwise agreed to any ancillary transactions implemented by the Competing Proposer (DIC), and (b) DIC is not in breach of the DIC Basic Agreement or in violation of any laws or regulations, or (ii)(a) it is objectively and reasonably recognized that DIC's failure to respond to the Competing Proposal (DIC) is highly likely to constitute a breach of the duty of care of DIC's directors, and (b) in the case that DIC is not in breach of its obligations under this DIC Basic Agreement;

[6] Provided that DIC complies with [2] through [5] above, DIC may respond to the Competing Proposal (DIC)

without being required to pay any compensation, penalty, or any other payment under any name, and without being subject to any obligations, burdens, or conditions; and

[7] (i) If Tender Offeror is unable to purchase all of the Company Shares as a result of the Tender Offer, Tender Offeror and DIC will, subject to the successful completion of the Tender Offer, request that the Company hold the Extraordinary General Shareholders Meeting will be submitted, and exercise their voting rights in favor of such proposal, (ii) as promptly as practicable on or after the Squeeze-Out Effective Date, DIC will, on any day separately agreed on between them, cause the Company to carry out the Capital Reduction etc. and take any other actions reasonably required by Tender Offeror for the purposes of securing distributable funds necessary for the Share Buyback and securing funds otherwise required for the Share Buyback, (iii) on any day separately agreed on between DIC and Tender Offeror (or, if the Capital Reduction etc. is carried out, as promptly as practicable on or after the effective date of the Capital Reduction etc.), DIC will, as the Share Buyback, transfer to the Company all of the DIC-Owned Company Shares held by DIC immediately after the Squeeze-Out Procedures take effect at the Total Share Buyback Price (DIC) (82,643,682,400 yen; provided that if, after the execution date of the DIC Basic Agreement, the total amount for the acquisition of the DIC-Owned Company Shares is increased, the total amount for the acquisition of the DIC-Owned Company Shares will be such increased amount), and (iv) if Tender Offeror raises the Tender Offer Price, Tender Offeror shall increase the total amount for the DIC-Owned Company Shares so that the total after-tax proceeds to be delivered to DIC in connection with the Squeeze-Out Procedures and the Share Buyback does not fall below the proportion of the after-tax proceeds that would be delivered to DIC based on the Tender Offer Price before such increase if DIC tenders all shares of the DIC-Owned Company Shares for the Tender Offer.

In addition to the foregoing, the DIC Basic Agreement contains agreements on (a) matters relating to the terms of the Tender Offer, (b) the Conditions Precedent (DIC Basic Agreement), (c) representations and warranties of Tender Offeror and DIC (Note), (d) an obligation to perform any procedures required for the implementation of the Transaction (including the obligation of Tender Offeror to use its efforts to obtain clearances (including procurement of the Clearance) and to complete any other procedures based on necessary permits, approvals, and other laws and regulations required for the execution and performance of the DIC Basic Agreement), (e) an obligation of DIC to use its efforts to cause the Company to carry on its business in the ordinary course of business consistent with past practice until the consummation of the Share Buyback to the extent of the rights as a shareholder of the Company Shares, (f) an obligation of DIC to refrain from assigning, granting a security interest in, offering as collateral, or disposing of, the DIC-Owned Company Shares or acquiring any shares, etc. of the Company until the consummation of the Share Buyback except as permitted as described in [5] above, (g) an obligation of DIC to refrain from exercising its rights in the Company Shares as a shareholder until the date of completion of the Squeeze-Out Procedures, and an obligation of DIC to consult in good faith with Tender Offeror concerning exercise of its voting rights and other rights in accordance with instructions given by Tender Offeror in the case where a general shareholders meeting of the Company is held by designating a day prior to the date of completion of the Squeeze-Out Procedures as a record date for exercising rights, (h) an obligation to cooperate in procurement of funds, (i) an indemnification obligation in the event of a breach of any of the obligations or the representations and warranties under the DIC Basic Agreement, (j) an obligation to pay taxes and public charges and expenses incurred by the respective parties, (k) an obligation of confidentiality, (l) prohibition on transfer of the rights and obligations under the DIC Basic Agreement, and (m) termination by either Tender Offeror or DIC in the event that any of the obligations or the representations and warranties of the other party are breached, a petition is filed against the other party for the commencement of insolvency proceedings, or the Tender Offer is not commenced by March 31, 2027 through no fault of the terminating party, and (n) other general provisions.

(Note) Under the DIC Basic Agreement, DIC represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the DIC Basic Agreement and the performance of procedures required under laws and regulations and any internal regulations of DIC for the execution and performance of the DIC Basic Agreement, (3) the validity and enforceability of the DIC Basic Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of DIC or

decisions of judicial or administrative agencies with respect to the execution and performance of the DIC Basic Agreement, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of DIC Basic Agreement, (6) non-existence of any transactions with, or involvement with, anti-social forces, and (7) legal and valid title to the DIC-Owned Company Shares. Tender Offeror represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the DIC Basic Agreement and the performance of procedures required under laws and regulations and any internal regulations of Tender Offeror for the execution and performance of the DIC Basic Agreement, (3) the validity and enforceability of the DIC Basic Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of Tender Offeror or decisions of judicial or administrative agencies with respect to the execution and performance of the DIC Basic Agreement, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of the DIC Basic Agreement, (6) non-existence of any transactions with, or involvement with, anti-social forces, and (7) prospect for procurement of funs for the Tender Offer.

Except for the DIC Basic Agreement, no agreement has been executed between Tender Offeror and DIC with regard to the Transaction, and other than payment of the Share Buyback Price (DIC), there will be no economic benefit granted by Tender Offeror to DIC in relation to the Transaction.

(4) Kowa Basic Agreement

In connection with the Tender Offer, Tender Offeror executed the Kowa Basic Agreement with Kowa as of today, pursuant to which Tender Offeror and Kowa agreed that:

[1] Kowa will not tender any of the Kowa-Owned Company Shares in the Tender Offer;

[2] During the period from today to the completion of the Transaction, Kowa will not make a proposal to, solicit, provide information to, enter into discissions, negotiations or an agreement with, or consummate any transaction with, any third party other than Tender Offeror in connection with any Competing Transactions, and if Kowa receives any proposal for a Competing Transaction from any third party other than Tender Offeror or becomes aware of the existence of any such proposal, Kowa will promptly (within three business days) notify Tender Offeror of such fact and the details of such proposal, and discuss with Tender Offeror in good faith how to respond to such proposal;

[3] In the event that, prior to the expiration of the Tender Offer Period, a third party other than Tender Offeror ("Competing Proposer (Kowa)") commences a tender offer for all Company Shares (other than treasury shares) at a purchase price at least 10% greater than the Tender Offer Price with the purpose of delisting the Company (provided that in such tender offer no upper limit is set for the number of shares planned for purchase; "Competing Tender Offer (Kowa)"), Kowa may request that Tender Offeror enter into discussions, and in such case, Kowa and Tender Offeror will discuss in good faith how to respond to such tender offer;

[4] If, based on the discussions described in [3] above, Kowa determines that the Competing Tender Offer (Kowa) would better serve to enhance the enterprise value of the Company after giving consideration to the purchase price and the other terms proposed in the Competing Tender Offer (Kowa), the attributes of the Competing Proposer (Kowa), the management policy after the Competing Tender Offer (Kowa), the certainty of the consummation of the transactions and other factors, Kowa may so notify Tender Offeror in writing at least 10 business days prior to the last day of the Tender Offer Period (such written notice is required to specify the reason for such determination to the extent reasonable);

[5] Kowa may tender its shares in the Competing Tender Offer (Kowa) if (a) Tender Offeror fails to modify the terms of the Transaction by the earlier of the expiration of the 10-business day period counted from the date of receipt by Tender Offeror of such written notice or the day immediately prior to the last day of the Tender Offer Period, whichever is earlier, so that the aggregate amount of net proceeds after tax that Kowa would receive if Kowa tendered its shares in the Transaction will be equal to or greater than the aggregate amount of net proceeds

after tax that DIC would receive if Kowa tendered its shares into the Competing Tender Offer (Kowa) and otherwise agreed to any ancillary transactions implemented by the Competing Proposer (Kowa), and (b) Kowa is not in breach of the Kowa Basic Agreement or in violation of any laws or regulations; and

[6] (i) If Tender Offeror is unable to purchase all of the Company Shares as a result of the Tender Offer, Tender Offeror and Kowa will, subject to the successful completion of the Tender Offer, request that the Company hold the Extraordinary General Shareholders Meeting will be submitted, and exercise their voting rights in favor of such proposal, (ii) as promptly as practicable on or after the Squeeze-Out Effective Date, Kowa will, on any day separately agreed on between them, make necessary procedures for the Kowa Reinvestment (including the execution of a shareholders' agreement separately agreed upon between Kowa and the party designated by Tender Offeror), and cause the Company to carry out the Capital Reduction etc. and take any other actions reasonably required by Tender Offeror for the purposes of securing distributable funds necessary for the Share Buyback and securing funds otherwise required for the Share Buyback, and (iii) on any day separately agreed on between Kowa and Tender Offeror (or, if the Capital Reduction etc. is carried out, as promptly as practicable on or after the effective date of the Capital Reduction etc.), Kowa will, as the Share Buyback, transfer to the Company all of the Kowa-Owned Company Shares held by Kowa immediately after the Squeeze-Out Procedures take effect at the Total Share Buyback Price (Kowa) (24,678,662,400 yen).

In addition to the foregoing, the Kowa Basic Agreement contains agreements on (a) matters relating to the terms of the Tender Offer, (b) the Conditions Precedent (Kowa Basic Agreement), (c) representations and warranties of Tender Offeror and Kowa (Note 1), (d) an obligation to perform any procedures required for the implementation of the Transaction, (e) an obligation of Kowa to use its efforts to cause the Company to carry on its business in the ordinary course of business consistent with past practice until the consummation of the Share Buyback, (f) an obligation of Kowa to refrain from assigning, granting a security interest in, offering as collateral, or disposing of, the Kowa-Owned Company Shares or acquiring any shares, etc. of the Company until the consummation of the Share Buyback except as permitted as described in [5] above, (g) an obligation of Kowa to refrain from exercising its rights in the Company Shares as a shareholder until the date of completion of the Squeeze-Out Procedures, and an obligation of Kowa to exercise its voting rights in accordance with instructions given by Tender Offeror in the case where a general shareholders meeting of the Company is held by designating a day prior to the date of completion of the Squeeze-Out Procedures as a record date for exercising rights, (h) agreement by Kowa not to use the total amount for the acquisition of the Kowa-Owned Company Shares for any purpose that would violate economic sanctions, anti-money laundering laws, or anti-corruption laws, and not to transfer the Total Share Buyback Price (Kowa) to or for the benefit of any sanctioned parties or in violation of economic sanctions, (i) an obligation to cooperate in procurement of funds, (j) an indemnification obligation in the event of a breach of any of the obligations or the representations and warranties under the Kowa Basic Agreement, and a penalty payable if DIC breaches its obligation to refrain from tendering its shares as described in [1] above (Note 2), (k) an obligation to pay taxes and public charges and expenses incurred by the respective parties, (l) an obligation of confidentiality, (m) prohibition on transfer of the rights and obligations under the Kowa Basic Agreement, and (n) termination by either Tender Offeror or Kowa in the event that any of the obligations or the representations and warranties of the other party are breached, a petition is filed against the other party for the commencement of insolvency proceedings, or the Tender Offer is not commenced by March 31, 2027 through no fault of the terminating party, and other general provisions.

(Note 1) Under the Kowa Basic Agreement, Kowa represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the Kowa Basic Agreement and the performance of procedures required under laws and regulations and any internal regulations of Kowa for the execution and performance of the Kowa Basic Agreement, (3) the validity and enforceability of the Kowa Basic Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of Kowa or decisions of judicial or administrative agencies with respect to the execution and performance of the Kowa Basic Agreement, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of

Kowa Basic Agreement, (6) matters relating to the Company Shares, (7) non-existence of any transactions with, or involvement with, anti-social forces, (8) legal and valid title to the Kowa-Owned Company Shares, and (9) the absence of transactions with sanctioned parties or government officials, and compliance with economic sanctions, anti-money laundering laws or anti-corruption laws.. Tender Offeror represents and warrants (1) the validity of its incorporation and existence, (2) the existence of requisite power and authority to execute and perform the Kowa Basic Agreement and the performance of procedures required under laws and regulations and any internal regulations of Tender Offeror for the execution and performance of the Kowa Basic Agreement, (3) the validity and enforceability of Kowa Basic Agreement, (4) non-existence of any conflict with laws and regulations, internal regulations of Tender Offeror or decisions of judicial or administrative agencies with respect to the execution and performance of Kowa Basic Agreement, (5) procurement of any licenses and permits required for, and performance of any procedures required under laws and regulations for, the execution and performance of Kowa Basic Agreement, and (6) non-existence of any transactions with, or involvement with, anti-social forces.

(Note 2) Under the Kowa Basic Agreement, if Kowa tenders all or any of the Kowa-Owned Company Shares in the Tender Offer in breach of its obligations described in [1] above, Kowa will be obligated to pay to Tender Offeror an amount equal to the number of Company Shares tendered by Kowa into the Tender Offer multiplied by the Tender Offer Price as a penalty.

Except for the Kowa Basic Agreement, no agreement has been executed between Tender Offeror and Kowa with regard to the Transaction, and other than payment of the Total Share Buyback Price (Kowa), there will be no economic benefit granted by Tender Offeror to Kowa in relation to the Transaction.

5. Particulars of Provision of Profit by Tender Offeror or Special Related Persons of Tender Offeror

Not applicable.

6. Response Policy Pertaining to Basic Policy Relating to Company Control

Not applicable.

7. Questions to Tender Offeror

Not applicable.

8. Request to Extend Tender Offer Period

Not applicable.

9. Future Prospects

See "(iii) Post-Tender Offer and Post-Transaction Managerial Policy" in "[2] Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer and Post-Tender Offer Managerial Policy" in "(2) Grounds and Reasons for the Opinion Relating to the Tender Offer", "(4) Prospects for Delisting and Reasons Therefor", and "(5) Post-Tender Offer Reorganization etc. Policy (Matters Relating to So-Called Two-Step Acquisition)" in "3. Details, Grounds and Reasons for the Opinion Relating to the Tender Offer" above.

As discussed in the January 25, 2017 press release of the Company, "Notice Concerning a Capital and Business Alliance with DIC Corporation, Issuance of New Shares through a Third-party Allotment, Disposition of Treasury Shares, and Changes in Major Shareholders, the Top Shareholder among Major Shareholders, and Associated Companies", the Company executed a capital and business alliance agreement with DIC ("Capital and Business Alliance Agreement") and since then has carried out the capital and business alliance ("Capital and Business Alliance"). With the Company acquiring the DIC-Owned Company Shares through the Share Buyback, the Capital and Business Alliance Agreement will terminate and the Capital and Business Alliance will dissolve. However, the Company and DIC will continue their amicable transactional

relationship in the same manner as always.

10. Other

(1) Publication of "Consolidated Financial Results for the Nine Months of the Fiscal Year March 31, 2026 <Under Japanese GAAP>"

The Company published the Company Earnings Report on February 4, 2026. For details, see the relevant publication.

(2) Publication of "Notice Regarding Revision of Forecast for End-of-Term Dividends of Surplus for the Term Ending March 2026 (No Dividend)"

At the Board of Directors meeting held today, the Company resolved to revise the forecasts for end-of-term dividends for the term ending March 2026 and to pay no end-of-term dividends for the term ending March 2026. For details, see the Company's press release of today, ""Notice Regarding Revision of Forecast for End-of-Term Dividends of Surplus for the Term Ending March 2026 (No Dividends)".

(for reference) Overview of Tender Offer etc. (attachment)

For an overview of the Tender Offer, see Tender Offeror's press release of today, "Notice Regarding Plans to Commence a Tender Offer for the Shares of Taiyo Holdings Co., Ltd. (Stock Code: 4626)".

End

Soliciting Regulations

This document is a press release for the purpose of making a public announcement of the Tender Offer and was not prepared for the purpose of soliciting an offer for sale etc. or to make an offer for purchase etc. pertaining to the Tender Offer. When making an offer for sale etc. please carefully read the Tender Offer Explanatory Statement regarding the Tender Offer and make an offer at your own judgment. This press release does not constitute a solicitation of an offer to sell any securities, or an offer to purchase any securities, nor does it constitute any part of the foregoing, and neither this press release (or any part hereof) nor the fact of its distribution shall serve as the basis for any contract related to the Tender Offer, nor may they be relied upon when executing any contract

U.S. Regulations

The Tender Offer is a tender offer for the common shares of the Company, which is a company established in Japan. The Tender Offer will be implemented in compliance with procedures and information disclosure standards stipulated by the laws of Japan, and these procedures and standards are not necessarily the same as those in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) and regulations based on those provisions do not apply to the Tender Offer, and the Tender Offer is not in compliance with the procedures and standards thereunder. The financial information contained or mentioned in this press release is information based on accounting standards in Japan and these accounting standards may differ significantly from the general accounting principles of the United States and other countries. Further, because the Tender Offeror is a corporation incorporated outside the United States, it may be difficult to enforce any right or demand that can be asserted under U.S. federal securities laws. It may also not be possible to commence legal action against a non-U.S. corporation or its officers in a non-U.S. court for a violation of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their affiliates.

Except where indicated otherwise, all procedures related to the Tender Offer will be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese language documents shall prevail in the case of any discrepancy between the Japanese language documents and the corresponding English language documents.

There is a possibility that the Tender Offeror, the respective financial advisors of the Tender Offeror and the Company, and the tender offer agent (and affiliates of the foregoing) may, in the ordinary course of business and to the extent permitted by regulations in Japan relating to financial instruments and exchange, and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, for their own account or their customers' account, purchase or take action for the purchase of the Company's common shares outside of the Tender Offer since announcement of the Tender Offer and during the Tender Offer Period. Such purchases may be conducted at market prices through market transactions, or may be conducted at prices decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed on the English website of the person making such purchase (or by using another disclosure method).

In the event that in accordance with the Companies Act, shareholders exercise the right to demand purchase of shares of less than one unit, the Company may buy back treasury shares since announcement of the Tender Offer and during the Tender Offer Period in accordance with applicable statutory procedures.

Forward-Looking Statements

Statements in 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 Securities Exchange Act of 1934. Actual results may significantly differ from the projections implied or expressly stated in these forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror nor its affiliates guarantee that the results expressed or implied in these forward-looking statements will be achieved. The "forward-looking statements" contained in this press release have been prepared based on the information available to the Tender Offeror as of today, and unless required by laws and regulations, neither the Tender Offeror nor its affiliates are obligated to change or correct the statements made herein in order to reflect future events or circumstances.

Other Countries

Legal restrictions may be imposed on the announcement, publication, or distribution of this press release in certain countries or regions. In such cases, please be aware of and comply with such restrictions. The announcement, issue or release of this press release does not constitute solicitation of an offer to purchase or an offer to sell share certificates related to the Tender Offer, and shall be deemed to be simply the distribution of materials as information.