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Document submitted:	Tender Offer Notification
Place for submission:	Director-General of the Kanto Local Finance Bureau
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Place where the documents are made available for public inspection:	CORE Inc. (100 Kyutoku-Cho, Ogaki, Gifu) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

Note 1: As used herein, the term “Tender Offeror” means CORE Inc.

Note 2: As used herein, the term “Target” means PACIFIC INDUSTRIAL CO., LTD.

Note 3: In cases where figures are rounded off or rounded down herein, the figure indicated as the total will not necessarily equal the sum of the figures.

Note 4: As used herein, the term “Act” means the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended).

Note 5: As used herein, the term “Order” means the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965, as amended).

Note 6: As used herein, the term “Cabinet Office Ordinance” means the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended).

Note 7: As used herein, the term “Share Certificates, etc.” means rights pertaining to shares and share acquisition rights.

Note 8: In a case where number of days or a date and time are indicated herein, unless otherwise specified, this means number of days or a date and time in Japan.

Note 9: As used herein, the term “Business Day” means a day other than those listed in Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs (Law No. 91 of 1988, as amended).

Note 10: The tender offer described in this Notification (“Tender Offer”) is for ordinary shares (“Target Shares”) of and share acquisition rights in the Target, which is a company incorporated in Japan. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided in the laws of Japan, and those procedures and standards are not necessarily the same as the procedures and information

disclosure standards in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; “U.S. Securities Exchange Act of 1934;” hereinafter the same) nor the rules based on these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures and standards. The financial information included in this Notification and its reference materials is based on Japanese accounting principles, which may differ significantly from generally accepted accounting principles in the United States or other countries. In addition, because the Tender Offeror is a corporation incorporated outside the United States, and some or all of their officers are non-U.S. residents, it may be difficult to exercise rights or claims that may be asserted against them based on U.S. securities laws. It also may be impossible to initiate an action against a corporation or its officer(s) that are based outside of the United States in a court outside of the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation that is based outside of the United States and subsidiaries and affiliated companies of such corporation may be compelled to submit themselves to the jurisdiction of a U.S. court.

Note 11: Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the Tender Offer will be prepared in the English language; however, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation will prevail.

Note 12: This Notification and its reference materials include statements that fall under “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ significantly from the predictions, etc. indicated implicitly or explicitly as any “forward-looking statements.” The Tender Offeror, the Target and their affiliates do not guarantee that the predictions, etc. indicated implicitly or explicitly in those forward-looking statements will materialize. The “forward-looking statements” in this Notification and its reference materials were prepared based on information held by the Tender Offeror as of the Submission Date, and unless required by laws or regulations, the Tender Offeror, the Target and their affiliates shall not be obligated to amend or revise such statements to reflect future circumstances or situations.

Note 13: The respective financial advisors and tender offer agents (including affiliated companies thereof) of the Tender Offeror and the Target, may purchase or arrange to purchase Target Shares by means other than the Tender Offer, for their own account or for their client’s account, in their ordinary course of business and to the extent permitted under the financial instrument and exchange laws and regulations, and any other applicable laws and regulations in Japan as well as Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, during the period of Purchase, etc. in Tender Offer (“Tender Offer Period”). In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the financial advisor or tender offer agent conducting such purchases (or by other disclosure methods).

Part 1. Tender Offer Terms and Conditions

1. Name of the Target

PACIFIC INDUSTRIAL CO., LTD.

2. Type of Share Certificates, etc. for Purchase, etc.

- (1) Ordinary shares
- (2) Share acquisition rights
 - (i) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 18, 2011 ("First Series of Share Acquisition Rights") (exercise period: from August 2, 2011 to July 31, 2061);
 - (ii) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 23, 2012 ("Second Series of Share Acquisition Rights") (exercise period: from August 2, 2012 to July 31, 2062);
 - (iii) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 15, 2013 ("Third Series of Share Acquisition Rights") (exercise period: from August 2, 2013 to July 31, 2063);
 - (iv) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 14, 2014 ("Fourth Series of Share Acquisition Rights") (exercise period: from August 2, 2014 to July 31, 2064);
 - (v) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 13, 2015 ("Fifth Series of Share Acquisition Rights") (exercise period: from August 4, 2015 to August 3, 2065);
 - (vi) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 18, 2016 ("Sixth Series of Share Acquisition Rights") (exercise period: from August 2, 2016 to August 1, 2066);
 - (vii) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 17, 2017 ("Seventh Series of Share Acquisition Rights") (exercise period: from August 2, 2017 to August 1, 2067);
 - (viii) Share acquisition rights issued pursuant to the resolutions passed at the Target's Board of Directors meeting held on June 16, 2018 ("Eighth Series of Share Acquisition Rights") (exercise period: from August 2, 2018 to August 1, 2068) (First Series of Share Acquisition Rights through Eighth Series of Share Acquisition Rights are referred to collectively as "Share Acquisition Rights");

3. Purpose of Purchase, etc.

(1) Tender Offer Overview

The Tender Offeror is a *kabushiki kaisha* all issued shares of which are owned by Tetsushi Ogawa, who is the Representative Director and President and a shareholder of the Target (number of shares owned: 116,127 shares (Note 1); ownership percentage (Note 2): 0.20%) as of the Submission Date hereof, and is a company established on March 3, 2025, which has as its primary business the implementation of a series of transactions to take the Target, which is a company listed on the Tokyo Stock Exchange, Inc. ("TSE") Prime Market and Nagoya Stock Exchange, Inc. ("NSE") Premier Market, private ("Transaction") and the acquisition and possession of the ordinary shares issued by the Target and the Share Acquisition Rights (Note 3), and having Tetsushi Ogawa as its representative director (Note 4). As of the Submission Date, the Tender Offeror does not hold any Target Shares or Share Acquisition Rights.

Note 1: The number of shares owned by Tetsushi Ogawa (116,127 shares) stated above includes (i) Restricted Shares (as defined below): 19,000 shares, (ii) the number of the Target Shares underlying the Share

Acquisition Rights 176 units: 17,600 shares, and (iii) the Target Shares indirectly owned through the Target's officers' stock ownership plan: 13,832 shares (rounded down to the nearest whole number, which are owned by Tetsushi Ogawa as of the Submission Date. The same applies to the number of shares owned by Tetsushi Ogawa referenced below.

Note 2: "Ownership percentage" means the percentage (rounded off to the second decimal place; the same applies below in the calculation of ownership percentages) to the number of shares (57,791,649 shares; the "Total Number of Shares After Considering Potential Shares") obtained by (i) adding the number of Target Shares (118,400 shares) underlying the total Share Acquisition Rights existing as of the Submission Date as reported by the Target (1,184 units)(Note 3) to the total number of issued shares of the Target as of the same day (61,312,896 shares) as set forth in the Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2026 (Under Japanese GAAP) ("Target First Quarter Financial Results"), which the Target released on July 25, 2025 (resulting in 61,431,296 shares), (ii) *less* the number of treasury shares the Target holds as of the Submission Date (3,639,647 shares) as reported by the Target.

Note 3: The breakdown of the Share Acquisition Rights existing as of the Submission Date as reported by the Target is as follows:

Name of Share Acquisition Rights	Number of units as of the Submission Date (units)	Number of Target Shares underlying (shares)
First Series of Share Acquisition Rights	227	22,700
Second Series of Share Acquisition Rights	173	17,300
Third Series of Share Acquisition Rights	122	12,200
Fourth Series of Share Acquisition Rights	176	17,600
Fifth Series of Share Acquisition Rights	167	16,700
Sixth Series of Share Acquisition Rights	128	12,800
Seventh Series of Share Acquisition Rights	86	8,600
Eighth Series of Share Acquisition Rights	105	10,500
Total	1,184	118,400

Note 4: The Tender Offeror's representative director at the time of its incorporation was Masahiro Nobukawa; however, he resigned as representative director on July 24, 2025, and Tetsushi Ogawa has assumed the position of representative director of the Tender Offeror.

The Tender Offeror has decided to carry out the Tender Offer as part of the Transaction for the purpose of acquiring all Target Shares and Share Acquisition Rights (including shares of the Target with restrictions on transfer that were granted to the Target's directors and executive officers as restricted stock-based compensation ("Restricted Shares") and the Target Shares to be delivered upon exercise of the Share Acquisition Rights, and excluding treasury shares held by the Target and the Target Shares held by Non-Tendering Shareholders (as defined below) ("Non-Tendered Shares")), and delisting the Target Shares.

The Share Acquisition Rights were issued to the Target's directors and executive officers as stock-based compensation stock options, and (i) while holders of the Share Acquisition Rights ("Share Acquisition Rights Holders") are entitled to exercise their Share Acquisition Rights only within ten days from the day after the day on

which they lose their positions as a director or executive officer of the Target (or the next business day, if the tenth day falls on a holiday), during the exercise period of the Share Acquisition Rights (the aforementioned conditions for exercise upon loss of position are referred to hereinafter as “Conditions for Exercise Upon Loss of Position”), the Tender Offeror will not be able to exercise those rights even if it acquires them, and (ii) according to the Target, none of the directors or executive officers of the Target, who are Share Acquisition Rights Holders, intend to exercise their Share Acquisition Rights upon fulfillment of the Conditions for Exercise Upon Loss of Position, the Target does not expect Share Acquisition Rights to be exercised during the Tender Offer Period, or the Target Shares to be issued or transferred to the Share Acquisition Rights Holders. As stated in section “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” below, if the Tender Offer is completed successfully, the Tender Offeror intends to request that the Target carry out procedures reasonably necessary for the execution of the Transaction, including acquisition of the Share Acquisition Rights, encouraging Share Acquisition Rights Holders to waive their Share Acquisition Rights and any other procedures, and if this request is made, the Target intends to cooperate with the request; therefore, it is not expected that the Share Acquisition Rights Holders will tender their Share Acquisition Rights in the Tender Offer.

The Transaction will be carried out by the Tender Offeror, which is a company in which Tetsushi Ogawa, a member of the founding family and the eldest son of Shinya Ogawa (who also is a member of the founding family, and is the Representative Director and Chairman of the Target) and the Representative Director and President of the Target, invests, and since Shinya Ogawa and Tetsushi Ogawa (Shinya Ogawa and Tetsushi Ogawa are referred to collectively hereinafter as the “Founding Family Shareholders” or the “Ogawas”) are well-versed in the Target’s business and will continue to manage the Target after the Transaction, the Transaction qualifies as what is known as a management buyout (MBO) (Note 5). As of the Submission Date, there is no agreement between the Tender Offeror and other directors of the Target (including Audit and Supervisory Committee Members) on officer appointment or treatment after completion of the Tender Offer, and, if the Tender Offer is completed, decisions on the post-Tender Offer management structure of the Target, including officers, are expected to be made through consultation with the Target.

Note 5: A “management buyout (MBO)” generally refers to a transaction in which the management of a target company invests all or part of the acquisition funds to acquire shares in the target company on the assumption that the target company’s business will continue.

In implementing the Tender Offer, the Tender Offeror agreed in writing on July 25, 2025 with Shinya Ogawa, the Representative Director and Chairman of the Target (number of shares owned: 1,573,305 shares (Note 6), ownership percentage: 2.72%) and Tetsushi Ogawa, the Representative Director and President of the Target (number of shares owned: 116,127 shares, ownership percentage: 0.20%) that they will not tender any of the Non-Tendered Shares owned by Shinya Ogawa (1,484,005 shares, ownership percentage: 2.57%) and the Non-Tendered Shares owned by Tetsushi Ogawa (98,527 shares, ownership percentage: 0.17%) in the Tender Offer, and that if the Tender Offer is completed successfully, they will exercise their voting rights in the same manner as the Tender Offeror in accordance with the Tender Offeror’s instructions on the resolutions relating to the Squeeze-out Procedures (as defined below; the same applies hereinafter) at the Extraordinary General Shareholders Meeting (as defined in section “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” below; the same applies hereinafter) (these agreements collectively, “Non-Tendering Agreement (Founding Family)”). For details of the Non-Tendering Agreement (Founding Family), see section “(4) Important Agreements Relating to the Tender Offer” below.

Note 6: The number of shares owned by Shinya Ogawa (1,573,305 shares) set forth above includes (i) Restricted Shares : 25,600 shares, (ii) the number of the Target Shares underlying the Share Acquisition Rights 893 units: 89,300 shares, and (iii) the Target Shares indirectly owned through the Target’s officers’ stock ownership plan: 13,856 shares (rounded down to the nearest whole number, which are owned by Shinya Ogawa as of the Submission Date. The same applies below with regard to the number of shares owned by

Shinya Ogawa.

Further, in implementing the Tender Offer, the Tender Offeror agreed in writing on July 25, 2025 with the OGAWA Science and Technology Foundation, of which Shinya Ogawa serves as the Chairman (Representative Director), and Tetsushi Ogawa serves as the Vice Director (Executive Director) (the “Foundation”)(the Founding Family Shareholders and Foundation are referred to collectively as the “Non-Tendering Shareholders”) (number of shares owned: 1,000,000 shares; ownership percentage: 1.73%) that it will not tender any of the Non-Tendered Shares owned by the Foundation (1,000,000 shares; ownership percentage: 1.73%) in the Tender Offer and that if the Tender Offer is completed successfully, the Foundation will exercise its voting rights in the same manner as the Tender Offeror in accordance with the Tender Offeror’s instructions on the resolutions relating to the Squeeze-out Procedures at the Extraordinary General Shareholders Meeting (“Non-Tendering Agreement (Foundation)”). For details of the Non-Tendering Agreement (Foundation), see section “(4) Important Agreements Relating to the Tender Offer” below. In order to avoid suspicion of a conflict of interest and to eliminate arbitrariness in the decision-making process of the Foundation in the execution and implementation of the Non-Tendering Agreement (Foundation), the Ogawas have not participated in any deliberations or resolutions by the Foundation’s executive board in connection with the Non-Tendering Agreement (Foundation), nor have they participated in any discussions or negotiations with the Tender Offeror in their capacities as representative director and executive director of the Foundation.

The Tender Offeror has set the minimum number of shares planned for purchase in the Tender Offer at 35,841,900 shares (ownership percentage: 62.02%), and in the event that the total number of share certificates, etc. tendered in the Tender Offer (“Tendered Share Certificates, etc.”) does not reach the minimum number of shares planned for purchase (35,841,900 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. Meanwhile, because the purpose of the Tender Offer is to delist the Target Shares, the Tender Offeror has not set the maximum number of shares planned for purchase in the Tender Offer, and as long as the total number of Tendered Share Certificates, etc. is at or above the minimum number of shares planned for purchase (35,841,900 shares), all the Tendered Share Certificates, etc. will be purchased. The minimum number of shares planned for purchase (35,841,900 shares) is obtained by multiplying the number of voting rights (576,732) attached to the number of shares (57,673,249 shares) obtained by deducting the number of the Target Shares underlying the total of 1,184 Share Acquisition Rights that exist as of June 30, 2025 as reported by the Target (118,400 shares) from the Total Number of Shares After Considering Potential Shares (57,791,649 shares) (Note 7) by two-thirds (resulting in 384,488, rounded up to the nearest whole number), subtracting from this product the total number of voting rights (25,825) attached to the Target Shares owned by Non-Tendering Shareholders and the number of voting rights (244) attached to the number of shares owned by the Target’s directors other than the Non-Tendering Shareholders (Founding Family) as of June 30, 2025 among the Restricted Shares (91,900 shares) existing as of June 30, 2025 as reported by the Target (total: 24,400 shares; ownership percentage: 0.04%)(Note 8), and multiplying that result (358,419) by 100, which is the number of shares in one share unit of the Target. The reason for setting such minimum number of shares planned for purchase is as follows: the object of the Transaction is to delist the Target Shares, and given that implementation of the procedures for consolidation of the Target Shares discussed below in section “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” (“Share Consolidation”) will require a special resolution of a general shareholders meeting specified in the Companies Act (Act No. 86 of 2005; as amended; “Companies Act”), Article 309, Paragraph 2, the minimum number of shares planned for purchase was set to make it certain that the Transaction can be implemented. Furthermore, the Tender Offeror and the Non-Tendering Shareholders have agreed that the Non-Tendering Shareholders will not tender their shares in the Tender Offer and that they will support the resolutions relating to Squeeze-out Procedures at the Extraordinary General Shareholders Meeting if the Tender Offer is completed successfully; therefore the Non-Tendered Shares are subtracted from the aforementioned calculation of the number of voting rights.

Note 7: In terms of the number of Target Shares underlying the Share Acquisition Rights, (i) while Share

Acquisition Rights Holders are entitled to exercise their Share Acquisition Rights only within ten days from the day after the day on which they lose their positions as a director or executive officer of the Target (or the next business day, if the tenth day falls on a holiday), during the exercise period for the Share Acquisition Rights under the Conditions for Exercise Upon Loss of Position, according to the Target, Share Acquisition Rights Holders include directors and executive officers of the Target, and none of them intend to exercise their Share Acquisition Rights upon fulfillment of the Conditions for Exercise Upon Loss of Position; therefore, the Target does not expect Share Acquisition Rights to be exercised during the Tender Offer Period, or the Target Shares to be issued or transferred to the Share Acquisition Rights Holders. Further, (ii) as stated in section “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” below, if the Tender Offer is completed successfully, the Tender Offeror intends to request that the Target carry out procedures reasonably necessary for the execution of the Transaction, including acquisition of the Share Acquisition Rights, encouraging Share Acquisition Rights Holders to waive their Share Acquisition Rights any other procedures, and if this request is made, the Target intends to cooperate with the request. Therefore, the number of Target Shares underlying the Share Acquisition Rights was not taken into consideration when establishing the minimum number of shares to be purchased.

Note 8: The Restricted Shares cannot be tendered in the Tender Offer due to the restrictions on transfer; however, at the meeting of the Target’s Board of Directors held on July 25, 2025, the Target passed a resolution indicating that the Target will express an opinion in support of the Tender Offer and recommend that the Target shareholders tender their shares in the Tender Offer. The Target’s directors who are owners of the Restricted Shares have responded that if the Tender Offer is completed successfully, they will support the Squeeze-out Procedures, and therefore, the number of voting rights pertaining to the number of Restricted Shares held by the Target’s directors is deducted when considering the minimum number of shares planned for purchase.

As set forth in section “[3] Funds Planned to be Borrowed On or After Submission Date” and section “[4] Other Financing Methods,” of section “(2) Deposits and Borrowings, etc. Available to Apply to Funds Required for Purchase, etc.,” in the section titled “8. Funds Required for Purchase, etc.” below, if the Tender Offer is completed successfully, the Tender Offeror plans to carry out procedures for a capital increase through third-party allotment of class A preferred shares (shares with no voting rights) (Note 9) with Development Bank of Japan Inc. (“DBJ”), the Ogaki Kyoritsu Bank, Ltd. (“Ogaki Kyoritsu Bank”) (number of shares owned: 2,671,093 shares; ownership percentage: 4.62%), and the Juroku Bank, Ltd. (“Juroku Bank”) (number of shares owned: 2,619,956 plants; ownership percentage: 4.53%) as the allottees and a capital increase through third-party allotment of class B preferred shares (shares with no voting rights) (Note 10) with DBJ as the allottee during the period up to the settlement of the Tender Offer for purposes of applying the funds procured thereby to the funds required for the implementation of the Transaction (collectively, “Third-Party Allotment Capital Increase”). Further, in addition to the Third-Party Allotment Capital Increase, the Tender Offeror plans to obtain a loan (“Loan”) from MUFG Bank, Ltd. (“MUFG Bank”), and intends to apply those funds to the settlement funds, etc., for the Tender Offer. The lending terms and conditions for the Loan are to be stipulated in a loan agreement for the Loan upon separate discussion with MUFG Bank; under the loan agreement for the Loan, certain assets, including the Target Shares that the Tender Offeror is to acquire in the Tender Offer are expected to be provided as collateral.

Note 9: Class A preferred shares are shares with no voting rights and preferred shares with a provision that entitles the holders thereof to receive dividends of surplus and distributions of residual assets in preference to ordinary shares, and include put options (right of the shareholders of class A preferred shares to request that the Tender Offeror acquire the class A preferred shares in exchange for money) and acquisition clauses (right of the Tender Offeror to acquire class A preferred shares from the shareholders of class A preferred shares in exchange for money); however, they do not include the right to request conversion to ordinary shares (right of the shareholders of class A preferred shares to request the delivery of the Tender Offeror’s

ordinary shares in exchange for the Tender Offeror's acquisition of class A preferred shares).

Note 10: Class B preferred shares are shares with no voting rights and preferred shares with a provision that entitles the shareholders thereof to receive dividends of surplus and distribution of residual assets in preference to ordinary shares, and include put options (right of the shareholders of class B preferred shares to request that the Tender Offeror acquire the class B preferred shares in exchange for money), acquisition clauses (right of the Tender Offeror to acquire class B preferred shares from the shareholders of class B preferred shares in exchange for money), and the right to request conversion to ordinary shares (right of the shareholders of class B preferred shares to request the delivery of the Tender Offeror's ordinary shares in exchange for the Tender Offeror's acquisition of class B preferred shares).

If the Tender Offeror is unable to acquire all of the Target Shares and Share Acquisition Rights through the Tender Offer (including Restricted Shares and Target Shares to be delivered upon exercise of Share Acquisition Rights and excluding treasury shares held by the Target and Non-Tendered Shares), after the Tender Offer is completed successfully, the Tender Offeror will carry out a series of procedures designed to make the Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Target ("Squeeze-out Procedures;" for details, see section "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)" below).

The Tender Offeror intends to eventually become the sole shareholder of the Target, and as a means for achieving such objective, the Tender Offeror plans to carry out, on the condition of completion of the Squeeze-out Procedures, a share swap with the ordinary shares of the Tender Offeror as consideration ("Share Swap"), having the Tender Offeror as the wholly-owning parent after the Share Swap and the Target as a wholly-owned subsidiary after the Share Swap, and after the Share Swap takes effect, the Foundation intends to implement the necessary procedures to ensure that it does not own any ordinary shares of the Tender Offeror and only owns class C preferred shares of the Tender Offeror ("Share Swap and Other Relevant Actions"); the details have yet to be determined as of the Submission Date (Note 11, Note 12, Note 13, and Note 14).

However, if as a result of the Tender Offer, there are shareholders who own at least the same number of Target Shares as the Target Shares held by any of the Non-Tendering Shareholders, or if those shareholders are expected to exist at the time the Share Consolidation takes effect, in order to ensure that those shareholders no longer are shareholders of the Target after the Share Consolidation takes effect, the Tender Offeror intends to request that the Target carry out the Share Consolidation at a share consolidation ratio in which the number of Target Shares held by those shareholders will become fractions equal to less than one share. In this case, as soon as practicably possible after the completion of the Share Consolidation, the Non-Tendering Shareholders who no longer remain shareholders of the Target intend to reinvest in the Tender Offeror the full amount of money received from the Target as consideration for their Target Shares as a result of the Share Consolidation (provided that taxes, other public charges, and reasonable expenses will be deducted). Among the shareholders who no longer remain shareholders of the Target ("Reinvestment"), and among the Non-Tendering Shareholders who will no longer remain shareholders of the Target, the Tender Offeror intends to allot ordinary shares of the Tender Offeror to Founding Family Shareholders, and to allot Class C preferred shares, which are shares of the Tender Offeror with no voting rights, to the Foundation (Note 11, Note 12, and Note 13).

Note 11: The Founding Family Shareholders are scheduled to acquire the ordinary shares of the Tender Offeror through Share Swap or Reinvestment. Nevertheless, (i) when determining the Share Swap ratio for the Share Swap or the payment amount per Tender Offeror share in the Reinvestment, the value of the Target Shares is expected to be set at the Share Swap ratio or a payment amount that will not be more favorable than the actual Tender Offer Price, after being evaluated at the same price per share as the price for Purchase, etc. per Target Share in the Tender Offer ("Tender Offer Price") (however, if a share consolidation is implemented as a Squeeze-out Procedure, the value of the Target Shares are scheduled to be adjusted as a formality, based on the percentage of Target Shares in the share consolidation), and (ii) the purpose of the Share Swap and Other Relevant Actions and Reinvestment is for the Founding Family Shareholders who plan, after the Transaction, to continue to engage in the management or business of the

Target to have, through the ownership of the Tender Offeror shares, a shared incentive towards enhancing the corporate value of the Target after the Transaction, and the Share Swap is not seen as the same as consideration for tendering shares in the Tender Offer; therefore, it does not contravene the intent behind the stipulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act; hereinafter the same).

Note 12: The Foundation is scheduled to acquire class C preferred shares of the Tender Offeror through the Share Swap and Other Relevant Actions or Reinvestment, and class C preferred shares which are shares with no voting rights and preferred shares with a provision that entitles the shareholders thereof to receive dividends of surplus in preference to ordinary shares in an amount up to 60 million yen per year, and do not include put options (right of the shareholders of class C preferred shares to request that the Tender Offeror acquire the class C preferred shares in exchange for ordinary shares, money or the like) and the right to request conversion to ordinary shares (right of the shareholders of class C preferred shares to request the delivery of the Tender Offeror's ordinary shares in exchange for the Tender Offeror's acquisition of class C preferred shares). The Foundation is a public interest incorporated foundation, which intends to contribute to the promotion of science and technology and the development of local economies by engaging in businesses that support and promote research and development related to technology and manufacturing, to which a public interest corporation authorization has been granted under the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (Act No. 49 of 2006, as amended) for the purpose of (i) supporting academic research, technological development, international exchange, etc., (ii) supporting and holding lectures, presentations, exhibitions, etc., (iii) honoring remarkable achievements, (iv) engaging in business, for example, to support scholarships and the like for nurturing and education, and (v) other businesses necessary to achieve the purpose of the foundation. The continuation of the Foundation's business as currently conducted will lead to the development of future technology through the provision of support or the like for research and development and other relevant matters related to production and manufacturing technology, social infrastructure, IT information, the environment and energy, and design. Therefore, it has been decided that, the Foundation will hold the Target Shares indirectly, through an investment in the Tender Offeror, even after the implementation of the Transaction, while the Tender Offeror will hold all of the Target Shares (excluding treasury shares held by the Target), and the Tender Offeror will issue class C preferred shares, which are shares with no voting rights, to the Foundation, as stated above, so that the capital structure ensures that the Founding Family Shareholders hold all the voting rights in the Tender Offeror, and the Tender Offeror has agreed with the Foundation on the Share Swap and Other Relevant Actions and the Reinvestment. The Tender Offeror believes that the acquisition of class C preferred shares by the Foundation does not contravene the intent behind the principle of uniformity of the tender offer price because (i) when determining the payment amount per class C preferred share, the value of the Target Shares is expected to be set at a payment amount that will not be more favorable than the actual Tender Offer Price, after being evaluated at the same price per share as the Tender Offer Price (however, if a share consolidation is implemented as a Squeeze-out Procedure, the value of the Target Shares are scheduled to be adjusted as a formality, based on the percentage of Target Shares in the share consolidation, (ii) although class C preferred shares have a provision that entitles the shareholders thereof to receive dividends of surplus in preference to ordinary shares up to 60 million yen per year as stated above, there currently are no specific plans for the Tender Offeror to pay dividends of surplus for class C preferred shares, and whether those dividends will be paid in the future will be determined by the shareholders who have voting rights of in the Tender Offeror, taking into account the Target's business condition, financial condition, market conditions, and other factors after the Transaction has been implemented, and the Foundation, which does not have voting rights of the Tender Offeror, cannot be involved in the decision whether to pay those dividends, and class C preferred shares do not include the right to convert to ordinary shares, and (iii) as stated above, the Share Swap and Other Relevant Actions or the Reinvestment will be

carried out for the purpose of engaging the Foundation in the Target even after the execution of the Transaction through investment in the Tender Offeror, since the continuation of the Foundation’s business as currently conducted will lead to the development of future technology through providing support or the like for research and development and other relevant matters related to production and manufacturing technology, social infrastructure, IT information, environment and energy, and design, and the acquisition of class C preferred shares by the Foundation was considered independently of the advisability of the Foundation’s not tendering in the Tender Offer

Note 13: Subject to the implementation of the Share Swap and Other Relevant Actions or the Reinvestment, the Tender Offeror will carry out a third-party allotment of ordinary shares, with DBJ as the allottee, up to 5% of the issued ordinary shares of the Tender Offeror after the Share Swap and Other Relevant Actions or Reinvestment and DBJ Ordinary Shares Contribution (as defined below) (“DBJ Ordinary Shares Contribution”) aside from the allotment of preferred shares (shares with no voting rights) through the Third-Party Allotment Capital Increase, after completion of the Transaction. The DBJ Ordinary Shares Contribution is intended to leverage DBJ’s knowledge of problem solving and value creation in the industrial and infrastructure fields that DBJ has cultivated, and to give DBJ a shared incentive to enhance the corporate value of the Target after the Transaction with the Founding Family Shareholders. As of the Submission Date, the timing and specific conditions of implementation have not yet been decided.

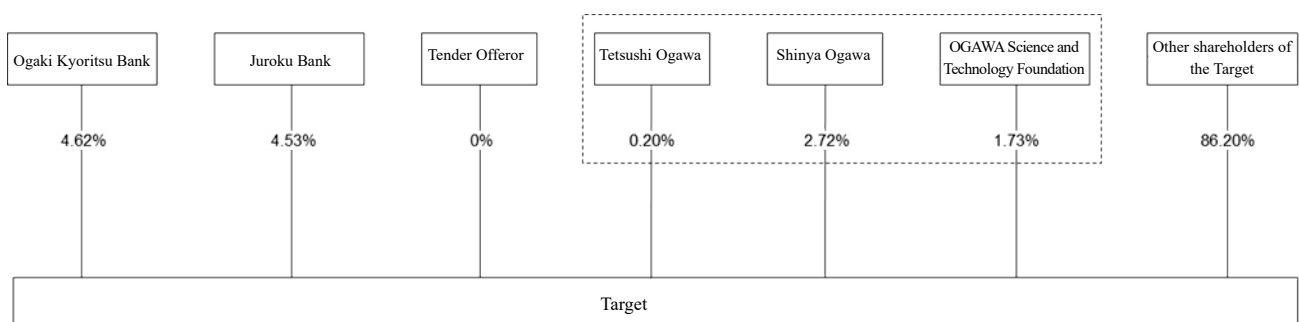
Note 14: As a result of the Share Swap and Other Relevant Actions, the Reinvestment, and the DBJ Ordinary Shares Contribution, it is intended that the ratio of the voting rights held by the Ogawas to the total voting rights of the Tender Offeror (the “Tender Offeror’s Voting Rights Ratio”) will be 95%, the Tender Offeror’s Voting Rights Ratio of DBJ will be 5%, and the Tender Offeror’s Voting Rights Ratio of other shareholders will be 0%.

According to “Notice Regarding Implementation of Management Buyout and Recommendation to Tender,” which the Target released on July 25, 2025 (“Target Press Release”), at the meeting of the Target’s Board of Directors held on the same day, the Target passed a resolution indicating that the Target will express an opinion in support of the Tender Offer and recommend that Target shareholders tender their shares in the Tender Offer and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders’ in the Tender Offer.

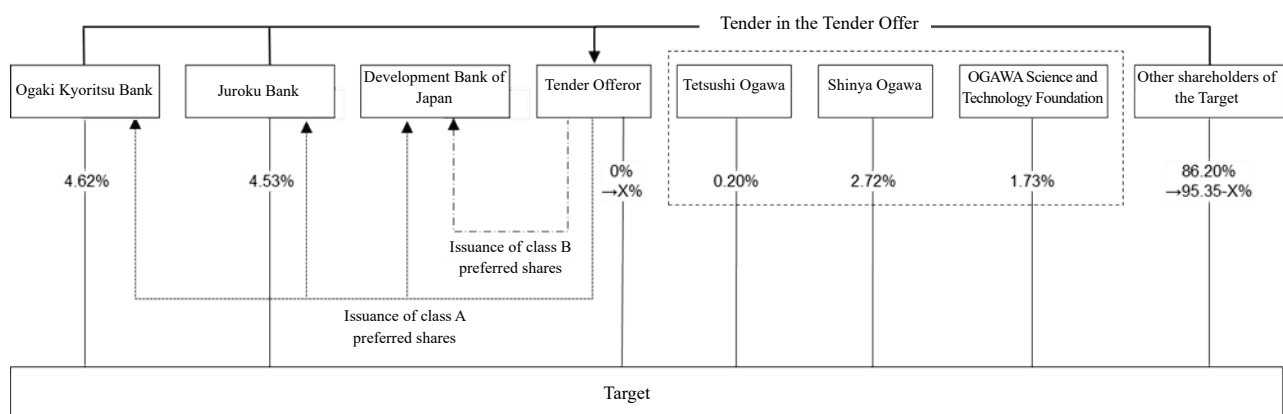
For details regarding the above resolutions by the Target’s Board of Directors, see Target Press Release, as well as section “[5] Approval of All Target Directors with No Conflict of Interest (including Audit and Supervisory Committee Members),” of section “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer),” of section “Background of the Calculation,” of section “(2) Purchase, etc. prices,” in the section titled “4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase” below.

The following diagrams illustrate an overview of the Transaction.

I. Current Situation (as of the Submission Date)

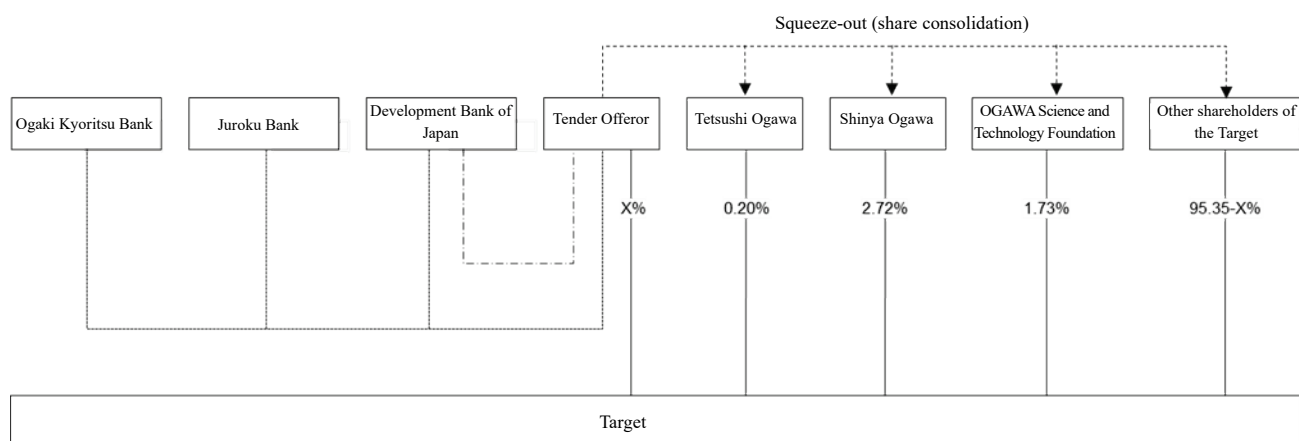


II. Settlement of the Tender Offer (September 16, 2025)



*X% is the ownership percentage of the number of shares tendered in the Tender Offer.

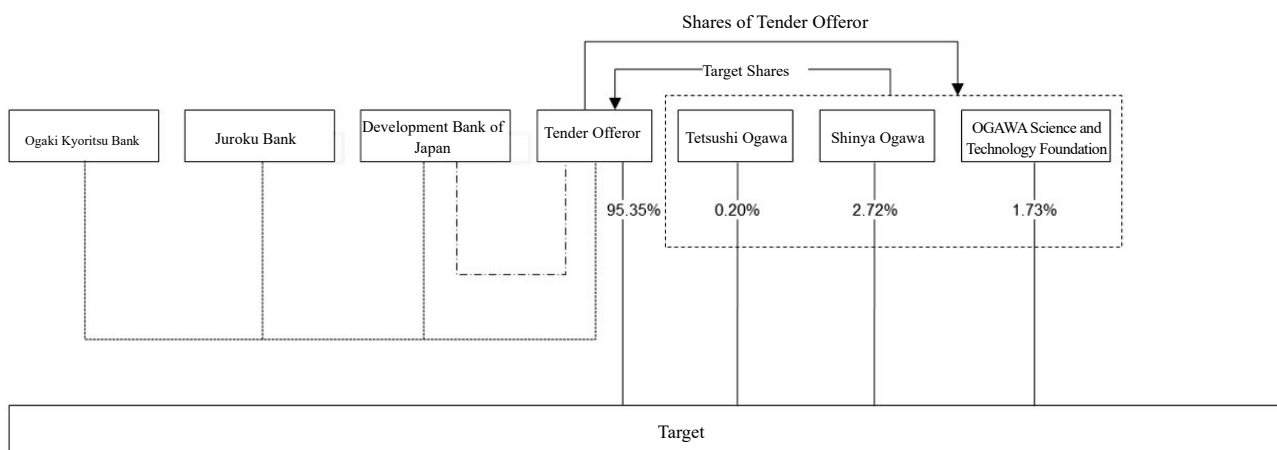
III. Execution of Squeeze-out Procedures (Mid-October 2025 to Late November 2025 (Scheduled))



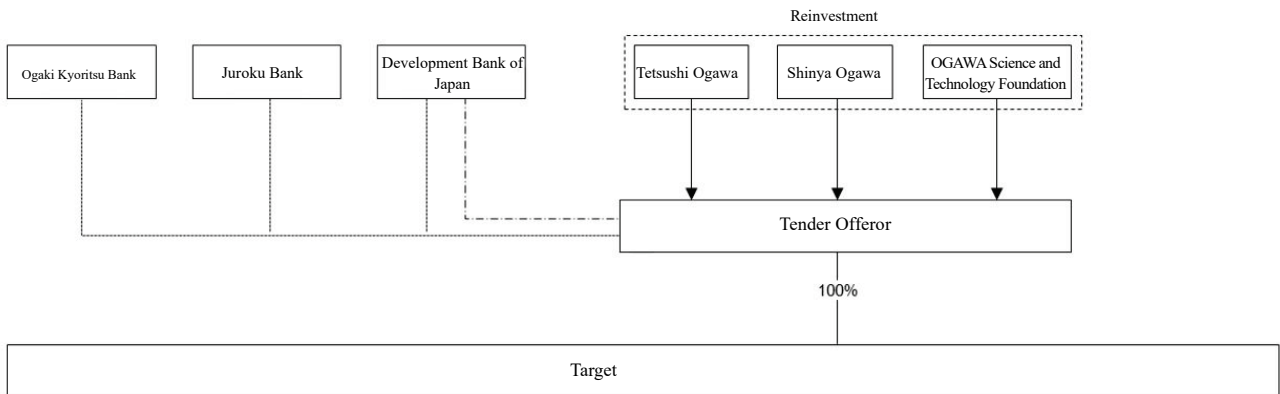
IV. Execution of Share Swap and Other Relevant Actions or Reinvestment

(To be executed as soon as practicably possible after completion of the Squeeze-out Procedures; the specific schedule is yet to be determined.)

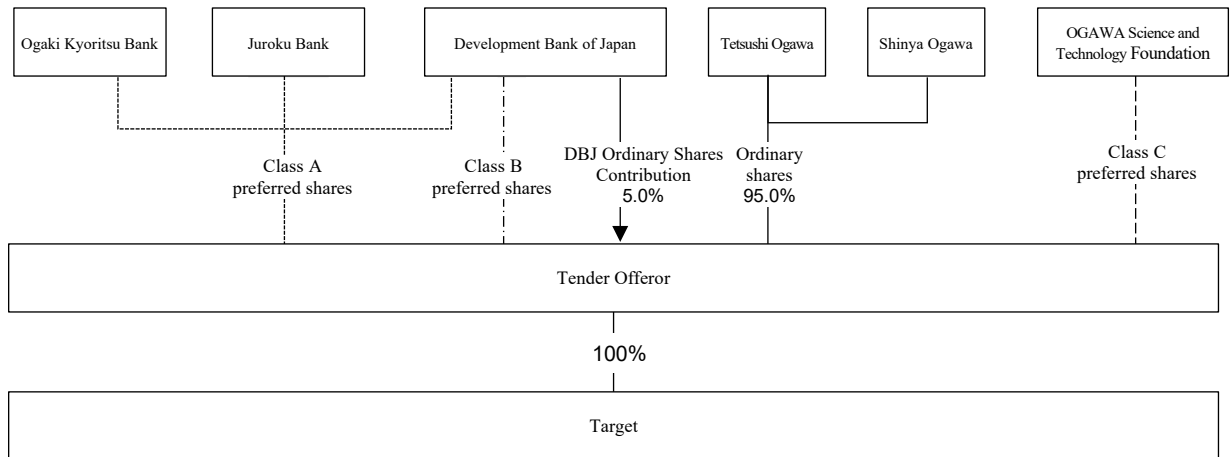
<If the Share Swap and Other Relevant Actions are carried out>



<If the Reinvestment is carried out>



V. After Execution of Share Swap and Other Relevant Actions or Reinvestment



(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer

The Target was established as Pacific Industrial Co. (an unlimited company) by founder Soichi Ogawa in Goten-machi, Ogaki-shi, Gifu in August 1930 for the purpose of producing valve cores for automobiles (Note 1), and its trade name was changed to PACIFIC INDUSTRIAL CO., LTD. in April 1938. The Target Shares were listed on the NSE Second Section in October 1962 and the TSE Second Section in October 1963, and after being designated on the TSE First Section and the NSE First Section in August 1970, as a result of the market reclassification by the TSE and NSE in April 2022, the Target Shares are listed on the TSE Prime Market and the NSE Premier Market as of the Submission Date.

The Target Group is comprised of the Target, 16 consolidated subsidiaries, and one equity method affiliate (collectively referred to as the “Target Group”) as of the Submission Date and engages in stamping and molding product business, valve product business, and other businesses. The details of each business are described below.

Note 1: “Valve cores for automobiles” are precision parts used to make tire valves that have the functions of ensuring the smooth flow of air being pumped in when the valve is open and generally preventing air from leaking out.

(a) Stamping and molding product business

The Target produces and sells stamping products that use technologies to mold ultra-high-tensile strength steel materials (Note 2) that achieve both reduced weight and high strength, and molding products in various fields, including film decorating technologies (Note 3) and soundproofing technologies.

In the stamping business, the Target believes that there is a growing need for ultra-high-tensile strength steel materials that achieve both reduced weight and safety in automobiles as a whole, including electric vehicles; in particular, customers have a growing need for the ultra-high-tensile strength steel cold press method (Note 4), which is the Target’s specialty, because CO2 emissions during production are low and it is inexpensive. Therefore, the Target is developing technologies to capture these needs. The Target intends to expand acceptance of orders by expanding sales of new products for electric vehicles and existing body shell parts (Note 5) that use its molding technologies for ultra-high-tensile strength steel materials.

In the molding business, the Target recognizes that there is a growing need for noise countermeasures for motors and compressors, the noise of which had been drowned out by engine noise, and for improvements in electrical cost efficiency, in accordance with the progress of electrification of automobiles, and the Target intends to expand the number of orders accepted, by promoting the development of new products for electric vehicles at its technology development center, which will start operations in October 2025, based on core technologies, such as soundproofing technologies, and aerodynamic control and decoration technologies and the expansion of bases.

Note 2: “Ultra-high-tensile strength steel materials” are ultra-high-tensile steel sheets that are thinner and lighter than ordinary steel sheets, but have high levels of strength and shock absorption performance.

Note 3: “Film decorating technologies” are technologies that transfer the patterns on film to a product during the injection molding of molding products using a special film.

Note 4: “Ultra-high-tensile strength steel cold press method” is a press molding method[To editor: It means a processing method that uses molds and press machines to crush, bend, or cut materials such as metals to form them into a desired shape.] at room temperature without applying heat to ultra-high-tensile strength steel materials.

Note 5: “Existing body shell parts” are parts such as roof reinforcements, front pillar lower outer reinforcements, front pillar outer reinforcements, back door reinforcements, and hood lock reinforcements, which make up the body frame of an automobile.

(b) Valve product business

In addition to valve products, such as tire valves/valve cores, and various valves for car air conditioners, for which the Target is proud of having the top market share in the world, the Target manufactures and sells TPMS (tire pressure monitoring system) products (Note 6), forging products (Note 7), and valves for aircrafts, industrial machinery, and energy industries.

For valve products, the Target recognizes the trend of electrification of automobiles, moving toward carbon neutrality, as an opportunity for growth, and is developing products for thermal management systems, which are becoming increasingly important for the efficient use of heat in electric vehicles, and plans to focus on the development and expansion of sales of valves for electric vehicles, including electronic expansion valves. The Target is developing the next model of TPMS products, which is compact, lightweight, has low power consumption, and is highly cost-competitive, and plans to take on the challenge of further technological innovation with a view to the data business.

Note 6: “TPMS”, which stands for “Tire Pressure Monitoring System”, is a system through which a tire pressure sensor installed in a tire informs the driver an abnormality in the event of low air pressure.

Note 7: “Forging products” are products made by applying pressure to metal using a press machine to mold or process it, specifically for parts such as plates, hubs, flanges, and carriers that are used as high-performance parts for automotive automatic transmissions and units for hybrid vehicles.

(c) Other businesses

In fields other than mobility, the Target develops, sells, and provides services related to IoT (Note 8) products and applications that use AI technologies, sensing and wireless communication technologies, and other technologies, develops and sells upcycled products (Note 9), including products made from recycled materials and recyclable products, and provides non-life insurance agency services.

In terms of IoT products, the Target develops and sells solutions such as “e-WAVES” (Note 10), which contribute to the improvement of logistics quality, “CAPSULE SENSE” (Note 11), a cattle body condition monitoring system, and “ENEGRAPH,” which enables visualization of factory energy.

In the future, the Target plans to take on challenges actively in fields other than mobility, and to strive to acquire new business opportunities that will be the medium- to long-term business pillars of the Target Group by developing products that contribute to solving social issues through the use of core technologies, such as sensing and wireless communication technologies cultivated in the TPMS, possessed by the Target Group.

Note 8: “IoT,” which stands for “Internet of Things,” is a system in which various things that were not previously connected to the Internet are connected to a network and exchange information with one another.

Note 9: “Upcycled products” are products that have been recycled by adding designs and new functions to products that otherwise would be discarded, to add value to the original products.

Note 10: “e-WAVES” is a multi-sensing logger (a product that can measure, record, and store multiple kinds of data at the same time) that can measure and manage environmental data, such as temperature, humidity, and location, in real time, which is manufactured and sold by the Target, and is used mainly during transportation and storage in the logistics industry.

Note 11: “CAPSULE SENSE” is a system for management of the physical condition of cattle, which is manufactured and sold by the Target, and detects signs of changes in physical condition, such as estrus, signs of calving, and illness, by inserting a capsule with built-in temperature and acceleration sensors into the stomach of a cow and analyzing the sensor information using artificial intelligence, and notifies the producer of relevant information through a dedicated app.

The Target is confident, in that it has supported the automotive parts industry as a pioneer in valve cores for more than 90 years, since the development of valve cores used for automobile tires in 1930, and, believes that in response to changes in the business environment, it has expanded its business to automotive stamping and molding products,

electronics and control equipment products, and TPMS products for high-performance valves, and has achieved steady growth along with the development of the automobile industry in Japan. Currently, in addition to eight factories, two consolidated subsidiaries, and one equity-method affiliate in Japan, the Target has 14 consolidated subsidiaries in seven overseas countries, and is proud to have established a solid position in the industry as a global company that develops business throughout Japan and overseas. The Target shares “PACIFIC VALUES” (Note 12), which is a universal value centered on the spirit of the Target’s founding and important thoughts inherited from its predecessors, within the entire Target Group, and is striving to make a leap forward in the future, with the goal of “Passion in Creating Tomorrow,” which is the core of the management of the Target Group.

In addition, in the severe VUCA (Note 13) environment in which the future is unpredictable, the Target believes that significance of its social existence is to empower diverse human resources to take on new challenges with an eye to the future, to demonstrate their strengths regardless of gender, nationality, age, work style, and other factors, and to create new value that will have a positive impact on society from a long-term perspective; thus, on April 27, 2023, the Target formulated “Beyond the OCEAN,” a mid- to long-term business vision for a view toward 2030, and “NEXUS-26,” a mid-term business plan which covers fiscal years up to fiscal year 2026, based on the following three perspectives: “Purpose” that should be pursued no matter what environmental changes occur, “Long-term strategy” to understand environmental changes and make strategic moves, and “Resilience” (Note 14) that can be applied even when the environment is different from what is expected.

Note 12: “PACIFIC VALUES” refers to the universal values shared by the employees of the Target Group, and expresses the attitude that the Target Group wants to value and promote, with the words “Dreams and Challenges” and “Trust and Gratitude,” focusing on the history of the Target and the thoughts of its predecessors, including founders and top management, such as “Founding Spirit” and “Company Creed.”

Note 13: “VUCA” is an acronym consisting of the first letters of “volatility,” “uncertainty,” “complexity,” and “ambiguity,” and refers to the state of uncertainty when unexpected events occur and it is difficult to predict the future as the complexity of the social and business environment increases.

Note 14: “Resilience” is the ability to recover quickly and adapt to situations in which we are faced with difficulties and threats, such as changes to the social environment and other risks.

The Target is working on four basic long-term strategies to build a foundation for growth centered on the “human resources strategy to realize the Target’s purpose” to have each employee demonstrate his or her abilities and take on the challenge of creating new value in the context of long-term trends and the transformation of the value of mobility (and in addition to this strategy, “co-growth of sale and profits,” “value creation through diverse technologies,” and “integration of sustainability and management”), and aims to achieve sustainable growth in the medium- to long-term as a “company trusted and needed by society” and contemplates creating new value for the future and improving the quality of corporate management. On the other hand, the Target believes that the automotive industry, which are major business partners of the Target Group, is entering a major period of transformation due to the appearance of ideas such as CASE (Note 15) and MaaS (Note 16), which significantly change the nature of automobiles and values, based on environmental regulations due to climate change measures such as CO2 reduction and diversification of end-user needs, and technological competition such as electrification and automation. The Target believes that in light of these changes in the external environment, automobile manufacturers are accelerating their environmental efforts to achieve carbon neutrality, development of next-generation mobility such as automated driving and electric vehicles, and the speed of technological innovation, and the competitive environment is intensifying year by year. In particular, in accordance with the shift from gasoline-powered vehicles to electric vehicles, the rise of emerging BEV (battery electric vehicle) manufacturers, mainly in Europe, the United States, and China, and the restructuring of automobile manufacturers with the aim of further accelerating technological innovation, the power balance among automobile manufacturers is changing, resulting in further industry restructuring being expected in the automotive parts industry. In addition to the aforementioned industry trends, companies also are becoming active in the development of relationships such as new business alliances and capital alliances with companies with strengths in these technologies, with the aim of strengthening

the use of new technologies and strengthening competitiveness across various fields beyond the boundaries of the automotive industry, such as IoT, AI, and automated driving; thus, the competitive environment among companies is expected to intensify further in the future.

Note 15: “CASE” is an abbreviation for “connected,” “autonomous/automated,” “shared,” and “electric,” and is a coined word that expresses a new trend in next-generation automotive technologies and services.

Note 16: “MaaS (Mobility as a Service)” refers to the concept of “mobility” that uses ICT to convert transportation to cloud services, considers mobility by all means of transportation other than private cars as a single service, and connects them seamlessly.

In addition, the Target expects the business environment to remain uncertain in light of changes in the geopolitical situation, the tariff increase by the United States, rising energy prices, and rising raw material prices and logistics costs due to exchange rate fluctuations. In these circumstances, the automotive parts industry, to which the Target Group belongs, is required to develop new products and technologies in response to rapid advances in automotive technologies and changes in market needs, such as the replacement of parts due to the expansion of electric vehicles, further weight reduction, and higher performance, as well as to strengthen flexible and efficient supply chains to ensure a stable supply, in line with the aforementioned major changes in the automotive industry as a whole. In particular, in the stamping product business, which is a major business of the Target Group, automobile manufacturers are required to make efforts to develop vehicles that achieve weight reduction and high performance to improve vehicle performance, such as reducing fuel consumption and reducing exhaust emissions, and extending cruising range. The Target Group supplies stamping products that meet the needs of society and customers by using the ultra-high-tensile strength steel cold press method with low CO2 emissions. In the future, if the giga casting process, which integrally molds with aluminum casting, is widely adopted for BEVs, the impact on the Target Group, whose business domain is frame parts for the upper body of automobiles, will be limited, but there is a possibility that competition will intensify further in the future as other affected stamping manufacturers producing the undercarriage parts of automobiles enter the upper body parts business.

Furthermore, in addition to structural changes in technology in the automotive parts industry, the Target expects further intensification of competition in terms of price, due to severe price competition with domestic and overseas competitors, requests for price revisions from automobile manufacturers that are major business partners, in-house production of parts by automobile manufacturers, and alliances between existing competitors. Thus, the Target expects the business environment surrounding the Target Group to become even more severe.

In this business environment, starting around April 2023, when Tetsushi Ogawa was appointed as the representative director and president of the Target, he came to believe that in order for the Target Group to continue to maintain its competitiveness and grow sustainably to survive in a changing environment as an entity with a “Passion in Creating Tomorrow,” it is necessary not only to carry out the initiatives that have been taken so far and the strategies for each fiscal year, but also to pursue cutting edge technologies constantly, to develop and provide high-added-value products that meet the needs of customer automakers and markets in a timely manner, and to establish robust business structures that allow flexible adaptation to changes in the business environment including technologies, products, and markets.

Furthermore, while considering future business strategies and capital policies in light of the management environment in which the Target Group is placed, starting around April 2024, when the first year of the medium-term management plan ended, Tetsushi Ogawa came to believe that further development of the Target Group and achieving medium- to long-term growth and enhanced corporate value will require creating management structures that can consider and execute the following initiatives (I) through (IV), some of which are already being implemented by the Target Group, more actively and dynamically, and also that rapid implementation of these initiatives is necessary, without being bound by current business performance and share prices.

- (I) Further strengthening of technological development capabilities with a view to carbon neutrality in the future
In the automobile industry, in which major business partners of the Target Group are involved, gasoline-

powered vehicles are being shifted to electric vehicles with the goal of achieving carbon neutrality. He believes that in order to improve fuel efficiency and electricity costs and enhance safety caused by the increase in the weight of batteries, the Target Group is required to develop products and technologies rapidly, in line with the growing demand for electric vehicles, as well as the growing need for lighter and stronger vehicle bodies.

In this business environment, he recognizes that the Target Group is promoting the development of ultra-high-tensile strength steel products (Note 17) and aluminum products that contribute to weight reduction, and resin products that improve the comfort and aerodynamic performance required for electrification, in addition to strategic technological development centered on the ultra-high-tensile strength steel cold press method, which reduces CO2 emissions during production, in the stamping and molding product businesses. He also recognizes that in the valve product business, the Target Group is accelerating the development of products for thermal management systems, which are becoming increasingly important for electric vehicles, the development of TPMS products to expand the business domain, and the development of products for electric vehicles that make use of core technologies such as sensing technology (Note 18) and fluid control technology (Note 19).

However, Tetsushi Ogawa believes that in order for the Target Group to achieve sustainable growth, because the shift to electrification of automobiles is expected to progress further in the future, it is necessary to invest more quickly and boldly than ever in the establishment of high-value-added proprietary technologies that go beyond existing technologies, and in the development of new products for electric vehicles.

Specifically, he believes that the Target Group needs to strengthen its ability to propose body structures (Note 20) on a unit-by-unit basis, by integrating the sophistication of CAE (Note 21) structural analysis technology with the advanced molding technology that had been developed, and to strengthen its ability to develop new molding products by improving its soundproofing and decoration technology capabilities, through investments in the development of molding methods for difficult-to-mold parts using high-strength ultra-high-tensile strength steel materials and ongoing capital investment in the Target's technology development center, which will start operations in October 2025. He also believes that the Target Group needs to look at a variety of options for electric vehicle power units, further improve structural analysis and cold press and molding technologies, and actively engage in the development of high-value-added products, new technologies, and new methods that make use of the large-scale stamping facilities that it possesses.

Note 17: "Ultra-high-tensile strength steel products" are body frame products and stamped products, such as center pillars, that use molding technology for ultra-high-tensile strength steel materials.

Note 18: "Sensing technology" is technology that uses sensors to measure and quantify information such as the state and movement of the environment and objects.

Note 19: "Fluid control technology" is technology that manages the flow of fluids, such as liquids and gases, and controls them according to their purpose.

Note 20: "Ability to propose body structures" is the ability to make proactive proposals to customers about optimal body structure, for example, replacement with the cold press method, reductions in weight, and reductions in the number of parts, using the Target's body structure analysis technology.

Note 21: "CAE," which stands for "Computer Aided Engineering," is a technique for creating a model of an object for analysis on a computer in order to simulate many engineering problems, such as function and strength.

Through these initiatives, he believes that the Target Group will refine its development and production technology capabilities, contribute to carbon neutrality and the improvement of safety and comfort, and become a "proposal-based technology group" (Note 22) that will survive in the decarbonized era, which will increase its competitive advantage over competitors in the medium- to long-term, and further increase the Target Group's corporate value.

Note 22: "Proposal-based technology group" is the ideal for which the Target is aiming, and is a group that participates in projects from the early stages of vehicle development, proposes optimal solutions

that meet customer needs, and provides high-quality products with high technological capabilities.

(II) Strengthening supply chains for a stable and long-term supply of high-quality products

In addition to the ongoing shift to electrification of automobiles, the automobile parts industry, which includes the Target Group, will be affected by various factors, such as heightened geopolitical risks, intensifying price competition in Japan and abroad, tariff hikes by the United States, rising labor costs, and rising prices of raw materials, such as steel and other metal materials, including brass and aluminum, rubber materials, and resin materials, due to soaring energy prices and exchange rate fluctuations, as well as logistics costs. For this reason, he believes that there is a need to strengthen price competitiveness by strengthening supply chains and reducing costs globally.

Given these circumstances, he recognizes that the Target Group is building a production system capable of adapting to changing market needs by investing in the Higashi Ogaki and Kita Ogaki Plants in Japan, to increase production capacity and create a mass production system for products for electric vehicles, and to create a smart factory (Note 23) with the goal of lean production with a thorough elimination of waste, such as automation and labor savings in the production process, and integration and utilization of digitalized production site information with management and indirect operation information, while promoting cost reduction activities based on the premise of providing high-quality products, and striving to maintain and improve price competitiveness.

On the other hand, Tetsushi Ogawa believes that in order to continue to supply high-quality products in a stable and flexible manner, as a global automobile parts manufacturer, in such a severe and ever-changing business environment, it is essential for the Target Group to build a production system that is in line with the future business strategies of automakers, to optimize transactions throughout the supply chain, and to improve efficiency dramatically by promoting DX in various processes more quickly and boldly than ever before.

Specifically, he believes that the Target Group needs to make a bold shift and reallocate management resources in line with the global strategies of automakers, by expanding the production capacity for electric vehicle parts in Japan and the United States, which are the main bases of the Target Group, strengthening ASEAN bases in anticipation of growth in the Indian market, which is expected to grow in the future, and restructuring bases and optimizing production and sales systems in China, where local automakers are emerging due to the shift to BEVs and plug-in hybrid vehicles (PHEVs), and in Europe, where BEV sales are slowing. He also believes that the Target Group needs to optimize the entire production process, through the visualization and digitalization of all production processes, and to create a global smart factory by horizontally deploying the technology, production, and improvement know-how cultivated at the global mother plants in Japan, such as the Higashi Ogaki and Kita Ogaki Plants, to overseas bases.

Through these initiatives, the Target Group will pursue the optimization and stabilization of the entire global supply chain, with the goal of establishing a solid business foundation by improving profitability for the medium- to long-term.

Note 23: “Create a smart factory” refers to the use of IoT, artificial intelligence, big data analysis, and other technologies in the manufacturing industry reaching a high level of automation and optimization of the production process of factories.

(III) Creation of new businesses looking toward sustainable growth

In light of the recent dramatic daily changes in the competitive environment surrounding the automobile industry, as described above, he understands that the Target Group is working on the aforementioned growth strategy for electrification, and is focusing on creating medium- to long-term business pillars in fields other than mobility.

He understands that the Target’s mid- to long-term business plan, “Beyond the OCEAN,” establishes making

“the data businesses utilizing wireless, apps, cloud, AI, and big data new business pillars” its goal for 2030, and currently aims to build a corporate culture that enables the discovery of new business ideas and the creation of new value through the launch of a new business creation project, which is open to internal applications and establishment of the Open Innovation Promotion Section.

However, in order to achieve the 2030 goal, Tetsushi Ogawa believes that, in addition to promoting the foregoing measures further, it is essential to develop new businesses that anticipate social and customer issues by deepening core technologies, such as wireless communication technology, sensing technology, and AI technology, which already have established a high competitive advantage, and to expand quickly into new business areas through the use of outside management resources.

Specifically, he believes that it is essential to accelerate the creation of new businesses by creating a development environment in which diverse human resources can take on challenges and play an active role, through the establishment of an integrated R&D system for development and production technologies, including prototyping and evaluation, and the expansion of innovation areas, at the Target’s technology development center, which will commence operations in October 2025. In addition, he believes that, through flexible business alliances and other alliances, including M&As with companies that can create synergies with the Target Group, it will be able to provide social problem-solving services, not only in the mobility field but also in the fields of disaster prevention and mitigation, agriculture, healthcare, etc., by combining cutting-edge technological capabilities, know-how, and ideas owned by partners with the technologies of the Target Group, and thereby achieve non-consecutive growth.

(IV) Nurturing and securing human resources to achieve sustainable management

Amidst the shrinking working population due to the declining birth rate and aging population, and young people being less interested in automobiles in Japan, securing human resources at companies in the automobile industry is expected to become increasingly difficult in the future. In addition, he understands that the Target Group believes that in order to achieve growth over the medium to long term in the future, in the challenging business environment, it is necessary to put the Target’s purpose, “Passion in Creating Tomorrow,” into practice as well as to nurture and secure outstanding human resources who can carry out corporate reforms including implementation of the measures discussed in items (I) through (III) above, and that it will be necessary to improve each employee’s capability by strengthening human capital, and to build mechanisms that enable diverse employees to grow and actively participate with “passion.”

In these circumstances, he understands that, as part of developing an environment in which diverse employees can demonstrate their individual strengths, the Target Group is promoting its human resources strategy through two primary measures: measures to “improve infrastructure,” which include maximizing human resources and improving the work environment, respecting human rights and providing pleasant work conditions, and prioritizing health and safety for employees; and measures for “business growth,” such as skill development and career support to promote the growth of human resources, and transformation of corporate culture to one that encourages challenge; and that by improving employee engagement (Note 24) through these measures, the Target Group is working to create a psychologically safe work environment in which employees can make proposals proactively and take on challenges.

However, to adapt to changes in the automobile industry and to maintain and improve sustainable growth and competitiveness into the future, Tetsushi Ogawa believes that it is essential for each of the employees that are human resources to acquire cutting-edge specialized knowledge and skills that are in line with the trends of the times, including electrification, digital transformation, and globalization, and for the Target Group to nurture and secure human resources who are motivated and actually able to think and act on their own in a corporate culture that encourages challenge.

Specifically, he believes that it is necessary to strengthen educational programs related to general business skills such as leadership and marketing, to create an environment in which everyone can fulfill their potential by actively promoting career development and relearning, and to visualize the skills and abilities of employees

and strengthen areas of deficiency.

In addition, he intends to provide DX literacy education to all employees and promote company-wide activities that treat DX as a personal matter to raise digital literacy and to work to optimize the company's human resources, bringing out the best performance of employees by assigning the right DX specialized human resources in the right places based on the characteristics of each department. He believes that human resources are the foundation of sustainable corporate growth and that investment in human resources as set forth above is crucial for the improvement of the Target Group's corporate value over the medium to long term.

Note 24: "Employee engagement" is one of the indices that shows a link between employees and the relevant company; and it shows how actively employees are involved in the organization or business, and whether employees have motivation to voluntarily contribute to the same.

Meanwhile, since late July 2024, Tetsushi Ogawa has come to believe through the process of conducting concrete considerations of each of the measures described in (I) to (IV) above that these measures will not immediately contribute to the Target Group's business performance, but that considerable time and upfront investment will be necessary. For this reason, there is a risk that the Target Group's financial standing and business performance will temporarily deteriorate including a decline in profit levels, deterioration of cash flows, and so on, and the possibility that the Target Group will temporarily face difficulty generating expected profits cannot be denied.

Furthermore, since the Target is a listed company, a commitment to short-term performance is required, and as a result of the decision-making by Tetsushi Ogawa with a priority on medium-to-long-term growth through the execution of the policies described above, there is a possibility that capital markets will fail to adequately value the Target's efforts, its stock price will decline, and the interests of existing shareholders will be harmed. Consequently, concurrent with arriving at the thoughts described above, Tetsushi Ogawa has come to believe that it will be difficult to implement these measures while the Target remains a listed company. On the other hand, in order to survive in the increasingly competitive environment of the automobile industry, which is undergoing a period of great change, Tetsushi Ogawa has come to strongly recognize that these measures should be implemented as soon as possible.

In addition, Tetsushi Ogawa recognizes that, since the Target was listed on the NSE Second Section in October 1962, the Target has enjoyed the benefits of being a listed company including recruiting outstanding human resources as a result of the Target's increased name recognition and enhanced social trust. On the other hand, he believes that, considering the Target's track record of efficiently raising capital from financial institutions, it may be possible for the Target to secure capital necessary for business operations through equity and borrowings from financial institutions and does not expect there to be a need to raise funds through the use of equity financing for the time being, and the Target Group has established a solid position in the industry as a global automotive parts manufacturer with more than 90 years of history, and through its business activities for a long period time the Target has already established a certain level of brand recognition and credibility among its business partners, and therefore, Tetsushi Ogawa believes that both the need for and benefits of maintaining the Target's public listing are currently diminishing.

Further, due to revisions to the Corporate Governance Code and tighter regulation of capital markets in recent years, the number of items that require additional and ongoing disclosure to stakeholders through securities reports and corporate governance reports has been increasing year by year. The human and financial costs necessary for maintaining a listing as a publicly-traded firm, are trending upward, and since the possibility that these costs will impose substantial burdens on the execution of the Target Group's management, Tetsushi Ogawa questions the significance of maintaining the listing of the Target Shares.

Based on the circumstances above, in early August 2024, Tetsushi Ogawa explained the foregoing thoughts to Shinya Ogawa, the Representative Director and Chairman of the Target, and in light of the facts that they

agreed the measures set forth in (I) through (IV) above should be implemented as soon as possible, and it would be difficult to do it if the Target remained listed, and the need for or advantages of the Target to maintain its listing are currently decreasing, Tetsushi Ogawa began looking into the possibility of delisting the Target Shares as one possible option to execute growth strategies, considering enhancement of the Target Group's corporate value. Since early August 2024, the Ogawas carefully considered the fact that it was highly likely that a certain period of time would be necessary to implement the business strategies of the Target Group and each of the measures, the fact that it was necessary to implement each measure promptly due to changes in the business environment and intensifying competition in the market, the feasibility of going private, the business and financial aspects of going private, the impact on each stakeholder, and other matters. As a result, in mid-September 2024, they reached the conclusion that in order to stably and continuously increase the Target Group's corporate value without being constrained by short-term profits, delisting the Target's shares would be the most effective means of dynamically carrying out various measures while avoiding having the Target shareholders bear the risk, including a decline in share price due to a temporary deterioration of business performance in conjunction with execution of the measures described above.

At the same time, the Ogawas believes that in order to consistently implement the measures described in (I) through (IV) above from a medium-to-long-term perspective and promote improved corporate value, it will be necessary to delist the Target Shares while maintaining continuity with the Target's business management until now, and that in order to achieve this, it will be necessary for the Ogawas, members of the Target's founding family and currently the Representative Director and Chairman and the Representative Director and President, who have the greatest understanding of the Target Group's management, to continue to manage the Target Group, and, that it will be necessary for the Ogawas themselves to conduct flexible and dynamic management decision-making by aligning ownership and management under his commitment, and therefore concluded that a management buyout (MBO) is the optimal means for achieving this. They then decided that Tetsushi Ogawa would establish a company, as the Tender Offeror, in which he would hold all of the issued shares, appointed Tetsushi Ogawa as Representative Director, and to make it the primary vehicle for carrying out the Transaction including the Tender Offer.

After delisting the Target, the Ogawas intend to promote the development of new businesses, new technologies, and new products that contribute to the further improvement of safety, environment, and comfort, and achieve stable and sustainable growth by meeting the trust and expectations of all stakeholders, including shareholders who have supported the Target so far, as a global company in the automotive parts industry, and achieve "a company that continues to change and is needed by society."

When looking further into the Transaction, in late September, 2024 the Ogawas appointed Mitsubishi UFJ Morgan Stanley Securities as its external financial advisor independent from the Ogawas and the Target, and in early October, 2024, selected Nishimura & Asahi as its external legal advisor independent from the Ogawas and the Target, and commenced concrete considerations. Also, the Ogawas submitted a non-legally binding letter of intent regarding the Transaction (the "Letter of Intent") to the Target on October 25, 2024, made a proposal to take the Target private by means of a tender offer with cash consideration, for Target Shares and Share Acquisition Rights, through a new special purpose company to be established by Tetsushi Ogawa, made a request to conduct due diligence, and on October 28, 2024, received notice from the Target that the Target had established a Special Committee (as defined in section "[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer" below; hereinafter the same) and that the Target will confer and negotiate with the Ogawas for implementation of the Transaction. Later, on February 27, 2025, the Ogawas were invited to communicate with the Special Committee, and through conversations and question-and-answer sessions that took place at that time, the Ogawas notified the Target of the purpose for and background to the Transaction, the managerial policy after the Transaction, that they intended to take the measures described in (I) through (IV) above, the reasons for the need to go private for that purpose, advantages and disadvantages of the Transaction, the structure of the Transaction, procedures and conditions concerning the Transaction, and other matters. In addition, the Ogawas conducted business, financial, tax, and legal due diligence on the Target

from May 8, 2025 to June 27, 2025, and from June 16, 2025 to June 23, 2025, they notified the Target of the status of consideration of financing required for the Transaction and other matters, through exchanges of questions and answers in writing with the Special Committee. Thereafter, the Ogawas conducted repeated discussions and considerations with the Target and the Special Committee concerning the Tender Offer Price and the purchase, etc. price per Share Acquisition Right (“Share Acquisition Rights Purchase Price”) during the period from June 25, 2025 to July 24, 2025, taking into consideration the overview of the Tender Offer including the objectives of the Transaction set forth in the Letter of Intent, the impact of the Transaction on the Target, the details of managerial policy after the Transaction, recent share price trends, and the results of due diligence.

Specifically, on June 25, 2025, the Tender Offeror made the first proposal to the Target, setting the Tender Offer Price at 1,600 yen, on the assumption that the Target would not pay interim dividends or year-end dividends for the fiscal year ending March 2026, and confirming that the Tender Offer Price exceeds the highest closing price (1,580 yen) of the Target Shares for the past one year and that it includes a 22.14% premium over the closing price (1,310 yen) of the Target Shares on the TSE Prime Market as of June 24, 2025 (rounded off to the second decimal place; the same applies hereinafter to the calculation of premium rates over the share prices), a 22.61% premium over the simple average of the closing prices for the past one month (1,305 yen) (rounded off to the nearest whole number; the same applies hereinafter to the calculation of simple average of the closing prices), a 24.90% premium over the simple average of the closing prices for the past three months (1,281 yen), and a 19.85% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. In addition, the Tender Offeror made a proposal to set the Share Acquisition Rights Purchase Price at one yen for any remaining Share Acquisition Rights, taking into consideration that the Share Acquisition Rights were issued to Directors and Executive Officers of the Target as stock-based compensation, and that they cannot be exercised even if the Tender Offeror acquires them because they can be exercised only if the Conditions for Exercise Upon Loss of Position are fulfilled. Then, on July 4, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases (Note 25). Thus, on July 7, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,800 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,762 yen) of the Target Shares for the past two years and that it includes a 34.23% premium over the closing price (1,341 yen) of the Target Shares on the TSE Prime Market as of July 7, 2025, a 35.85% premium over the simple average of the closing prices for the past one month (1,325 yen), a 40.73% premium over the simple average of the closing prices for the past three months (1,279 yen), and a 34.83% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. Then, on July 10, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases (Note 25). Thus, on July 16, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,900 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price includes a 37.18% premium over the closing price (1,385 yen) of the Target Shares on the TSE Prime Market as of July 15, 2025, a 41.69% premium over the simple average of the closing prices for the past one month (1,341 yen), a 46.49% premium over the simple average of the closing prices for the past three months (1,297 yen), and a 42.11% premium over the simple average of the closing prices for the past six months (1,337 yen). Then, on July 18, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects

the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases (Note 25). Thus, on July 22, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,970 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,956 yen) of the Target Shares since their listing and that it includes a 43.38% premium over the closing price (1,374 yen) of the Target Shares on the TSE Prime Market as of July 18, 2025, a 46.14% premium over the simple average of the closing prices for the past one month (1,348 yen), a 50.84% premium over the simple average of the closing prices for the past three months (1,306 yen), and a 47.12% premium over the simple average of the closing prices for the past six months (1,339 yen). Then, on July 23, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders. After that on July 24, 2025, the Tender Offeror made the final proposal to the Target, setting the Tender Offer Price at 2,050 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,998 yen) of the Target Shares since their listing and that it includes a 40.31% premium over the closing price (1,461 yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, a 49.96% premium over the simple average of the closing prices for the past one month (1,367 yen), a 55.66% premium over the simple average of the closing prices for the past three months (1,317 yen), and a 52.87% premium over the simple average of the closing prices for the past six months (1,341 yen). Subsequently, on July 24, 2025, the Tender Offeror received a response from the Special Committee to the effect that it accepted the final proposal made by the Tender Offeror.

Through the above discussions and negotiations, on July 25, 2025, the Tender Offeror decided to set a Tender Offer Price of 2,050 yen and a Share Acquisition Rights Purchase Price of one yen, and to implement the Tender Offer as part of the Transaction.

Note 25 The average premiums to the closing price on the Business Day prior to the date of the announcement and to the simple average of the closing prices for the past one month, three months, and six months for the 167 cases of tender offers made as part of management buyouts (MBO) announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Fair M&A Guidelines,” and May 15, 2025, were, in descending order, 44.31%, 46.99%, 48.47%, and 47.51%, respectively.

[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer

According to Target Press Release, the decision-making process and reasons leading the Target to support the Tender Offer are as follows.

(i) Background to establishment of system to consider the Transaction

As stated in section “[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer” above, the Target received a Letter of Intent from Shinya Ogawa, Representative Director and Chairman of the Target, and Tetsushi Ogawa, Representative Director and President of the Target, on October 25, 2024 and, therefore, as stated in section “(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),” of section “Background of the Calculation,” of section “(2) Purchase, etc. prices,” in the section titled “4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase” above, in order to ensure the fairness of the Transaction, including the Tender Offer, in late October, 2024, based on published details and other relevant information related to transactions similar to the Transaction, and taking into account independence, expertise, and achievements, the Target appointed YAMADA Consulting Group Co., Ltd. (“Yamada Consulting”) as its financial advisor and third-party valuation agency independent from the Tender Offeror, Shinya Ogawa, Tetsushi Ogawa, and the Target (collectively, “Tender Offer-Related Parties”), and Anderson Mori & Tomotsune (“Anderson Mori & Tomotsune”) as its legal advisor independent from the Tender

Offer-Related Parties, and commenced establishment of a system for considering, negotiating, and making decisions regarding the Transaction from the perspective of enhancing the Target's corporate value and securing the interests of the minority shareholders of the Target from a position that is independent from the Tender Offer-Related Parties.

Moreover, the Transaction qualifies as a management buyout (MBO), and there are structural issues involving conflicts of interest between Shinya Ogawa and Tetsushi Ogawa, on one hand, and the Target or the Target's general shareholders, on the other, because Shinya Ogawa and Tetsushi Ogawa, who are Directors of the Target, will acquire Target Shares from general shareholders through the Tender Offeror and concurrently have the characteristic of buyers having an interest in the Tender Offer Price that is different from that of the Target and its general shareholders. Therefore, for purposes of exercising great care in the Target's decision-making with regard to the Transaction, eliminating unreasonableness and the possibility of conflicts of interest in the decision-making process of the Target's Board of Directors, and securing the fairness thereof, at the meeting of the Target's Board of Directors held on October 28, 2024, the Target passed a resolution indicating that it would establish a special committee consisting of four outside directors of the Target (Osamu Motojima (Foreign Member, the Royal Swedish Academy of Engineering Sciences; Professor Emeritus, National Institutes for Fusion Science; President, Future Energy Research Association; Professor Emeritus, the Graduate University for Advanced Studies; Director General Emeritus, ITER International Fusion Energy Organization; Advisor to the Chairman, Chubu University; President, Ishikari Superconducting DC Power Transmission System (i-SPOT); President, Chubu Gakuin University), Kan Kakiuchi (Head, Kakiuchi Law Firm), Tomoyuki Shinkai (Chief Senior Partner, Cosmos & Co.), and Masako Hayashi (Chairwoman, Public Safety Commission of Gifu Prefecture; Emeritus Professor, Gifu University)) that is independent from the Tender Offer-Related Parties and the results of the Transaction ("Special Committee"). At the first meeting of the Special Committee, held on November 6, 2024, the Special Committee approved the Target's appointment of Yamada Consulting as its financial advisor and third-party valuation agency and Anderson Mori & Tomotsune as its legal advisor after confirming that there were no issues with their independence from the Tender Offer-Related Parties, the results of the Transaction, and their expertise.

Further, as stated in section "[1] Establishment of an independent special committee at the Target, and procuring a report from the special committee," of section "(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)," of section "Background of the Calculation," of section "(2) Purchase, etc. Period," in the section titled "4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase" below, in section at the first meeting of the Special Committee, held on November 6, 2024, the Special Committee confirmed that there were no issues in terms of independence and fairness of the system to be used for considering the Transaction, which the Target established internally.

(ii) Background of consideration and negotiation

Pursuant to the aforementioned system, the Target received opinions, instructions, and requests from the Special Committee at important phases in negotiations with the Tender Offeror, such as receiving opinions and instructions on the negotiation policy regarding the terms and conditions and other aspects of the Transaction, including the Tender Offer Price, and received advice from Yamada Consulting and Anderson Mori & Tomotsune, and engaged in repeated discussions and considerations with the Tender Offeror as stated in section "[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer" above, based on the overview of the Tender Offer (including the purposes of the Transaction) as stated in the Letter of Intent, the impact of the Transaction on the Target, the details of managerial policy after the Transaction, and recent share price trends.

Specifically, on June 25, 2025, the Tender Offeror made the first proposal to the Target, setting the Tender Offer Price at 1,600 yen and the Share Acquisition Rights Purchase Price at one yen ("First Proposal Price"), on the assumption that the Target would not pay interim dividends or year-end dividends for the fiscal year ending March 2026, and confirming that the Tender Offer Price includes a 22.14% premium over the closing price (1,310 yen) of the Target Shares on the TSE Prime Market as of June 24, 2025 (rounded off to the second decimal place; the

same applies hereinafter to the calculation of premium rates over the share prices), a 22.61% premium over the simple average of the closing prices for the past one month (1,305 yen) (rounded off to the nearest whole number; the same applies hereinafter to the calculation of simple average of the closing prices), a 24.90% premium over the simple average of the closing prices for the past three months (1,281 yen), and a 19.85% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. In response to this proposal, on July 4, 2025, the Special Committee requested that the Tender Offeror increase the First Proposal Price because the Special Committee came to the conclusion that, after the Special Committee considered the First Proposal Price, it did not sufficiently take into consideration the interests of the Target's minority shareholders. In addition, on July 7, 2025, the Tender Offeror made the second proposal to the Target, setting the Tender Offer Price at 1,800 yen and the Share Acquisition Rights Purchase Price at one yen ("Second Proposal Price"), confirming that the Tender Offer Price includes a 34.23% premium over the closing price (1,341 yen) of the Target Shares on the TSE Prime Market as of July 7, 2025, a 35.85% premium over the simple average of the closing prices for the past one month (1,325 yen), a 40.73% premium over the simple average of the closing prices for the past three months (1,279 yen), and a 34.83% premium over the simple average of the closing prices for the past six months (1,335 yen). In response to this proposal, on July 10, 2025, the Target requested that the Tender Offeror increase the Second Proposal Price because the Special Committee came to the conclusion that, after the Special Committee considered the Second Proposal Price, it did not sufficiently take into consideration the interests of the Target's minority shareholders, taking into account recent trends in premium levels for 167 tender offers carried out as part of the management buyouts (MBOs) that were announced after June 28, 2019, which was the date on which the Fair M&A Guidelines were published, until May 15, 2025, as well as recent Target stock price trends. In addition, on July 16, 2025, the Tender Offeror made the third proposal to the Target, setting the Tender Offer Price at 1,900 yen and the Share Acquisition Rights Purchase Price at one yen ("Third Proposal Price"), confirming that the Tender Offer Price includes a 37.18% premium over the closing price (1,385 yen) of the Target Shares on the TSE Prime Market as of July 15, 2025, a 41.69% premium over the simple average of the closing prices for the past one month (1,341 yen), a 46.49% premium over the simple average of the closing prices for the past three months (1,297 yen), and a 42.11% premium over the simple average of the closing prices for the past six months (1,337 yen). In response to this proposal, on July 18, 2025, the Target requested that the Tender Offeror increase the third Proposal Price because the Special Committee came to the conclusion that, after the Special Committee considered the Third Proposal Price, it did not sufficiently take into consideration the interests of the Target's minority shareholders, taking into account the recent Target stock price trends and the results of the Target stock valuation conducted by Yamada Consulting. In addition, on July 22, 2025, the Tender Offeror made the fourth proposal to the Target, setting the Tender Offer Price at 1,970 yen and the Share Acquisition Rights Purchase Price at one yen ("Fourth Proposal Price"), confirming that the Tender Offer Price includes a 43.38% premium over the closing price (1,374 yen) of the Target Shares on the TSE Prime Market as of July 18, 2025, a 46.14% premium over the simple average of the closing prices for the past one month (1,348 yen), a 50.84% premium over the simple average of the closing prices for the past three months (1,306 yen), and a 47.12% premium over the simple average of the closing prices for the past six months (1,339 yen). In response to this proposal, on July 23, 2025, the Target requested that the Tender Offeror increase the Fourth Proposal Price because the Special Committee came to the conclusion that, after the Special Committee considered the Fourth Proposal Price, it did not sufficiently take into consideration the interests of the Target's minority shareholders, taking into account the recent Target stock price trends and the results of the Target stock valuation conducted by Yamada Consulting. In addition, on July 24, 2025, the Tender Offeror made the final proposal to the Target, setting the Tender Offer Price at 2,050 yen and the Share Acquisition Rights Purchase Price at one yen ("Final Proposal Price"), confirming that the Tender Offer Price includes a 40.31% premium over the closing price (1,461 yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, a 49.96% premium over the simple average of the closing prices for the past one month (1,367 yen), a 55.66% premium over the simple average of the closing prices for the past three months (1,317 yen), and a 52.87% premium over the simple average of the closing prices for the past six months (1,341 yen). In response to this proposal, the Target responded that it accepted the Final Proposal Price because the Special Committee

came to the conclusion, after the Special Committee considered the final proposal, that the Final Proposal Price was a reasonable price that ensures the interests of the Target's shareholders.

(iii) Details of decision

Under the circumstances above, at the Board of Directors meeting held on July 25, 2025, the Target carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to enhancement of the Target's corporate value, whether the terms and conditions of the Transaction, including the Tender Offer Price, were fair and appropriate, whether the fairness of the procedures related to the Transaction had been ensured, and whether the Transaction was considered fair to the general shareholders of the Target, while fully respecting the decisions of the Special Committee, based on the legal advice received from Anderson Mori & Tomotsune, the financial advice received from Yamada Consulting, and the stock valuation report on the results of the valuation of the Target Shares submitted on July 24, 2025 ("Stock Valuation Report").

As a result, the Target has come to believe that the details of measures planned by the Tender Offeror as stated in section "[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer" above is reasonable and that the Transaction will contribute to enhancement of the Target's corporate value, taking into account the points stated below.

As stated in section "[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer" above, the Target believes that the business environment will remain uncertain due to changes in the geopolitical situation, the increase in tariffs by the United States, rising energy prices, and rising raw material prices and logistics costs due to exchange rate fluctuations. In particular, the automotive parts industry, to which the Target belongs, is required to develop new products and technologies in response to rapid advances in automotive technologies and changes in market needs, such as the replacement of parts due to the expansion of electric vehicles, further weight reduction, and higher performance, as well as to strengthen supply chains to ensure stable supplies. In recent years, the automobile industry has been required to improve vehicle performance, for example, by reducing fuel consumption, reducing exhaust emissions, and extending cruising range, and in order to achieve this, efforts are accelerating to develop new vehicles that achieve both weight reduction and high performance. Along with this, the stamping product business, which is a major business of the Target, also increasingly has been required to use innovative technologies to meet the needs of the industry. The Target has used the "ultra-high-tensile strength steel cold press method," which is characterized by low CO2 emissions, and has been striving to supply high-quality stamping products that meet social demands and customer expectations. On the other hand, in the future, if the "giga casting process," which integrally molds with aluminum casting, is widely adopted in the battery electric vehicle (BEV) market, while the impact on the frame parts for the upper body of automobiles, which has been the Target's business domain for a long time, will be limited, there is a possibility that other stamping manufacturers that have focused on undercarriage parts of vehicles will expand their businesses into upper body parts in the future, and there is a concern that competition in the market as a whole will intensify further. In addition to structural changes to the industry in terms of technology, it is expected that intensification of competition will progress further in the future, such as severe price competition with domestic and foreign competitors, requests for price revisions from automakers, which are major business partners, and the expansion of the scale of competitors such as in-house production of parts by automakers and strengthening alliances between existing competitors. Due to these factors, the Target believes that the business environment surrounding the Target will become even more severe.

Therefore, the Target believes that the measures necessary to enhance corporate value in the medium- to long-term amid above-mentioned changes in the environment surrounding the industries, acceleration of digitalization, soaring resource and raw material prices, and the intensifying competitive environment are to strengthen technological development capabilities that continue to secure competitive advantages, to promote DX in various processes, such as automating production processes and building smart factories, to create new businesses outside the mobility field, and to develop and secure human resources to realize these changes, and that it is necessary to implement these measures dramatically, flexibly, and consistently, and to implement strategies with certain business

risks quickly and boldly.

In addition, as stated in section “[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer” above, in order to carry out fundamental management reforms, Tetsushi Ogawa is planning specific measures such as (I) further strengthening of technological development capabilities with a view to carbon neutrality in the future, (II) strengthening supply chains for a stable and long-term supply of high-quality products, (III) creation of new businesses looking toward sustainable growth, and (IV) nurturing and securing human resources to achieve sustainable management. The Target also believes that it is necessary to implement the measures described in (I) through (IV) above due to the reasons stated below. Measure (I), further strengthening of technological development capabilities with a view to carbon neutrality in the future, is necessary for the Target to enhance its competitive advantage over competitors by using rapid product and technology development in response to the electrification of automobiles as a strength in order for the Target to achieve sustainable growth in the decarbonization era, measure (II), strengthening supply chains for a stable and long-term supply of high-quality products, is necessary to make dramatic improvements in the efficiency of various processes throughout the supply chain through DX investments, in order to establish a stable product supply system amid environmental changes such as tariff increases by the United States, rising labor costs, and raw material and logistics costs, measure (III), creation of new businesses looking toward sustainable growth, is necessary because the environment surrounding the automobile industry changes day by day, and in order for the Target to build a solid business foundation, it is necessary not only to respond to intensifying competition, but also to develop new businesses in line with changes in the issues and needs of society and customers, and measure (IV), nurturing and securing human resources to achieve sustainable management, is necessary because, in order for the Target to achieve its medium- to long-term growth, it is essential to secure and develop human resources in a society in which the working population is declining due to declining birth rates and an aging population, and the departure from automobiles is accelerating. Therefore, the Target believes that all of these measures should be promoted to enhance the Target’s medium- to long-term corporate value.

However, the Target believes that even if these measures will lead to significant growth and expansion of the Target’s profits in the medium- to long-term, the promotion stage will require a reasonable amount of time and various upfront investments, which may lead to a decline in profit levels and a deterioration in cash flow in the short term. Furthermore, the Target believes that it is undeniable that there is a possibility that it may be difficult to generate the expected profits. Therefore, if the Target implements these measures while maintaining its status as a listed company, since it is believed that a decline in stock prices and a decrease in dividends may harm the interests of the Target’s existing shareholders, the Target believes that it is difficult to implement these measures while maintaining its status as a listed company.

In addition, if the Target Shares are delisted, the Target will not be able to raise funds through equity financing from the capital market, and that may also affect the securing of human resources and transactions with business partners by improving the social credibility and name recognition that the Target has enjoyed as a listed company. However, the Target currently does not anticipate the need to raise funds through the use of equity financing, for the time being, and believes that it is possible to secure funds through cash flow generated from the business and borrowings from financial institutions, and that more than 60 years have passed since listing on the stock exchange, and the Target’s brand power and the credibility gained with business partners through its status as a listed company generally have been secured. In addition, since the Target already secured credibility and name recognition with customers, business partners, and employees through its business activities to date, it believes that the disadvantages of delisting the Target Shares in terms of securing human resources and transactions with business partners are extremely limited.

In addition, due to recent revisions to the Corporate Governance Code and the tighter regulation of capital markets, the human and financial costs necessary to maintain the listing continue to increase, and the Target believes that it is undeniable that there is a possibility that these costs may impose substantial burdens on the execution of Target’s management. Although the cost of maintaining these listings is increasing year by year, the Target believes that if the cost of maintaining a listing is reduced through the Transaction, and the costs can be used to invest in the

efficiency of IT-based operations and a return to human resources, it will be possible to enhance corporate value from a long-term perspective. At the meeting of the Target's Board of Directors held on July 25, 2025, the Target determined that the Tender Offer Price and other conditions of the Tender Offer were appropriate for shareholders of the Target and that the Tender Offer would provide reasonable opportunities for the shareholders of the Target to sell their shares, taking into consideration the following: (a) among the results of calculation of the value of Target Shares by Yamada Consulting, as stated in section "[2] Obtaining a stock valuation report from a third-party valuation agency independent from the Target," of section "(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)," of section "Background of the Calculation" of section "(2) Purchase, etc. prices," of section titled "4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase" below, the Tender Offer Price (2,050 yen) is above the upper limit of the range of the results of calculations based on the market price analysis, is above the upper limit of the range of the results of calculations based on the comparable company analysis, and is above the median of the range of the results of calculations based on the DCF analysis, (b) the Tender Offer Price (2,050 yen) includes a 40.31% premium over the closing price (1,461 yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, the Business Day immediately preceding the date of announcement of the Tender Offer, a 49.96% premium over the simple average of the closing prices for one month up to July 24, 2025 (1,367 yen), a 55.66% premium over the simple average of the closing prices for three months up to July 24, 2025 (1,317 yen), and a 52.87% premium over the simple average of the closing prices for six months up to July 24, 2025 (1,341 yen), and it can be determined to be reasonable compared to an average premium of 44.31% over the closing price on the day immediately preceding the announcement date in 167 tender offers carried out as part of MBOs that were announced after June 28, 2019, on which the Fair M&A Guidelines were published, until May 15, 2025, an average premium of 46.99% over the simple average of the closing prices for the past one month, an average premium of 48.47% over the simple average of the closing prices for the past three months, and an average premium of 47.51% over the simple average of the closing prices for the past six months, (c) it can be determined that consideration is given to interests of general shareholders of the Target, for example, because measures to avoid conflicts of interest are taken, as stated in section "(3) 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, (d) the Tender Offer Price (2,050 yen) is a price determined after taking the measures to avoid conflicts of interest described above and multiple consultations and negotiations being held between the Target and the Tender Offeror, equivalent to those in arm's length transactions; more specifically, it is a price determined after consultations and negotiations were held between the Target and the Tender Offeror sincerely and continuously, taking into account the discussions with the Special Committee, the details of the results of calculations of the value of the Target Shares and financial advice received from Yamada Consulting, and legal advice received from Anderson Mori & Tomotsune, and (e) the Special Committee expressed an opinion that the conditions of the Transaction, including the Tender Offer Price, were appropriate, after confirming the negotiation policy in advance, receiving timely reports on the situation, expressing opinions, issuing instructions, and making requests at important moments in the negotiations.

In addition, the Tender Offer Price is below 2,877 yen (rounded off to the nearest whole number; the Tender Offer Price represents a 28.75% (rounded off to the second decimal place) discount compared to this amount), which is the net asset per share calculated by dividing 165,900 million yen (rounded off to the millions of yen), which is the book value of the net assets of the Target as of March 31, 2025, by the total number of issued shares (57,673,249 shares) after deducting the number of treasury shares. However, if the Target is to be liquidated, the book value of net assets will not be realized as is, and while land and buildings owned by the Target are the head office and plants, in light of the fact that each of the buildings of the head office and the plants has deteriorated due to a considerable amount of time having passed, it is expected to be difficult to sell them at the book value. Therefore, it will be necessary to turn them into vacant land for sale, and costs to demolish the buildings will have to be incurred, and a considerable amount of additional costs will be incurred in connection with the sale of the machinery, in relation to the groundwork for removal, and costs for work-in-product and products during the manufacturing process, and for

disposal of raw materials, will have to be incurred. Therefore, it is expected that a considerable amount of waste will be incurred. In addition, in the case of liquidation of the Target Group, including subsidiary companies, it is expected that extra severance pay for employees, expert costs, including attorneys' fees, and other additional costs will be incurred, in considerable amounts, in connection with liquidation of the companies, and, taking this into consideration, it is expected that the amount that ultimately will be distributed to shareholders of the Target actually will be an amount that is significantly less than the book value of net assets. Since the Target does not plan to liquidate itself, it has not obtained any written estimates that assume liquidation, and has not confirmed that the Tender Offer Price exceeds the estimated liquidation value calculated by taking into account the estimated liquidation costs after specific consideration. In addition, since the net asset value indicates the liquidation value of the Target and does not reflect future profitability, the Target believes that it is not reasonable to place importance on the net asset value in the calculation of the corporate value of the Target, which is a going concern.

In addition, with regard to the Share Acquisition Rights Purchase Price, a condition for exercising the Share Acquisition Rights has been established, which states that the Share Acquisition Rights can be exercised in a lump sum only within ten days (if the tenth day falls on a holiday, up to the following Business Day) from the day after the date on which the relevant person loses his/her position as a director of the Target, and even if the Tender Offeror acquires the Share Acquisition Rights through the Tender Offer, it will not be able to exercise these rights. Considering the foregoing and other factors, the Target determined that it could not be said to be unreasonable to set the Share Acquisition Rights Purchase Price at one yen.

Based on this determination, the Target believes that the Transaction will contribute to the enhancement of the Target's corporate value and that the conditions of the Transaction, including the Tender Offer Price, are appropriate.

Based on the above, at the meeting of the Target's Board of Directors held on July 25, 2025, the Target passed a resolution indicating that the Target will express an opinion in support of the Tender Offer and recommend that the Target shareholders tender their shares in the Tender Offer and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders' in the Tender Offer. This resolution by the Target's Board of Directors was passed on the premise that the Target Shares are scheduled to be delisted by the Tender Offeror through the Tender Offer and the Squeeze-out Procedures.

For details of such resolution of the Target's Board of Directors, please refer to section "[5] Approval of all Target directors (including Audit and Supervisory Committee Members) who do not have any interest," of section "(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)," of section "Background of the Calculation," of section "(2) Purchase, etc. prices," in the section titled "4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase" below.

[3] Post-Tender Offer Managerial Policy

The Transaction qualifies as what is known as a management buyout (MBO), and Shinya Ogawa, the Representative Director and Chairman of the Target and Tetsushi Ogawa, the Representative Director and President of the Target are expected to continue to manage the Target after the Tender Offer, and promote the management measures set forth in section "[1] The Background, Reasons and Decision-Making Process Leading to the Decision by the Tender Offeror to Implement the Tender Offer" above. As of the Submission Date, there is no agreement between the Tender Offeror and other directors of the Target (including Audit and Supervisory Committee Members) on officer appointment or treatment after completion of the Tender Offer. The specific management structure of the Target, including officers, if the Tender Offer is successfully completed, will be examined and determined through consultation with the Target after the Tender Offer is completed successfully. In addition, in principle, the current employment conditions of the Target's employees will be maintained even after the Tender Offer.

(3) 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

Since the Tender Offer will be carried out as part of the Transaction falling under so-called management buyout (MBO), and there are structural issues of conflict of interest, etc., for the purpose of ensuring the fairness of the Tender Offer Price and the Share Acquisition Rights Purchase Price and eliminating unreasonableness and avoiding conflicts of interest in the decision-making process leading up to the decision to implement the Tender Offer, in order to ensure the fairness of the Transaction including the Tender Offer, the Tender Offeror and the Target implemented the following measures. Please note that the descriptions of the measures implemented by the Target below (measures [1] through [5]) are based on explanations from the Target.

[1] Establishment of an independent special committee at the Target, and procuring a report from the special committee);

[2] Obtaining a stock valuation report from a third-party valuation agency independent from the Target;

[3] Advice from a law firm independent from the Target;

[4] Establishment of an independent consideration system at the Target;

[5] Approval of all Target directors (including Audit and Supervisory Committee Members) who do not have any interest; and

[6] Securing an objective state where the fairness of the Tender Offer is ensured.

[7] Establishing the minimum number of shares planned for purchase above the majority of minority

For details of the above, please refer to section “(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),” of section “Background of the Calculation,” of section “(2) Purchase, etc. prices,” in the section titled “4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase” below.

(4) Important Agreements Relating to the Tender Offer

[1] Non-Tendering Agreement (Founding Family)

The Tender Offeror formed the Non-Tendering Agreement (Founding Family) with Founding Family Shareholders on July 25, 2025. Details of the Non-Tendering Agreement (Founding Family) are as follows.

(a) Not Tendering in the Tender Offer

The Founding Family Shareholders have agreed not to tender the Non-Tendered Shares they own in the Tender Offer, and not to transfer those shares to any third party or otherwise dispose of

(b) Share Consolidation

The Tender Offeror has agreed that if it fails to acquire all of the Target Shares (excluding treasury shares owned by the Target and Non-Tendered Shares) in the Tender Offer, the Tender Offeror will implement the Share Consolidation and request that the Target hold an Extraordinary General Shareholders Meeting. The Founding Family Shareholders have agreed to exercise the voting rights relating to the Non-Tendered Shares they own at the Extraordinary General Shareholders Meeting in accordance with the instructions of the Tender Offeror and in the same manner as the Tender Offeror.

(c) Share Swap

The Tender Offeror has agreed to implement the Share Swap if any Non-Tendering Shareholder remains a shareholder of the Target after the Share Consolidation becomes effective. The Founding Family Shareholders have agreed to exercise their voting rights relating to the Non-Tendered Shares they own in accordance with the instructions of the Tender Offeror and in the same manner as the Tender Offeror, if they are able to exercise voting rights at the Target’s Extraordinary General Shareholders Meeting that includes implementation of the Share Swap in its agenda items.

(d) Reinvestment

The Founding Family Shareholders have agreed that if, as a result of the Share Consolidation, the number of

Target Shares owned by any or both of them are denominated in fractions equal to less than one share, and if they receive money from the Target as consideration for those fractional shares, they will earmark all of the money (with taxes and other public charges and reasonable expenses being deducted) for Reinvestment and acquire ordinary shares of the Tender Offeror as promptly as practicably possible after completion of the Share Swap.

(e) Termination

The Tender Offeror and the Founding Family Shareholders have agreed that if they agree in writing to termination, or if the Tender Offer is publicly announced but is not successfully completed, the Non-Tendering Agreement (Founding Family) will terminate automatically.

[2] Non-Tendering Agreement (Foundation)

The Tender Offeror formed the Non-Tendering Agreement (Foundation) with the Foundation on July 25, 2025. Details of the Non-Tendering Agreement (Foundation) are as follows.

(a) Not Tendering in the Tender Offer

The Foundation has agreed not to tender the Non-Tendered Shares it owns in the Tender Offer, and not to transfer those shares to any third party or otherwise dispose of the same.

(b) Share Consolidation

The Tender Offeror has agreed that if it fails to acquire all of the Target Shares (excluding treasury shares owned by the Target and Non-Tendered Shares) in the Tender Offer, the Tender Offeror will implement the Share Consolidation and request that the Target hold an Extraordinary General Shareholders Meeting. The Foundation has agreed to exercise the voting rights relating to the Non-Tendered Shares it owns at the Extraordinary General Shareholders Meeting in accordance with the instructions of the Tender Offeror and in the same manner as the Tender Offeror.

(c) Share Swap

The Tender Offeror has agreed to implement the Share Swap if any Non-Tendering Shareholder remains a shareholder of the Target after the Share Consolidation becomes effective. The Foundation has agreed to exercise its voting rights relating to the Non-Tendered Shares it owns in accordance with the instructions of the Tender Offeror and in the same manner as the Tender Offeror, if it is able to exercise voting rights at the Target's Extraordinary General Shareholders Meeting that includes implementation of the Share Swap in its agenda items, to own only Class C preferred shares of the Tender Offeror after the Share Swap becomes effective, and to implement necessary procedures and provide cooperation for that purpose.

(d) Reinvestment

The Foundation has agreed that if, as a result of the Share Consolidation, the number of Target Shares owned by it are denominated in fractions equal to less than one share, and if it receives money from the Target as consideration for those fractional shares, it will earmark all of the money (with taxes and other public charges and reasonable expenses being deducted) for Reinvestment and acquire Class C preferred shares of the Tender Offeror as promptly as practicably possible after completion of the Share Swap.

(e) Termination

The Tender Offeror and the Foundation have agreed that if they agree in writing to termination, or if the Tender Offer is publicly announced but is not successfully completed, the Non-Tendering Agreement (Foundation) will terminate automatically.

(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)

As explained in section "(1) Tender Offer Overview" above, if the Tender Offeror cannot acquire all of the Target Shares and Share Acquisition Rights (including Restricted Shares and the Target Shares to be delivered as a result of exercising Share Acquisition Rights, and excluding treasury shares held by the Target and the Non-Tendered Shares) in the Tender Offer, after the successful completion of the Tender Offer, the Tender Offeror plans to carry out the Squeeze-out Procedures in order to acquire all of the Target Shares and Share Acquisition Rights (including Restricted Shares and Target Shares to be delivered as a result of exercising Share Acquisition Rights, and excluding

treasury shares held by the Target and the Non-Tendered Shares) using the following method.

Specifically, after the completion of the Tender Offer, the Tender Offeror plans to request the Target to convene an extraordinary general shareholders meeting that includes in its agenda items a resolution for the Share Consolidation in accordance with Article 180 of the Companies Act and an amendment to the articles of incorporation eliminating the provisions for share unit number, subject to the coming into effect of the Share Consolidation (“Extraordinary General Shareholders Meeting”), and the Tender Offeror and Non-Tendering Shareholders plan to vote in favor of all of the agenda items at the Extraordinary General Shareholders Meeting. In view of enhancing the Target’s corporate value, believing that it is desirable to have the Extraordinary General Shareholders Meeting at an earlier stage, the Tender Offeror plans to request the Target to make a public notice that it will set a record date during the Tender Offer Period so that after the settlement commencement date of the Tender Offer, a date close thereto will be the record date for the Extraordinary General Shareholders Meeting, which is scheduled to be held around mid-October to early November 2025. According to the Target Press Release, if the Tender Offeror makes such request, the Target plans to comply with such request.

If the resolution for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date that the Share Consolidation comes into effect, the Target shareholders will each come to possess a number of Target Shares in proportion to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If any fractional shares of less than one share arise from the Share Consolidation, in accordance with the procedures of Article 235 of the Companies Act and other related laws and regulations, the money obtained by selling to the Target or the Tender Offeror Target Shares in a number equivalent to the total sum of such fractional shares (if the total sum includes a fractional share of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Target. With respect to the sale price for the Target Shares in the number equivalent to the total sum of such fractional shares, the Tender Offeror plans to set such price so that the amount of money delivered as a result of such sale to the Target shareholders that did not tender their shares in the Tender Offer (excluding the Tender Offeror, Non-Tendering Shareholders and the Target) will be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Shares each such shareholder possessed, and then request the Target to file a petition for permission for sale by private contract for the court. Further, although the Target Shares consolidation ratio is undecided as of the Submission Date, the Tender Offeror plans to request that the Target decide the ratio by which the number of Target Shares that the Target shareholders (excluding the Tender Offeror, Non-Tendering Shareholders and the Target) that do not tender their shares in the Tender Offer will come to own will be a fraction equal to less than one share, so that the Tender Offeror and Non-Tendering Shareholders will own all of the Target Shares (including Restricted Shares and Target Shares to be delivered as a result of exercising Share Acquisition Rights, and excluding treasury shares held by the Target). In the case where the Share Consolidation is carried out, if any fractional shares of less than one share arise from the Share Consolidation, the Companies Act provides that in accordance with Articles 182-4 and 182-5 of the Companies Act and other related laws and regulations, Target shareholders that did not tender their shares in the Tender Offer shall be entitled to demand that the Target purchase all of their Target Shares that are fractional shares at a fair price, and may file a petition for the court to determine the price of Target Shares. If such a petition is filed, the purchase price of Target Shares will ultimately be decided by the court. The Tender Offer is not in any way a solicitation for the support of the Target shareholders at the Extraordinary General Shareholders Meeting.

There is a possibility that due to reasons such as amendment, enactment, and interpretation by related authorities of related laws and regulations, the above procedures will require time to implement, or the method of implementation will change. However, even in such a case, it is planned that if the Tender Offer is completed successfully, ultimately the method of delivering money to the Target shareholders (excluding the Tender Offeror, Non-Tendering Shareholders and the Target) that did not tender their shares in the Tender Offer will be adopted, and the Tender Offeror plans for the amount of money that will be delivered to such shareholders of the Target to be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Shares each such shareholder of the Target possessed.

With respect to Restricted Shares, the allotment agreement relating to Restricted Shares states as follows: (a) during the transfer restriction period, if a consolidation of shares (limited to situations in which the parties to which Restricted Shares are allotted will own Restricted Shares only in fractions equal to less than one share as a result of the share consolidation) is approved at the Target's shareholders meeting (however, limited to the situation in which the effective date of the consolidation of shares comes before the expiration of the transfer restriction period), the restrictions on transfer will be cancelled by a resolution of the Target's Board of Directors immediately before the business day immediately preceding the effective date of the consolidation of shares, for Restricted Shares in a number obtained by the following formula: the number of months from the month following the month in which the date when the annual shareholders meeting was held which is the closest to the allotment date, to the month in which the approval date falls ("Squeeze-out Approval Date"), divided by 12 (one, if the result of the calculation exceeds one), multiplied by the number of Restricted Shares owned by the allotted parties as of the Squeeze-out Approval Date (any fractions less than one share arising as a result of this calculation shall be rounded down), and (b) in the case set forth in (a) above, Target will acquire, without contribution, all Restricted Shares for which the restrictions on transfer are not cancelled as of the business day immediately preceding the effective date of the Share Consolidation. In the Share Consolidation procedures, Restricted Shares for which restrictions on transfer were cancelled immediately before the business day immediately preceding the effective date of the Share Consolidation will be subject to the Share Consolidation, in accordance with the provisions of the allotment agreement as described in (a) above, and Restricted Shares for which the restrictions on transfer were not cancelled as of the business day immediately preceding the effective date of the Share Consolidation will be acquired by the Target without contribution in accordance with the provisions of the allotment agreement as described in (b) above.

In addition, in the event that the Tender Offer is completed successfully but the Tender Offeror cannot acquire all of the Share Acquisition Rights in the Tender Offer and the Share Acquisition Rights remain unexercised, the Tender Offeror will request that the Target implement reasonably necessary procedures for implementation of the Transaction, such as acquiring the Share Acquisition Rights and recommending the Share Acquisition Rights Holders waive their Share Acquisition Rights. As of the Submission Date, however, the details have not been decided. According to the Target, it intends to cooperate with any such request that it receives.

It is planned that the Target will publicly announce specific procedures, the timing for implementation, and other information on the above promptly after a decision is made through consultations with the Target. Please note that with respect to tax treatment of the tendering of shares in the Tender Offer or any of the above procedures, the Target shareholders should consult with a tax professional at their own responsibility.

The Tender Offeror intends to eventually become the sole shareholder of the Target, and as a means for achieving such objective, the Tender Offeror plans to carry out, on the condition of completion of the Squeeze-out Procedures, a Share Swap with the Tender Offeror shares as consideration, having the Tender Offeror as the wholly-owning parent after the Share Swap and the Target as a wholly-owned subsidiary after the Share Swap; details have yet to be determined as of the Submission Date.

However, if, as a result of the Tender Offer, there are shareholders who own at least the same number of the Target Shares as the Target Shares owned by any of Non-Tendering Shareholders, or if it is expected that there will be such shareholders at the time the Share Consolidation becomes effective, the Tender Offeror will request that the Target implement the Share Consolidation at a consolidation of shares ratio by which the number of the Target Shares owned by those shareholders will be fractions equal to less than one share, so that those shareholders will not remain shareholders of the Target after the Share Consolidation becomes effective. In this case, the Tender Offeror will be the sole shareholder of the Target, and the Share Exchange will not take place.

(6) Prospects for Delisting; Reasons

As of the Submission Date, the Target Shares are listed on the TSE Prime Market and the NSE Premier Market, but because the Tender Offeror has not set maximum number of shares planned for purchase in the Tender Offer, depending on the result of the Tender Offer, there is a possibility that in accordance with the delisting criteria provided by the TSE and the NSE, the Target Shares will be delisted through prescribed procedures. Further, if the

Tender Offer is completed successfully, even in the case where the delisting criteria are not met at the point in time of the successful completion of the Tender Offer, the Tender Offer plans to carry out the Squeeze-out Procedures discussed above in section “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” after the successful completion of the Tender Offer, and if such procedures are carried out, in accordance with the delisting criteria provided by the TSE and the NSE, the Target Shares will be delisted through prescribed procedures. It should be noted that after the Target Shares are delisted, the Target Share cannot be traded on the TSE and the NSE.

4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase

(1) Purchase, etc. Period

[1] Notification initial period

Purchase, etc. period	From July 28, 2025 (Monday) until September 8, 2025 (Monday) (30 Business Days)
Date of public notice	July 28, 2025 (Monday)
Newspaper for public notice	An electronic public notice will be given, and an announcement to such effect will be published in the Nihon Keizai Shimbun. (URL for electronic public notice: https://disclosure2.edinet-fsa.go.jp/)

[2] The possibility of an extension based on a request from the Target

Not applicable.

[3] Contact information for confirmation of period extension

Not applicable.

(2) Purchase, etc. prices

Share certificates	2,050 yen per 1 ordinary share
Share option certificates	First Series of Share Acquisition Rights: One yen per share acquisition right Second Series of Share Acquisition Rights: One yen per share acquisition right Third Series of Share Acquisition Rights: One yen per share acquisition right Fourth Series of Share Acquisition Rights: One yen per share acquisition right Fifth Series of Share Acquisition Rights: One yen per share acquisition right Sixth Series of Share Acquisition Rights: One yen per share acquisition right Seventh Series of Share Acquisition Rights: One yen per share acquisition right Eighth Series of Share Acquisition Rights: One yen per share acquisition right
Bonds with share options	-
Share Certificate, etc. trust beneficiary interest certificates ()	-
Share Certificate, etc. depository certificates ()	-
Grounds for calculation	(1) Ordinary shares In deciding the Tender Offer Price, the Tender Offeror analyzed the Target's business and financial status in a comprehensive manner on the basis of the financial information and other materials such as securities reports and earnings report

	<p>disclosed by the Target. In addition to the results of due diligence of the Target conducted from May 8, 2025 until June 27, 2025, given that the Target Shares are traded on a financial instruments exchange, the Tender Offeror also referred to the closing price (1,461yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, the Business Day immediately prior to the announcement of the Tender Offer, and changes in the simple average of the closing price for one month, three months, and six months prior to the above date (1,367 yen, 1,317 yen, and 1,341 yen, respectively), and as a result of discussions and negotiations between the Target and the Special Committee, comprehensively considered such matters as the possibility of approval of the Tender Offer by the Target's Board of Directors and the outlook of shares being tendered in the Tender Offer, and ultimately decided to set the Tender Offer Price at 2,050 yen on July 25, 2025. It should be noted that the Tender Offeror finalized the Tender Offer Price after considering various factors as described above and through discussions and negotiations with the Target and the Special Committee, and thus, did not obtain a stock valuation report or fairness opinion from any third-party valuation agency.</p> <p>The Tender Offer Price of 2,050 yen represents a 40.31% premium over the closing price (1,461 yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, the Business Day immediately prior to the announcement of the Tender Offer, a 49.96% premium over the simple average of the closing price for the past one month (from June 25, 2025 to July 24, 2025) (1,367 yen), a 55.66% premium over the simple average of the closing price for the past three months (from April 25, 2025 to July 24, 2025) (1,317 yen), and a 52.87% premium over the simple average of the closing price for the past six months (from January 25, 2025 to July 24, 2025) (1,341 yen), respectively.</p> <p>In addition, the Tender Offer Price of 2,050 yen represents a premium of 16.41% over the closing price for the Target Shares (1,761 yen) on the TSE Prime Market as of July 25, 2025, the Business Day prior to the Submission Date.</p> <p>(2) Share Acquisition Rights</p> <p>With regard to the Share Acquisition Rights, the Share Acquisition Rights Holders can exercise the Share Acquisition Rights only if the Conditions for Exercise Upon Loss of Position are satisfied during the exercise period of the Share Acquisition Rights, and since the Tender Offeror will not be able to exercise the Share Acquisition Rights even if it acquires the Share Acquisition Rights, it has been decided that the Share Acquisition Rights Purchase Price will be one yen for all series each.</p> <p>It should be noted that the Tender Offeror finalized the Share Acquisition Rights Purchase Price as described above, and therefore did not obtain a stock valuation report or fairness opinion from any third-party valuation agency when finalizing the Share Acquisition Rights Purchase Price.</p>
Background of the Calculation	<p>(The Background Leading to the Decision of the Tender Offer Price and the Share Acquisition Rights Purchase Price)</p> <p>As set forth in section "[1] The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer," of section "(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy," of section "3. Purpose of Purchase, etc.," the Ogawas believes that in order to consistently implement the measures described in (I) through (IV) above from a medium-to-long-</p>

	<p>term perspective and promote improved corporate value, it will be necessary to delist the Target Shares while maintaining continuity with the Target’s business management until now, and that in order to achieve this, it will be necessary for the Ogawas, members of the Target’s founding family and currently the Representative Director and Chairman and the Representative Director and President, who have the greatest understanding of the Target Group’s management, to continue to manage the Target Group, and, that it will be necessary for the Ogawas themselves to conduct flexible and dynamic management decision-making by aligning ownership and management under his commitment, and therefore concluded that a management buyout (MBO) is the optimal means for achieving this. They then decided that Tetsushi Ogawa would establish a company, as the Tender Offeror, in which he would hold all of the issued shares, appointed Tetsushi Ogawa as Representative Director, and to make it the primary vehicle for carrying out the Transaction including the Tender Offer.</p> <p>After delisting the Target, the Ogawas intend to promote the development of new businesses, new technologies, and new products that contribute to the further improvement of safety, environment, and comfort, and achieve stable and sustainable growth by meeting the trust and expectations of all stakeholders, including shareholders who have supported the Target so far, as a global company in the automotive parts industry, and achieve “a company that continues to change and is needed by society.”</p> <p>When looking further into the Transaction, in late September, 2024 the Ogawas appointed Mitsubishi UFJ Morgan Stanley Securities as its external financial advisor independent from the Ogawas and the Target, and in early October, 2024, selected Nishimura & Asahi as its external legal advisor independent from the Ogawas and the Target, and commenced concrete considerations. Also, the Ogawas submitted the Letter of Intent to the Target on October 25, 2024, made a proposal to take the Target private by means of a tender offer with cash consideration, for Target Shares and Share Acquisition Rights, through a new special purpose company to be established by Tetsushi Ogawa, made a request to conduct due diligence, and on October 28, 2024, received notice from the Target that the Target had established a Special Committee and that the Target will confer and negotiate with the Ogawas for implementation of the Transaction. Later, on February 27, 2025, the Ogawas were invited to communicate with the Special Committee, and through conversations and question-and-answer sessions that took place at that time, the Ogawas notified the Target of the purpose for and background to the Transaction, the managerial policy after the Transaction, that they intended to take the measures described in (I) through (IV) above, the reasons for the need to go private for that purpose, advantages and disadvantages of the Transaction, the structure of the Transaction, procedures and conditions concerning the Transaction, and other matters. In addition, the Ogawas conducted business, financial, tax, and legal due diligence on the Target from May 8, 2025 to June 27, 2025, and from June 16, 2025 to June 23, 2025, they notified the Target of the status of consideration of financing required for the Transaction and other matters, through exchanges of questions and answers in writing with the Special Committee. Thereafter, the Ogawas conducted repeated discussions and considerations with the Target and the Special Committee concerning the Tender Offer Price and the Share Acquisition Rights Purchase Price during the period from June 25, 2025 to July 24, 2025, taking into consideration the overview of the Tender Offer including the objectives of the Transaction set forth in the Letter of Intent, the impact of the Transaction on the Target,</p>
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	<p>the details of managerial policy after the Transaction, recent share price trends, and the results of due diligence.</p> <p>Specifically, on June 25, 2025, the Tender Offeror made the first proposal to the Target, setting the Tender Offer Price at 1,600 yen, on the assumption that the Target would not pay interim dividends or year-end dividends for the fiscal year ending March 2026, and confirming that the Tender Offer Price, exceeds the highest closing price (1,580 yen) of the Target Shares for the past one year, in addition to confirming that the Tender Offer Price includes a 22.14% premium over the closing price (1,310 yen) of the Target Shares on the TSE Prime Market as of June 24, 2025 (rounded off to the second decimal place; the same applies hereinafter to the calculation of premium rates over the share prices), a 22.61% premium over the simple average of the closing prices for the past one month (1,305 yen) (rounded off to the nearest whole number; the same applies hereinafter to the calculation of simple average of the closing prices), a 24.90% premium over the simple average of the closing prices for the past three months (1,281 yen), and a 19.85% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. In addition, the Tender Offeror made a proposal to set the Share Acquisition Rights Purchase Price at one yen for any remaining Share Acquisition Rights, taking into consideration that the Share Acquisition Rights were issued to Directors and Executive Officers of the Target as stock-based compensation, and that they cannot be exercised even if the Tender Offeror acquires them because they can be exercised only if the Conditions for Exercise Upon Loss of Position are fulfilled. Then, on July 4, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases. Thus, on July 7, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,800 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,762 yen) of the Target Shares for the past two years, in addition to confirming that the Tender Offer Price includes a 34.23% premium over the closing price (1,341 yen) of the Target Shares on the TSE Prime Market as of July 7, 2025, a 35.85% premium over the simple average of the closing prices for the past one month (1,325 yen), a 40.73% premium over the simple average of the closing prices for the past three months (1,279 yen), and a 34.83% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. Then, on July 10, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases. Thus, on July 16, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,900 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price includes a 37.18% premium over the closing price (1,385 yen) of the Target Shares on the TSE Prime Market as of July 15, 2025, a 41.69% premium over the simple average of the closing prices for the past one month (1,341 yen), a 46.49% premium over the simple average of the closing prices</p>
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for the past three months (1,297 yen), and a 42.11% premium over the simple average of the closing prices for the past six months (1,337 yen). Then, on July 18, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders in light of recent trends in premium levels in other management buyout (MBO) cases. Thus, on July 22, 2025, the Tender Offeror made another proposal to the Target, setting the Tender Offer Price at 1,970 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,956 yen,) of the Target Shares since their listing, in addition to confirming that the Tender Offer Price includes a 43.38% premium over the closing price (1,374 yen) of the Target Shares on the TSE Prime Market as of July 18, 2025, a 46.14% premium over the simple average of the closing prices for the past one month (1,348 yen), a 50.84% premium over the simple average of the closing prices for the past three months (1,306 yen), and a 47.12% premium over the simple average of the closing prices for the past six months (1,339 yen). After that on July 23, 2025, the Special Committee requested that the Tender Offeror reconsider the Tender Offer Price and the Share Acquisition Rights Purchase Price because the proposed prices were still not at a reasonable level that appropriately reflects the intrinsic value that the Target could realize, and could not be said to be sufficient for minority shareholders. Thus, on July 24, 2025, the Tender Offeror made a final proposal to the Target, setting the Tender Offer Price at 2,050 yen and the Share Acquisition Rights Purchase Price at one yen, confirming that the Tender Offer Price exceeds the highest closing price (1,998 yen) of the Target Shares since their listing, in addition to confirming that the Tender Offer Price includes a 40.31% premium over the closing price (1,461 yen) of the Target Shares on the TSE Prime Market as of July 24, 2025, a 49.96% premium over the simple average of the closing prices for the past one month (1,367 yen), a 55.66% premium over the simple average of the closing prices for the past three months (1,317 yen), and a 52.87% premium over the simple average of the closing prices for the past six months (1,341 yen). Subsequently, on July 24, 2025, the Tender Offeror received from the Special Committee a response to the effect that it accepted the Tender Offeror's final proposal.

Through the above discussions and negotiations, on July 25, 2025, the Tender Offeror decided to set a Tender Offer Price of 2,050 yen and a Share Acquisition Rights Purchase Price of one yen, and to implement the Tender Offer as part of the Transaction.

(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)

Since the Tender Offer will be carried out as part of the Transaction that qualifies and is known as a management buyout (MBO), and there are structural issues of conflict of interest, etc., for the purpose of ensuring the fairness of the Tender Offer Price and the Share Acquisition Rights Purchase Price and eliminating unreasonableness and avoiding conflicts of interest in the decision-making process leading up to the decision to implement the Tender Offer, in order to ensure the fairness

of the Transaction including the Tender Offer, the Tender Offeror and the Target implemented the following measures.

Please note that the descriptions of the measures implemented by the Target below are based on explanations from the Target.

[1] Establishment of an independent special committee at the Target, and procuring a report from the special committee

(i) Background to establishment, etc.

As set forth in section “[1] The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer,” of section “(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy,” of “3. Purpose of Purchase, etc.,” in light of the fact that the Transaction will be carried out as part of what is known as a management buyout (MBO), and since it is assumed that the Tender Offeror will carry out the Squeeze-out Procedures for the Target’s general shareholders in the Transaction, and since the Tender Offeror shares interests with the Ogawas, there are structural issues involving conflicts of interest between the Ogawas, on one hand, and the Target or the Target’s general shareholders, on the other, the Target established a Special Committee by resolution of the Board of Directors on October 28, 2024, in order to ensure the fairness of the entire process of examining and making decisions about the appropriateness of the Transaction and the validity of the terms and conditions of the Transaction. Prior to the establishment of the Special Committee, after the Target received the Letter of Intent from the Ogawas on October 25, 2024, the Target explained to all of the Target’s outside directors that the Target had received a Letter of Intent from the Ogawas and that the Transaction falls within the category of a transaction in which structural issues involving conflicts of interest and information asymmetry exist due to the nature of the Transaction, and that it was necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including through the establishment of a Special Committee, when examining and negotiating the Transaction, in order to establish a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Target’s corporate value and securing the interests of the Target’s minority shareholders from a perspective independent from the Tender Offer-Related Parties.

In addition, in order to establish a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Target’s corporate value and securing the interests of the Target’s general shareholders from a perspective independent from the Tender Offer-Related Parties, starting in late October 2024, the Target appointed Anderson Mori & Tomotsune as a legal advisor and Yamada Consulting as a financial advisor and a third-party valuation agency to the Target, which are independent from the Tender Offer-Related Parties. Based on the legal advice received from Anderson Mori & Tomotsune on the decision-making process and method for the Transaction and other points to note when making decisions about the Transaction, the Target established a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Target’s corporate value and securing the interests of the Target’s general shareholders from a perspective independent from the Tender Offer-Related Parties,

	<p>and confirmed the independence, eligibility, and other matters of the Target's independent outside officers who were candidates for Special Committee members. On that basis, after obtaining the advice of Anderson Mori & Tomotsune and confirming that the candidates were independent from the Tender Offeror, did not have material conflicts of interest with the general shareholders with regard to the success or failure of the Transaction, and were qualified to serve as committee members, in order to ensure a balance of knowledge, experience, and abilities on the Special Committee as a whole, and to constitute the Special Committee on an appropriate scale, the Target selected four candidates for the Special Committee members, who are Osamu Motojima (Audit & Supervisory Committee Member), Kan Kakiuchi (Audit & Supervisory Committee Member), Tomoyuki Shinkai (Audit and Supervisory Committee Member), and Masako Hayashi, who are independent outside directors of the Target, which was designated as the most suitable committee members in the "Fair M&A Guidelines" dated June 28, 2019 prepared by the Ministry of Economy, Trade and Industry. Osamu Motojima also assumed the office of chairperson of the Special Committee, as a result of an election from among its members (The Special Committee members have not changed since its establishment. In addition, the remuneration to be paid to each member of the Special Committee does not include contingency fees that are to be paid subject to the fulfillment of conditions, including the successful completion of the Transaction).</p> <p>In addition, as set forth in section "3. Purpose of Purchase, etc.," in section "(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy," in section "[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer," the Target established the Special Committee by resolution of the Board of Directors on October 28, 2024, and consulted the Special Committee on [1] whether the purpose of the Transaction was deemed reasonable (including whether the Transaction will contribute to enhancement of the Target's corporate value), [2] whether the fairness and appropriateness of the terms and conditions of the Transaction (including the purchase, etc. prices of the Tender Offer) has been ensured, [3] whether the fairness of the procedures related to the Transaction has been ensured, [4] whether the Transaction was considered not to be detrimental to the Target's minority shareholders in light of items [1] to [3] above, and [5] whether it was appropriate for the Target's Board of Directors to express its support for the Tender Offer and to recommend that the Target's shareholders tender their shares in the Tender Offer (items [1] to [5] are referred to collectively as the "Consultation Matters"). In addition, upon the establishment of the Special Committee, the Target's Board of Directors passed a resolution stating that (i) the Special Committee has the authority to nominate or approve (including subsequently approve) the Target's experts, including financial advisors and legal advisors (collectively, "Advisors"), (ii) the Special Committee has the authority to appoint its own Advisors if it deems it necessary to consider the Consultation Matters (If the Special Committee determines that it can trust the Target's Advisors and request professional advice based on the fact that the Target's Advisors have a high level of expertise and have no problems with independence, or other similar facts, the Special Committee may request professional advice from the Target's Advisors. In addition, the Target will bear the reasonable expenses of professional advice from the Advisors to the Special Committee's Advisors), (iii) the Special Committee has the authority to receive</p>
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	<p>information necessary for the examination and determination of the Transaction from the Target's officers and employees and other persons deemed necessary by the Special Committee, (iv) the Special Committee has the authority to be substantially involved in the process of negotiating the terms and conditions of the Transaction by confirming the policy concerning the terms and conditions of the Transaction in advance of the negotiations, receiving timely reports on the situation, expressing opinions at important moments, and issuing instructions or making requests, and (v) decisions about the Transaction made by the Target's Board of Directors will be made with full respect for the decisions of the Special Committee, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Target's Board of Directors will not approve the Transaction on those transaction terms and conditions.</p> <p>(ii) Background of the considerations</p> <p>Meetings of the Special Committee were held a total of 13 times, over approximately 21 hours, from November 6, 2024 to July 24, 2025, and the Special Committee also made reports and shared information through e-mails and other means, deliberated, made decisions outside of meetings, and carefully examined the Consultation Matters.</p> <p>Specifically, at the first meeting of the Special Committee, held on November 6, 2024, the Special Committee approved the Target's appointment of Yamada Consulting as its financial advisor and third-party valuation agency and Anderson Mori & Tomotsune as its legal advisor, after confirming that there were no issues with their independence and expertise, and also confirmed that the Special Committee can receive their expert advice as necessary.</p> <p>In addition, the Special Committee approved the process of consideration of the Transaction (including the scope of officers and employees of the Target to be involved in consideration, negotiation and determination of the Transaction, and their duties), which the Target established internally, after confirming that there were no issues in terms of independence and fairness. In addition, the Special Committee has been examining measures to be taken to ensure the fairness of Transaction procedures, based on the legal advice received from Anderson Mori & Tomotsune.</p> <p>Moreover, while taking into account the financial advice received from Yamada Consulting, the Special Committee received an explanation from the Target about the details, important assumptions, background of preparations, and other matters relating to the Target's business plan (including the fact that neither the Tender Offeror nor Shinya Ogawa or Tetsushi Ogawa was involved in the preparation of that business plan), which Yamada Consulting used as the basis for calculation of the share value of the Target Shares, and after understanding the background of preparation thereof and the Target's current situation, from the perspective of identifying any unreasonable elements, the Special Committee confirmed that these matters were reasonable and approved them.</p> <p>The Special Committee presented questions to the Tender Offeror, as well as to the Ogawas, and carried out question-and answer sessions through interviews and in writing with the Tender Offeror as well as the Ogawas about the purpose and background of the Transaction, the managerial policy after the Transaction and specific measures relating thereto, the reasons why delisting the Target Shares is necessary for that purpose, the advantages and disadvantages of the Transaction, the structure of the Transaction, and the procedures, terms, and conditions of the</p>
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	<p>Transaction. The Special Committee presented questions to the Target also, and carried out question-and answer sessions with the Target, through interviews and in writing, about the Target’s business condition, management issues of which it is aware, the market environment, the purpose and significance of implementing the Transaction from the perspective of enhancing corporate value, the impact on the Target’s business, and whether the Target has any concerns about being delisted through the Transaction.</p> <p>In addition, as stated in section “[2] Obtaining a stock valuation report from a third-party valuation agency independent from the Target” below, Yamada Consulting has calculated the share value of the Target Shares based on the business plan prepared by the Target, and the Special Committee received an explanation from Yamada Consulting about the results of the calculation of the share value, the method of calculating the share value of the Target, the reason for selecting that calculation method, and the details and important assumptions used in the calculations made using each calculation method. After carrying out question-and-answer sessions, deliberations, and consideration, the Special Committee has confirmed that these matters are reasonable.</p> <p>Further, as stated in section “[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer” of section “(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” in the section titled “3. Purpose of Purchase, etc.,” above, after the Target received a proposal from the Tender Offeror on June 25, 2025 to set the Tender Offer Price at 1,600 yen per share and the Share Acquisition Rights Purchase Price at one yen, the Special Committee has engaged in continuous discussions and negotiations with the Tender Offeror through the Target’s financial advisor, Yamada Consulting, taking into account its financial advice, including the results of its calculation of the share value of the Target Shares and the policy for negotiation with the Tender Offeror, etc., as well as the legal advice, etc. from Anderson Mori & Tomotsune on measures to ensure the fairness of the procedures in the Transaction.</p> <p>Specifically, acting through Yamada Consulting, the Target repeatedly negotiated the Tender Offer Price on multiple occasions in response to the Tender Offeror’s proposal. During the consultation and negotiations, the Special Committee was substantially involved in the negotiation process with the Tender Offeror, for example, by receiving timely reports from the Target on the background and details, etc. of the discussions and negotiations, discussing policies and other matters, and expressing opinions through the Special Committee.</p> <p>In addition, the Special Committee received an explanation from Anderson Mori & Tomotsune about the details of each draft of the Target’s press release and position statement concerning the Tender Offer scheduled to be published or submitted by the Target, as well as the details of the draft tender offer statement for the Tender Offer scheduled to be submitted by the Tender Offeror, and has confirmed that the Tender Offeror and the Target intend to make appropriate disclosures with the advice of their respective legal advisors.</p> <p>Based on the foregoing circumstances, after careful consideration and discussions on the Consultation Matters, upon a unanimous resolution by the committee members, the Special Committee submitted a report (“Report”) to the Target’s Board of Directors on July 25, 2025, the overview of which is as provided in the following.</p>
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	<p>(a) The Special Committee’s opinion</p> <ol style="list-style-type: none"> 1. The purpose of the Transaction is considered reasonable (The Transaction will contribute to the enhancement of the corporate value of the Target.). 2. The fairness and reasonableness of the terms and conditions of the Transaction, including the Tender Offer, are ensured. 3. The fairness of the procedures to be followed in connection with the Transaction is ensured. 4. Based on 1 to 3 above, the decision concerning the Transaction is considered to be fair to the Target’s general shareholders. 5. It is reasonable for the Target’s Board of Directors to state its opinion in support of the Tender Offer, to recommend that the Target’s shareholders tender their shares in the Tender Offer, and to leave the decision on whether to tender Share Acquisition Rights to Share Acquisition Rights Holders. <p>(b) Reasons of the Special Committee’s opinion</p> <p>(b)-1 The Special Committee’s Policy in Reviewing the Transaction</p> <p>(1) Conflicts of interest and asymmetry of information with respect to the Transaction</p> <p>The Transaction is to be implemented by the Tender Offeror as part of a so-called management buyout (MBO) based on discussions with Mr. Shinya Ogawa, Chairman and Representative Director, and Mr. Tetsushi Ogawa, President and Representative Director. In addition, while the Tender Offeror is not a controlling shareholder of the Target as of the time of commencement of the Tender Offer, the Squeeze-out Procedure for the Transaction will be implemented by the Tender Offeror which has become the Target’s controlling shareholder through the Tender Offer (or by the Target acting for the Tender Offeror) where such transaction would fall under “material transactions, etc. with the controlling shareholder” which would create an issue of conflicts of interest between the controlling shareholder and general shareholders. Therefore, the Target’s Board of Directors established the Special Committee on October 28, 2024 comprising outside independent officers, Mr. Osamu Motojima (Audit and Supervisory Committee Member), Mr. Kan Kakiuchi (Audit and Supervisory Committee Member), Mr. Tomoyuki Shinkai (Audit and Supervisory Committee Member), and Ms. Masako Hayashi because there may exist typological and structural issue of conflicts of interest and issue of asymmetry of information in the Transaction, and it is necessary to ensure that the Target’s decision-making is done carefully, exclude arbitrariness and conflicts of interest in the course of decision-making by the Target’s Board of Directors, and to ensure fairness in such decision-making.</p> <p>(2) M&A disciplines that should be referred to when reviewing the Transaction</p> <p>The M&A Guidelines suggest a desirable form of a fair M&A for Japan’s corporate society mainly from the procedural perspective which focuses on MBO and takeover of a controlled company by a controlling shareholder (M&A Guidelines 1.2 and 1.3). While the M&A Guidelines are not a law, these guidelines are based on MBO Guidelines compiled through research by a research team comprised of experts hosted by METI. Further, from the fact that the MBO Guidelines are frequently referred to in court precedents concerning the judgement of fairness of an M&A, the M&A Guidelines are considered to have sufficient</p>
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credibility as official views or other view of similar authority concerning the overall fairness of an M&A where issues of conflicts of interest may arise.

As stated above, the Transaction falls under an MBO which is subject to the M&A Guidelines and this is an M&A transaction that may involve the issue of typological and structural conflicts of interest and the issue of asymmetry of information and it is therefore appropriate to refer to the M&A Guidelines when judging the fairness of the Transaction.

The principals to be observed when conducting M&A as required by the M&A Guidelines are as follows (M&A Guidelines 2.3).

(I) Enhancement of corporate value (whether the transaction is a desirable M&A should be judged based on whether this enhances corporate value)

(II) Ensuring the interests of general shareholders through fair procedures (the interests that should be enjoyed by the general shareholders should be ensured by conducting M&A through fair procedures)

Furthermore, in deciding whether (II) is satisfied, it is beneficial to review from the basic perspectives given in the M&A Guidelines, i.e., (i) ensuring conditions that could be equated to transaction between independent parties in the process of forming the terms of the transaction and (ii) ensuring opportunities for general shareholders to make appropriate decisions based on sufficient information (M&A Guidelines 2.4). Furthermore, when specifically reviewing (II), it is effective to review how the measures given by the M&A Guidelines as Fairness Ensuring Measures (M&A Guidelines Chapter 3) are adopted and implemented in the Transaction, and then review whether appropriate measures were chosen that are suitable for the subject situation. In this regard, it is not necessarily required to adopt all measures given by the M&A Guidelines as indicated in the M&A Guidelines (M&A Guidelines 3.1.2), and it is important to confirm that Fairness Ensuring Measures suitable in view of the actual circumstances of the Transaction are adopted and appropriately implemented.

Based on the foregoing, when organizing the Consultation Matters, Item for Advice 1 is a request to review whether the Transaction satisfies the criteria to enhance corporate value (above (I)). Item for Advice 2 is a request to review whether the fairness and reasonableness of the terms and conditions of the Transaction are ensured, and as grounds therefore, Item for Advice 3 is a request to review whether the interests of general shareholders are ensured through fair procedures for the Transaction (above (II)).

Furthermore, the Consultation Matters 4 and 5 are considered as requests to confirm the fairness of the opinion of the Target's Board of Directors towards the Tender Offer and the Transaction overall by comprehensively taking into account the Consultation Matters 1 to 3.

Therefore, the Special Committee reviewed Item for Advice 1 in below (b)-2, Item for Advice 2 in below (b)-3, and Item for Advice 3 in below (b)-4, respectively, and, based on the foregoing reviews, the Special Committee will review Item for Advice 4 in below (b)-5 and Item for Advice 5 in below 5-6, respectively.

In relation to the above, the Tokyo Stock Exchange ("TSE") announced "Partial revisions to the Securities Listing Regulations, etc. related to revisions to the listing

rules regarding MBOs and subsidiary conversions” and “Revisions to ‘Guidebook for the Timely Disclosure of Corporate Information’ in connection with partial revisions to the Securities Listing Regulations, etc. related to revisions to the listing rules regarding MBOs and subsidiary conversions” on July 7, 2025, and the revisions to the Securities Listing Regulations, etc. (“Revisions to Listing Regulations, Etc.”) was enforced on July 22, 2025. As the Transaction is an MBO that will be decided after enforcement of the Revisions to Listing Regulations, Etc., it is subject to the application of the Revisions to Listing Regulations, Etc. The Revisions to Listing Regulations, Etc. require to obtain an opinion concerning fairness of the MBO for the general shareholders. Item for Advice 4 is a request for advice on whether the Transaction may be considered as not disadvantageous to the minority shareholders of the Target by taking into account the Consultation Matters 1 to 3, and from the fact that this request for the Consultation Matters was made dated October 28, 2024 which was before announcement of the Revisions to Listing Regulations, Etc., in view of the fact that this request was made based on the then TSE Listing Rules, it could be viewed that the Target’s Board of Directors anticipated to make a recommendation on the premises of the Revisions to Listing Regulations, Etc. Accordingly, with respect to Item for Advice 4, the Special Committee makes a recommendation on whether the decision for the Transaction could be considered to be fair for the general shareholders on the premises of the Consultation Matters 1 to 3 in light of the Revisions to Listing Regulations, Etc.

(b)-2 Enhancement of the Corporate Value; Rationality of the Purpose (in relation to the Consultation Matter 1)

The Consultation Matter 1 questions whether the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Target and the purpose of the Transaction is reasonable.

The Special Committee considered whether the Transaction will contribute to the enhancement of the corporate value of the Target and whether the purpose of the Transaction is reasonable in light of matters such as the Target’s understanding of our business environment and management issues and other impacts.

(b)-2-1 The Target’s understanding of our current situation

(1) The Target’s business activities and management policy

According to the Target, the outline of the Target’s business activities and management policy are as follows:

- The Target was established as Pacific Industrial Co. (an unlimited company) by founder Soichi Ogawa in Goten-machi, Ogaki-shi, Gifu in August 1930 for the purpose of producing valve cores for automobiles, and its trade name was changed to PACIFIC INDUSTRIAL CO., LTD. in April 1938. The Target Shares went public on the NSE Second Section in October 1962 and the TSE Second Section in October 1963, and after being designated on the TSE First Section and the NSE First Section in August 1970, as a result of the market reclassification by the TSE and NSE in April 2022, the Target Shares are listed on the TSE Prime Market and the NSE Premier Market as of the Submission Date.
- As of the preparation date of this Written Report, the Target Group is engaged in stamping and molding product business, valve product business,

	<p>and other businesses. The details of each business are described below.</p> <p>(A) Stamping and molding product business</p> <ul style="list-style-type: none"> - The Target Group produces and sells stamping products that use technologies to mold ultra-high-tensile strength steel products that achieve both reduced weight and high strength, and molding products in various fields, including film decorating technologies and soundproofing technologies. - In the stamping business, the Target believes that there is a growing need for ultra-high-tensile strength steel products that achieve both reduced weight and safety in automobiles as a whole, including electric vehicles; in particular, the Target believes that customers have a growing need for the ultra-high-tensile strength steel cold stamping method, which is the Target's specialty, because CO2 emissions during production are low and it is inexpensive. Therefore, the Target is developing technologies to capture those needs. The Target intends to expand acceptance of orders by expanding sales of new products for electric vehicles and existing body shell parts that use its molding technologies for ultra-high-tensile strength steel products. - In the molding business, the Target recognizes that there is a growing need for noise countermeasures for motors and compressors, the noise of which had been drowned out by engine noise, and for improvements in electrical cost efficiency, in accordance with the progress of electrification of automobiles, and the Target intends to expand the acceptance of orders by developing new products for electric vehicles at its technology development center, which will start operations in October 2025, and promoting expansion of bases. <p>(B) Valve product business</p> <ul style="list-style-type: none"> - The Target produces and sells valve products, such as tire valves/valve cores, and various valves for car air conditioners, in which it has the top market share in the world, as well as TPMS (tire pressure monitoring system) products, and forging products, valves for aircrafts, industrial machinery, and energy industries. - For valve products, the Target recognizes the trend of electrification of automobiles, moving toward carbon neutrality, as an opportunity for growth, and is developing products for thermal management systems, which are becoming increasingly important for efficient utilization of heat in electric vehicles, and plans to focus on the development and expansion of sales of valves for electric vehicles, including electronic expansion valves. The Target is developing the next model of TPMS products, which is compact, lightweight, has low power consumption, and is highly cost-competitive, and plans to take on the challenge of further technological innovation with a view to data business. <p>(C) Other businesses</p> <ul style="list-style-type: none"> - In fields other than mobility, the Target develops, sells, and provides services related to IoT products and applications that use AI technologies,
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	<p>sensing and wireless communication technologies, and other technologies, develops and sells upcycled products, including products made from recycled materials and recyclable products, and provides non-life insurance agency services.</p> <ul style="list-style-type: none"> - In terms of IoT products, the Target develops and sells solutions such as “e-WAVES,” which contribute to the improvement of logistics quality, “CAPSULE SENSE,” a cattle body condition monitoring system, and “ENEGRAPH,” which enables visualization of factory energy. - In the future, the Target plans to take on challenges actively in fields other than mobility, and to strive to acquire new business opportunities that will be the medium- to long-term business pillars of the Target Group by developing products that contribute to solving social issues through the use of core technologies possessed by the Target Group such as sensing and wireless communication technologies developed through TPMS. <p>(2) The Target’s understanding of our business environment and management issues</p> <p>The Target acknowledges that the outline of the Target’s business environment and management issues are as follows:</p> <ul style="list-style-type: none"> - The Target is confident, in that it has supported the automotive parts industry as a pioneer in valve cores for more than 90 years, since the development of valve cores used for automobile tires in 1930, and believes that, in response to changes in the business environment, it has expanded its business to automotive stamping and molding products, electronics and control equipment products, and TPMS products for high-performance valves, and has achieved steady growth along with the development of the automobile industry in Japan. Currently, in addition to eight factories, two consolidated subsidiaries and one equity method affiliated company in Japan, the Target has 14 consolidated subsidiaries in seven overseas countries, and the Target is confident that it has established a solid position in the industry as a global company that develops business throughout Japan and overseas. The Target shares “PACIFIC VALUES,” which is a universal value centered on the spirit of the Target’s founding and important thoughts inherited from its predecessors, within the entire Target Group, and is working toward future leaps in growth, establishing “Passion in Creating Tomorrow” as its purpose. - In addition, in the severe VUCA environment in which the future is unpredictable, the Target believes that significance of its social existence is to empower diverse human resources take on new challenges looking into the future, demonstrate their strengths regardless of gender, nationality, age, work style, etc., and create new value that will have a positive impact on society over the long term; thus, on April 27, 2023, the Target formulated “Beyond the OCEAN,” a mid- to long-term business vision for a view toward 2030, and “NEXUS-26,” a mid-term business plan which covers fiscal years up to fiscal year 2026, based on the following three perspectives: “Purpose” that should be pursued no matter what environmental changes occur, “Long-term strategy” to understand environmental changes and make strategic moves, and “Resilience” that can be applied even when the environment is different from what is expected.
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	<ul style="list-style-type: none"> - The Target is working on four basic long-term strategies for building a foundation for growth centered on the “human resources strategy to realize the Target’s purpose” to have each employee demonstrate his or her abilities and take on the challenge of creating new value in the context of long-term trends and the transformation of the value of mobility (and in addition to this strategy, “co-growth of sale and profits,” “value creation through diverse technologies,” and “integration of sustainability and management”), and aims to achieve sustainable growth in the medium- to long-term as a “company trusted and needed by society” and contemplates creating new value for the future and improving the quality of corporate management. On the other hand, the Target believes that the automotive industry, which are major business partners of the Target Group, is entering a major period of transformation due to the appearance of ideas such as CASE and MaaS, which significantly change the nature of automobiles and values, based on environmental regulations due to climate change measures such as CO2 reduction and diversification of end-user needs, and technological competition such as electrification and automation. The Target believes that, in light of these changes in the external environment, automobile manufacturers are accelerating their environmental efforts to achieve carbon neutrality, development of next-generation mobility such as automated driving and electric vehicles, and the speed of technological innovation, and the competitive environment is intensifying year by year. In particular, in accordance with the shift from gasoline-powered vehicles to electric vehicles, the rise of emerging BEV (battery electric vehicle) manufacturers, mainly in Europe, the United States, and China, and the restructuring of automobile manufacturers with the aim of further accelerating technological innovation, the power balance among automobile manufacturers is changing, resulting in expecting further industry restructuring in the automotive parts industry. In addition to the aforementioned industry trends, companies also are becoming active in the development of relationships such as new business alliances and capital alliances with companies with strengths in these technologies, with the aim of strengthening the use of new technologies and strengthening competitiveness across various fields beyond the boundaries of the automotive industry, such as IoT, AI, and automated driving; thus, the Target believes that the competitive environment among companies is expected to intensify further in the future. - In addition, the Target expects the business environment to remain uncertain in light of changes in the geopolitical situation, the tariff increase by the United States, rising energy prices, and rising raw material prices and logistics costs due to exchange rate fluctuations. In these circumstances, the automotive parts industry, to which the Target Group belongs, is required to develop new products and technologies in response to rapid advances in automotive technologies and changes in market needs, such as the replacement of parts due to the expansion of electric vehicles, further weight reduction, and higher performance, as well as to strengthen flexible and efficient supply chains to ensure a stable supply, in line with the aforementioned major changes in the automotive industry as a whole. In particular, in the stamping product business, which is a major business of
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	<p>the Target Group, automobile manufacturers are required to make efforts to develop vehicles that achieve weight reduction and high performance to improve vehicle performance, such as reducing fuel consumption and reducing exhaust emissions, and extending cruising range. The Target Group supplies stamping products that meet the needs of society and customers by using the ultra-high-tensile strength steel cold stamping method with low CO2 emissions. In the future, if the giga casting process, which integrally molds with aluminum casting, is widely adopted for BEVs, the impact on the Target Group, whose business domain is frame parts for the upper body of automobiles, will be limited, but there is a possibility that competition will intensify further in the future as other affected stamping manufacturers producing the undercarriage parts of automobiles enter the upper body parts business.</p> <ul style="list-style-type: none"> - Furthermore, in addition to structural changes in technology in the automotive parts industry, the Target expects further intensification of competition in terms of price, due to severe price competition with domestic and overseas competitors, requests for price revisions from automobile manufacturers that are major business partners, in-house production of parts by automobile manufacturers, and alliances between existing competitors. Thus, the Target expects that the business environment surrounding the Target Group becomes even more severe. <p>(3) Valuation of the Target's understanding</p> <p>No contradictions or points that contradict objective facts are found in the Target's understanding of our business environment and management issues described above.</p> <p>(b)-2-2 Significance of the Transaction</p> <p>A. Significance of the Transaction assumed by the Tender Offeror</p> <p>According to the Tender Offer Notification and the Hearings, Etc., the significance of the Transaction assumed by the Tender Offeror Parties is as follows:</p> <p>(I) Further strengthening of technological development capabilities with a view to carbon neutrality in the future</p> <ul style="list-style-type: none"> - In the automobile industry, in which major business partners of the Target Group are involved, gasoline-powered vehicles are being shifted to electric vehicles with the goal of achieving carbon neutrality. Mr. Tetsushi Ogawa believes that in order to improve fuel efficiency and electricity costs and enhance safety caused by the increase in the weight of batteries, the Target Group is required to develop products and technologies rapidly, in line with the growing demand for electric vehicles, as well as the growing need for lighter and stronger vehicle bodies. - In this business environment, Mr. Tetsushi Ogawa recognizes that the Target Group is promoting the development of ultra-high-tensile strength steel products and aluminum products that contribute to weight reduction, and resin products that improve the comfort and aerodynamic performance required for electrification, in addition to strategic technological development centered on the ultra-high-tensile strength steel cold stamping method, which reduces CO2 emissions during production, in the
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	<p>stamping and molding product businesses. He also recognizes that in the valve product business, the Target Group is accelerating the development of products for thermal management systems, which are becoming increasingly important for electric vehicles, the development of TPMS products to expand the business domain, and the development of products for electric vehicles that make use of core technologies such as sensing technology and fluid control technology.</p> <ul style="list-style-type: none"> - However, Mr. Tetsushi Ogawa believes that in order for the Target Group to achieve sustainable growth, because the shift to electrification of automobiles is expected to progress further in the future, it is necessary to invest more quickly and boldly than ever in the establishment of high-value-added proprietary technologies that go beyond existing technologies, and in the development of new products for electric vehicles. - Specifically, Mr. Tetsushi Ogawa believes that the Target Group needs to strengthen its ability to propose body structures on a unit-by-unit basis, by integrating the sophistication of CAE structural analysis technology with the advanced molding technology that had been developed, and to strengthen its ability to develop new molding products by improving its soundproofing and decoration technology capabilities, through investments in the development of molding methods for difficult-to-mold parts using high-strength ultra-high-tensile strength materials and ongoing capital investment in the Target's technology development center, which will start operations in October 2025. He also believes that the Target Group needs to look at a variety of options for electric vehicle power units, further improve structural analysis and cold press stamping and molding technologies, and actively engage in the development of high-value-added products, new technologies, and new methods that make use of the large-scale stamping facilities that it possesses. <p>Through these initiatives, Mr. Tetsushi Ogawa believes that the Target Group will refine its development and production technology capabilities, contribute to carbon neutrality and the improvement of safety and comfort, and become a “proposal-based technology group” that will survive in the decarbonized era, which will increase its competitive advantage over competitors in the medium-to long-term, and further increase the Target Group's corporate value.</p> <p>(II) Strengthening supply chains for a stable and long-term supply of high-quality products and strengthening of competitiveness by reducing costs</p> <ul style="list-style-type: none"> - In addition to the ongoing shift to electrification of automobiles, the automobile parts industry, which includes the Target Group, will be affected by various factors, such as heightened geopolitical risks, intensifying price competition in Japan and abroad, tariff hikes by the United States, rising labor costs, and rising prices of raw materials, such as steel and other metal materials, including brass and aluminum, rubber materials, and resin materials, due to soaring energy prices and exchange rate fluctuations, as well as logistics costs. For this reason, Mr. Tetsushi Ogawa believes that there is a need to strengthen price competitiveness by strengthening supply chains and reducing costs globally.
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	<ul style="list-style-type: none"> - Therefore, Mr. Tetsushi Ogawa recognizes that the Target Group is building a production system capable of adapting to changing market needs by investing in the Higashi Ogaki and Kita Ogaki Plants in Japan, to increase production capacity and create a mass production system for products for electric vehicles, and to create a smart factory with the goal of lean production that thoroughly eliminates waste, such as automation and labor savings in the production process, and integration and utilization of digitalized production site information with management and indirect operation information, while promoting cost reduction activities based on the premise of providing high-quality products, and striving to maintain and improve price competitiveness. - On the other hand, Mr. Tetsushi Ogawa believes that in order to continue to supply high-quality products in a stable and flexible manner, as a global automobile parts manufacturer, in such a severe and ever-changing business environment, it is essential for the Target Group to build a production system that is in line with the future business strategies of automakers, to optimize transactions throughout the supply chain, and to improve efficiency dramatically by promoting DX in various processes more quickly and boldly than ever before. - Specifically, Mr. Tetsushi Ogawa believes that the Target Group needs to make a bold shift and reallocate management resources in line with the global strategies of automakers, by expanding the production capacity for electric vehicle parts in Japan and the United States, which are the main bases of the Target Group, strengthening ASEAN bases in anticipation of growth in the Indian market, which is expected to grow in the future, and restructuring bases and optimizing production and sales systems in China, where local automakers are emerging due to the shift to BEVs and plug-in hybrid vehicles (PHEVs), and in Europe, where BEV sales are slowing. He also believes that the Target Group needs to optimize the entire production process, through the visualization and digitalization of all production processes, and to create a global smart factory by horizontally deploying the technology, production, and improvement know-how cultivated at the global mother plants in Japan, such as the Higashi Ogaki and Kita Ogaki Plants, to overseas bases. - Through these initiatives, the Target Group will pursue the optimization and stabilization of the entire global supply chain, with the goal of establishing a solid business foundation by improving profitability for the medium- to long-term. <p>(III) Creation of new businesses looking toward sustainable growth</p> <ul style="list-style-type: none"> - In light of the recent dramatic daily changes in the competitive environment surrounding the automobile industry, Mr. Tetsushi Ogawa understands that the Target Group is working on the aforementioned growth strategy for electrification, and is focusing on creating medium- to long-term business pillars in fields other than mobility. - Mr. Tetsushi Ogawa understands that the Target's mid- to long-term business plan, "Beyond the OCEAN," establishes making "the data businesses utilizing wireless, apps, cloud, AI, and big data new business
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	<p>pillars” its goal for 2030, and currently aims to build a corporate culture that enables the discovery of new business ideas and the creation of new value through the launch of a new business creation project, which is open to internal applications and establishment of the Open Innovation Promotion Section.</p> <ul style="list-style-type: none"> - However, in order to achieve the 2030 goal, Mr. Tetsushi Ogawa recognizes that, in addition to promoting the foregoing measures further, it is essential to develop new businesses that anticipate social and customer issues by deepening core technologies, such as wireless communication technology, sensing technology, and AI technology, which already have established a high competitive advantage, and to expand quickly into new business areas through the use of outside management resources. - Specifically, Mr. Tetsushi Ogawa believes that it is essential to accelerate the creation of new businesses by creating a development environment in which diverse human resources can take on challenges and play an active role, through the establishment of an integrated R&D system for development and production technologies, including prototyping and evaluation, and the expansion of innovation areas, at the Target’s technology development center, which will commence operations in October 2025. In addition, he believes that, through flexible business alliances and other alliances, including M&As with companies that can create synergies with the Target Group, it will be able to provide social problem-solving services, not only in the mobility field but also in the fields of disaster prevention and mitigation, agriculture, healthcare, etc., by combining cutting-edge technological capabilities, know-how, and ideas owned by partners with the technologies of the Target Group, and thereby achieve non-consecutive growth. <p>(IV) Nurturing and securing human resources to achieve sustainable management</p> <ul style="list-style-type: none"> - Amidst the shrinking working population due to the declining birth rate and aging population, and young people being less interested in automobiles in Japan, securing human resources at companies in the automobile industry is expected to become increasingly difficult in the future. In addition, Mr. Tetsushi Ogawa understands that the Target Group believes that in order to achieve growth over the medium to long term in the future, in the challenging business environment, it is necessary to put the Target’s purpose, “Passion in Creating Tomorrow,” into practice as well as to nurture and secure outstanding human resources who can carry out corporate reforms including implementation of the measures discussed in items (I) through (III) above, and that it will be necessary to improve each employee’s capability by strengthening human capital, and to build mechanisms that enable diverse employees to grow and actively participate with “passion.” - In these circumstances, Mr. Tetsushi Ogawa understands that, as part of developing an environment in which diverse employees can demonstrate their individual strengths, the Target Group is promoting its human resources strategy through two primary measures: measures to “improve infrastructure,” which include maximizing human resources and
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	<p>improving the work environment, respecting human rights and providing pleasant work conditions, and prioritizing health and safety for employees; and measures for “business growth,” such as skill development and career support to promote the growth of human resources, and transformation of corporate culture to one that encourages challenge; and that by improving employee engagement through these measures, the Target Group is working to create a psychologically safe work environment in which employees can make proposals proactively and take on challenges.</p> <ul style="list-style-type: none"> - However, to adapt to changes in the automobile industry and to maintain and improve sustainable growth and competitiveness into the future, Mr. Tetsushi Ogawa believes that it is essential for each of the employees that are human resources to acquire cutting-edge specialized knowledge and skills that are in line with the trends of the times, including electrification, digital transformation, and globalization, and for the Target Group to nurture and secure human resources who are motivated and actually able to think and act on their own in a corporate culture that encourages challenge. - Specifically, Mr. Tetsushi Ogawa believes that it is necessary to strengthen educational programs related to general business skills such as leadership and marketing, to create an environment in which everyone can fulfill their potential by actively promoting career development and relearning, and to visualize the skills and abilities of employees and strengthen areas of deficiency. - In addition, Mr. Tetsushi Ogawa intends to provide DX literacy education to all employees and promote company-wide activities that treat DX as a personal matter to raise digital literacy and to work to optimize the company’s human resources, bringing out the best performance of employees by assigning the right DX specialized human resources in the right places based on the characteristics of each department. He believes that human resources are the foundation of sustainable corporate growth and that investment in human resources as set forth above is crucial for the improvement of the Target Group’s corporate value over the medium to long term. <p>B. Significance of the Transaction assumed by the Target</p> <p>According to the Opinion Press Release and the Hearings, Etc., the significance of the Transaction assumed by the Target is as follows:</p> <ul style="list-style-type: none"> - The business environment surrounding the Target has changed significantly and uncertainty regarding sustainable growth is extremely high. Therefore, while maintaining the Target’s listing, even research and development or capital investments that contribute to enhancing corporate value in the medium to long term may need to be postponed out of consideration for the share price, due to concerns about deterioration in earnings or cash flows in the short term, which could result in falling behind domestic and international competitors - If the Target Shares are privatized through the Transaction, we believe that we will be able to avoid the two risks mentioned above and carry
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	<p>out research and development or capital investments flexibly and promptly regardless of short-term performance or the impact on stock prices.</p> <p>In addition, the Target also believes that it is necessary to implement each of the measures in (I) through (IV) assumed by the Tender Offeror. Specifically, regarding (I) Further strengthening of technological development capabilities with a view to carbon neutrality in the future, the Target believes that it is necessary to enhance its competitive advantage over competitors by leveraging its strengths in rapid product and technological development adapted to the electrification of automobiles, in order to achieve sustainable growth in the decarbonization era. Regarding (II) Strengthening supply chains for a stable and long-term supply of high-quality products and strengthening of competitiveness by reducing costs, the Target believes that fundamental improvements in efficiency through DX investment in various processes throughout the supply chain are necessary to establish a stable product supply system amid environmental changes such as tariff hikes by the United States, rising labor costs, and rising in raw material and logistics costs. Regarding (III) Creation of new businesses looking toward sustainable growth, the Target believes that in order to build a solid business foundation amid the rapidly changing environment surrounding the automotive industry, it is necessary not only to respond to intensifying competition but also to develop new businesses that meet the changing issues and needs of society and our customers. Regarding (IV) Nurturing and securing human resources to achieve sustainable management, the Target believes that securing and nurturing human resources is indispensable for achieving medium- to long-term growth in a society where the working population is shrinking due to the declining birth rate and aging population and the trend away from automobiles is accelerating. Therefore, the Target believes it necessary to promote all of these measures to enhance the Target's medium- to long-term corporate value.</p> <p>C. Valuation of the significance of the Transaction assumed by the Tender Offeror and the Target</p> <p>Each of the measures (I) through (IV) assumed by the Tender Offeror accurately captures the aforementioned management issues of the Target and is consistent with the Target's understanding and medium to long term management policies. In addition, in view of the fact that Mr. Tetsushi Ogawa, the current President and Representative Director of the Target, and Mr. Shinya Ogawa, the current Chairman and Representative Director of the Target, who are members of the founding family and have deep understandings of the group's management, will continue to be involved in the management of the Target, and make flexible and agile management decisions by aligning ownership and management, there is no reason to deny the feasibility of each measure.</p> <p>D. Comparison with other methods</p> <p>According to the Tender Offer Notification and the Opinion Press Release, since late July 2024, Mr. Tetsushi Ogawa has come to believe through the process of conducting concrete considerations of each of the measures</p>
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described in (I) to (IV) above that these measures will not immediately contribute to the Target Group's business performance, but that considerable time and upfront investment will be necessary. For this reason, there is a risk that the Target Group's financial standing and business performance will temporarily deteriorate including a decline in profit levels, deterioration of cash flows, and so on, and the possibility that the Target Group will temporarily face difficulty generating expected profits cannot be denied.

Furthermore, while Mr. Tetsushi Ogawa came to hold the above views, since the Target is a listed company, a commitment to short-term performance is required, and as a result of the decision-making by Mr. Tetsushi Ogawa with a priority on medium-to-long-term growth through the execution of the policies described above, there is a possibility that capital markets will fail to adequately value the Target's efforts, its stock price will decline, and the interests of existing shareholders will be harmed. Consequently, Mr. Tetsushi Ogawa has come to believe that it will be difficult to implement these measures while the Target remains a listed company. On the other hand, in order to survive in the increasingly competitive environment of the automobile industry, which is undergoing a period of great change, Mr. Tetsushi Ogawa has come to strongly recognize that these measures should be implemented as soon as possible.

In addition, Mr. Tetsushi Ogawa recognizes that, since the Target Shares went public on the NSE Second Section in October 1962, the Target has enjoyed the benefits of being a listed company including recruiting outstanding human resources as a result of the Target's increased name recognition and enhanced social trust. On the other hand, he believes that, considering the Target's track record of efficiently raising capital from financial institutions, it may be possible for the Target to secure capital necessary for business operations through equity and borrowings from financial institutions and does not expect there to be a need to raise funds through the use of equity financing for the time being, and the Target Group has established a solid position in the industry as a global automotive parts manufacturer with more than 90 years of history, and through its business activities for a long period time the Target has already established a certain level of brand recognition and credibility among its business partners, and therefore, Mr. Tetsushi Ogawa believes that both the need for and benefits of maintaining the Target's public listing are currently diminishing.

Further, due to revisions to the Corporate Governance Code and tighter regulation of capital markets in recent years, the number of items that require additional and ongoing disclosure to stakeholders through securities reports and corporate governance reports has been increasing year by year. The human and financial costs necessary for maintaining a listing as a publicly-traded firm, are trending upward, and since the possibility that these costs will impose substantial burdens on the execution of the Target Group's management, Mr. Tetsushi Ogawa questions the significance of maintaining the listing of the Target Shares.

Based on the circumstances above, in early August 2024, Mr. Tetsushi Ogawa explained the above views to Mr. Shinya Ogawa, Chairman and

Representative Director of the Target, and began looking into the possibility of delisting the Target Shares as one possible option to execute growth strategies, considering enhancement of the Target Group's corporate value, taking into account that although the measures described in (I) through (IV) above should be implemented as quickly as possible, it would be difficult to do so while the Target remains a listed company, and that it has been agreed that, at present, the necessity and advantages of remaining listed have diminished.

Since early August 2024, the Ogawas have carefully considered the facts that it is highly likely that it will take some time to implement the Target Group's business strategies and each of the measures and that due to changes in the business environment and intensified market competition, it is necessary to implement these measures quickly, and also have considered the feasibility of going private, its business and financial impacts, and its impact on various stakeholders. As a result, in mid-September 2024, the Ogawas reached the conclusion that in order to stably and continuously increase the Target Group's corporate value without being constrained by short-term profits, delisting the Target Shares would be the most effective means of dynamically carrying out various measures while avoiding having the Target shareholders bear the risk, including a decline in share price due to a temporary deterioration of business performance in conjunction with execution of the measures described above.

At the same time, the Ogawas believe that in order to consistently implement the measures described in (I) through (IV) above from a medium-to-long-term perspective and promote improved corporate value, it will be necessary to delist the Target Shares while maintaining continuity with the Target's business management until now, and that in order to achieve this, it will be necessary for the Ogawas, members of the Target's founding family and currently the Chairman and Representative Director and President and Representative Director, respectively, who have the greatest understanding of the Target Group's management, to continue to manage the Target Group, and, that it will be necessary for the Ogawas themselves to conduct flexible and dynamic management decision-making by aligning ownership and management under his commitment, and therefore concluded that a management buyout (MBO) is the optimal means for achieving this.

In light of the above points, it is considered reasonable to make a decision to seek to enhance corporate value through the Transaction without resorting to other methods such as bold business transformation while maintaining the Target's listing or privatization through M&A with other partners.

E. Other impacts of the Transaction

As a result of the review of the Reviewed Materials and the Hearings, Etc., the following matters were identified as concerns about the impact of the Transaction on the Target's business activities:

(A) Impact on business partners, including customers and suppliers

- As a global automotive parts supplier with over 90 years of history, the Target has established a solid position in the industry, and through its long-standing business activities, the Target has already secured a substantial business foundation, including brand power, name recognition, and creditworthiness of business partners. Therefore, the Target believes that

	<p>it will be possible to maintain good relationships with business partners even after the privatization. Furthermore, the Target aims to prove worthy of the trust and expectations of all the stakeholders including the shareholders who have assisted the Target up until now through promotion of the development of new businesses, technologies, and products that contribute to further improvements in safety and reductions in environmental impact. The Target believes that this will lead to further enhancements in the Target's corporate image and brand power in the medium to long term.</p> <p>(B) Impact on future financing</p> <ul style="list-style-type: none"> - The Target does not currently anticipate the need for financing through the use of equity financing for the time being. However, the Target understands that the Target will receive substantial support from financial institutions in connection with the formation of LBO loans for the privatization through the Transaction, and the Target recognizes that this may pose a hurdle in credit reviews if the Target decides to raise additional funds after the Transaction. - On the other hand, in addition to the Target's track record, the Target has a sound financial foundation and believes that the Target has established good relationships with the financial institutions with which the Target conducts transactions, and therefore does not anticipate any impact on financing. <p>(C) Impact on compliance systems</p> <ul style="list-style-type: none"> - The Target recognizes that maintaining and strengthening compliance systems is important for achieving continuous business growth, regardless of whether the Target Shares are listed or delisted. The Target assume that further efforts will be made to develop the system even after delisting. The Target believes that further strengthening of the governance system will be possible by allocating the human and financial resources necessary to maintain the Target's listing to various activities related to business operations and to activities for the appropriate management of those activities. <p>(D) Impact on future human resource recruitment</p> <ul style="list-style-type: none"> - As stated in (A) above, as a global automotive parts supplier with over 90 years of history, the Target has established a solid position in the industry, and through its long-standing business activities, the Target has already secured a substantial business foundation, including brand power, name recognition, and creditworthiness of business partners. The Target believes that these factors also contribute to the Target's competitive advantage in recruitment compared to other companies, and that the delisting in connection with the Transaction will have only a limited negative impact on future recruitment. <p>(E) Presence or absence of, extent of, and countermeasures against the impact on existing employees</p>
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	<ul style="list-style-type: none"> - The Target intends to maintain at least the current level of employment and treatment for employees after the Transaction. In addition, the Tender Offeror has indicated that it is considering further expansion of human resources investment and human resource development, and the Target believes that the Transaction will also bring significant advantages to employees. Therefore, the Target believes that the delisting associated with the Transaction will have no negative impact on existing employees. <p>(F) Impact on the Target's business and stakeholders</p> <ul style="list-style-type: none"> - The Transaction is expected to enhance the corporate value of the Target, and the Target believes that it will receive a positive evaluation from the Target's shareholders. Regarding the disadvantages of delisting, the Target assumes that its creditworthiness as a listed company will deteriorate, that it will have limited means to raise funds through equity financing, and that it will maintain and secure human resources (new hires and retention of existing employees). However, the Target's business foundation, brand power, and creditworthiness have already been established, and the Target does not currently anticipate the need for financing through the use of equity financing for the time being, and the Target believes that there is very little possibility of a shortage of human resources due to delisting. Therefore, the Target believes that there are no disadvantages resulting from delisting. - In addition, the Target believes that the Target's business partners and employees will understand the Transaction by providing a thorough explanation after the announcement of the Transaction. <p>(G) Impact of financing related to the Transaction</p> <ul style="list-style-type: none"> - The Tender Offeror Parties expect to finance the Transaction with LBO loans from banks and preferred shares. In each case, the Tender Offeror Parties expect to raise funds in consideration of the Target's cash flows, financial condition and other factors so as not to have an impact on the Target's business operations with respect to various conditions, including repayment or redemption, interest rate or charges and covenants. - Based on the answers from the Tender Offeror Parties, the Company also believes that the financing related to the Transaction will not affect the Target's business operations, taking into account the necessary investments and cash flows, with respect to various conditions, including repayment or redemption, interest rate or charges and covenants. <p>In light of the above points and the content of question-and-answer sessions with the Target related thereto, there are no circumstances that would constitute a significant obstacle to the enhancement of the corporate value of the Target through the Transaction.</p> <p>(b)-2-3 Summary</p> <p>Based on the above facts, the synergies expected from the Transaction are reasonable, and there are no contradictions or discrepancies between the assumptions of the Tender Offeror Parties and the Target's assumptions. Therefore,</p>
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	<p>the execution of the Transaction is deemed to contribute to resolving the management issues recognized by the Target.</p> <p>Furthermore, the reasons explained for why the Transaction should be used rather than other methods, such as bold business transformation while maintaining the Target's listing or privatization through M&A with other partners, are also deemed reasonable, and it is considered appropriate to use the Transaction. In addition, there are no circumstances that would constitute a significant obstacle to the enhancement of the corporate value of the Target through the Transaction.</p> <p>Therefore, the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Target and the purpose of the Transaction is reasonable.</p> <p>(b)-3 Reasonableness of transaction terms (in relation to the Consultation Matter 2)</p> <p>The Consultation Matter 2 questions whether reasonableness is ensured with respect to the terms in the Transaction, including the Tender Offer (including the Tender Offer Price) .</p> <p>In considering the reasonableness of the terms in an M&A, it is important (I) to ensure that in discussions and negotiations of transaction terms with an acquiring party, reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value, (II) to confirm the contents of the stock price valuation, which is an important basis for judging the rationality of transaction terms, and the rationality of financial forecasts, assumptions and other factors which are the premises for such valuation, and (III) to examine not only the level of the acquisition consideration but also the reasonableness of both the acquisition method and types of acquisition consideration (M&A Guidelines 3.2.2).</p> <p>In addition, as the specific details of (II) above, the M&A Guidelines state that it is advisable to evaluate, in addition to valuation results by an independent third party valuation advisor with expertise, the positioning and feasibility of the business plan on which the valuation was based, the characteristics of the valuation methodologies used, the level of premiums generally paid in similar M&A transactions, the value that can be realized without such M&A transaction, the expected increase in corporate value created by such M&A transaction (M&A Guidelines 3.3.2.1B)). Similarly, as the specific details of (III) above, the M&A Guidelines state that it is advisable to evaluate the existence and nature of alternative transactions(M&A Guidelines 3.3.2.1B)).</p> <p>Therefore, the Special Committee also considered the reasonableness of the terms in the Transaction as per (I) to (III) above based on the matters pointed out in the M&A Guidelines.</p> <p>(1) Ensuring negotiation circumstances</p> <p>First, while fairness of procedures serves as a factor to presume that “reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders” in (I) above, as a precondition to find that such reasonable efforts have been made in the Transaction, the Special Committee confirms through the consideration of the Consultation Matter 3 in (b)-4. below that the procedures of the Transaction are found to be fair.</p>
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In addition, after receiving a price proposal from the Tender Offeror on June 25, 2025 to set the Tender Offer Price at 1,600 yen and to set the Share Acquisition Rights Purchase Price at 1 yen, in light of the results of the estimates of the share value of the Target Shares reported by Yamada Consulting and the opinions of the Special Committee including a negotiation policy to negotiate up to a reasonable price based on the results of the relevant estimates, and receiving advice from Yamada Consulting, on July 4, 2025, the Target made a request to the Tender Offeror to raise the Tender Offer Price from the perspective of protecting the general shareholders of the Target. Thereafter, on July 7, 2025, the Target received a proposal from the Tender Offeror to set the Tender Offer Price at 1,800 yen and to set the Share Acquisition Rights Purchase Price at 1 yen. On July 10, 2025, the Target requested the Tender Offeror to raise the Tender Offer Price from the perspective of protecting the general shareholders of the Target. Subsequently, on July 16, 2025, the Target received a proposal from the Tender Offeror to set the Tender Offer Price at 1,900 yen and to set the Share Acquisition Rights Purchase Price at 1 yen, and on July 18, 2025, the Target requested the Tender Offeror to raise the Tender Offer Price from the perspective of protecting the general shareholders of the Target. Subsequently, on July 22, 2025, the Target received a proposal from the Tender Offeror to set the Tender Offer Price at 1,970 yen and to set the Share Acquisition Rights Purchase Price at 1 yen, and on July 23, 2025, the Target requested the Tender Offeror to raise the Tender Offer Price from the perspective of protecting the general shareholders of the Target. Subsequently, on July 24, 2025, the Target received a proposal from the Target to set the Tender Offer Price at 2,050 yen and to set the Share Acquisition Rights Purchase Price at 1 yen. As a result of considering such proposal, as described in (2) F. below, the Target and the Special Committee concluded that the level of the Tender Offer Price was reasonable, and the Target finally agreed with the Tender Offeror to set the Tender Offer Price at 2,050 yen and to set the Share Acquisition Rights Purchase Price at 1 yen. Throughout this series of negotiations, updates and explanations were provided to the Special Committee by the Target or by Yamada Consulting, either during committee meetings or via email on a timely basis, as appropriate, and the negotiation circumstances were ensured while policies were confirmed by the Special Committee as necessary.

As such, the Target has made reasonable efforts to conduct the Transaction on the best possible transaction terms for general shareholders, while also increasing corporate value of the Target.

Based on the above, it is presumed that agreement on the Tender Offer Price in the Transaction has been reached as a result of negotiations based on objective and coherent discussions between the Target and the Tender Offeror that are substantially comparable to those between independent parties, and circumstances that raise doubts as to the transparency of the agreement process and fairness have not been found.

(2) Relation between the share price calculation and the Tender Price Offer

A. Rationality of business plan

The calculation results of the share price by Yamada Consulting will be the main materials for considering the fairness and reasonableness of the Tender Offer Price. Since the calculation results are based on the business plans prepared

by the Target (the “Business Plans”), the issue lies in whether the Business Plans used as the basis for the calculation results are credible. In particular, since the Business Plans have been prepared and amended after the possibility of implementing the Transaction has been specifically recognized, it is necessary to pay attention to the fact that the Business Plans may be easily arbitrarily interfered with a view to affect the success or failure of the Transaction.

According to the Hearings, Etc. and the Opinion Press Release, as the Target’s financial forecasts for the period from March 2026 to March 2030, the Business Plans conform to the basic materials of the Target’s midterm management plans made public in April 2023, before the possibility of implementing the Transaction has been specifically recognized, and has been prepared in June 2025 on a standalone basis, that is, not based on the implementation of the Transaction. No fact of the Tender Offeror Parties or their interested persons having been involved in or having affected the preparation of the Business Plans may be gathered from the Hearings, Etc.

In addition, on the date of the meeting of the Special Committee, the Target was provided with an opportunity to explain to the Special Committee, followed by a question-and-answer session. In the meeting, circumstances that require amending the Business Plans and other circumstances for questioning the rationality of the Business Plans were not found.

In other words, according to the Hearings, Etc., the Business Plans were amended after they were approved by the Special Committee at the Third Meeting, and presented once again at the Eighth Meeting. No fact of the Tender Offeror Parties or their interested persons having been involved in or having affected the said amendment may be gathered from the Hearings, Etc. In addition, the said amendment was made in connection with the changing market conditions due to Trump tariffs and review of the domestic and overseas automobile production, etc., and similar amendments have also been made several times in the past when there was a gap between the business plan and the current performance. Although there are significant increases and decreases in free cash flow in the Business Plan, the rationality thereof was reviewed at the Thirteenth Meeting, and it was confirmed that there are no particular issues. Therefore, it may be stated that the Business Plans were merely amended in the Target’s ordinary course of performance of business.

Based on the above, the process for drawing up the Business Plans were not found to have been applied pressure by the Tender Offeror Parties, and the details of the Business Plans are not found to constitute unreasonable forecasts.

B. Rationality of the method of and basis for calculation

In the Ninth Meeting and Tenth Meeting, the Special Committee received a detailed explanation on the results of the calculation of the share value of the Target Shares, calculation method and process leading to the considerations of the calculation results, etc., from Yamada Consulting.

First, the evaluation method adopted by Yamada Consulting is a method for evaluating going concern corporate value, and to be specific, Yamada Consulting adopted the market price method, the comparable company analysis method and the discount cash flow method (the “DCF Method”). The combination of evaluation methods where the upper limit of the evaluation is

assessed by the DCF Method which incorporates present value of future cash flows in the evaluation on the basis of market price meets the standard approach to corporate evaluation, and is therefore appropriate.

Of the evaluation method adopted by Yamada Consulting, the market price method sets the business day prior to the date of announcement of the Transaction as the reference date, and calculates the share price based on the closing price of the reference date and the simple average of the closing prices for the immediate one (1)-month period, three (3)-month period and six (6)-month period from the reference date. With respect to the changes in the Target's share prices, even in light of the fact that there have been no material changes resulting from special factors or particularly abnormal movements, it has been determined that the period subject to the share price evaluation in Yamada Consulting's calculation is appropriate, and that the price range in the market price method is sufficiently reasonable.

With respect to the comparable company analysis method, the Target's share price is calculated by comparing the financial indicators such as market price and profitability of the Target with those of listed companies that operate relatively comparable businesses. With respect to the selection of comparable companies, Yamada Consulting has given an explanation that the companies have been selected based on the recognition of the Target and the evaluation from the market. There is nothing particularly unreasonable in this explanation, and it has been determined that the price range that has been calculated based on each multiple of the comparable companies is sufficiently reasonable.

Next, with respect to the DCF Method, it is likely that the final calculation results may change substantially if the figures are arbitrarily manipulated or unreasonable preconditions are attached in each of the calculation factors. From this perspective, the Special Committee confirmed the calculation process with Yamada Consulting in the Hearings, Etc. With respect to various calculation basis adopted in the DCF Method, no arbitrary manipulation of figures or attachments of unreasonable preconditions that should be particularly pointed out were found.

Based on the above, the selection of the market price method, comparable company analysis method and the DCF Method, and the method of and basis for the calculation for each method have not been found to be unreasonable, and the Special Committee has assessed that the Stock Valuation Report prepared by Yamada Consulting may be relied on in considering the share value of the Target Shares.

C. Results of share valuation

According to the Stock Valuation Report prepared by Yamada Consulting, the share value of the Target Shares based on each valuation method is set forth in Table 1 below:

<Table 1: Share Value of Target Shares Calculated by Yamada Consulting>

Calculation Method	Reference Date	Share Value Per Share
Market price method	July 24, 2025	1,317 yen – 1,461 yen
Comparable company	July 22, 2025	668 yen – 1,804 yen

	analysis method		
	DCF Method	July 22, 2025	1,594 yen – 2,393 yen

The Tender Offer Price of 2,050 yen per share is a price that exceeds the upper limit of the valuation range based on the market price method and the comparable company analysis method, and exceeds the median value (1,994 yen) of the valuation range based on the DCF Method, but falls within such valuation range.

In light of the foregoing, we believe that the Tender Offer Price reaches a level that is not disadvantageous to the general shareholders when compared with the share value of the Target Shares as calculated by Yamada Consulting.

D. Consideration of premiums

(A) Premiums in the Transaction

According to the explanations provided by Yamada Consulting during the Hearings, Etc., the Tender Offer Price is the amount obtained by adding the premium, as set forth in Table 2 below, to the closing price of the Target Shares on the Prime Market of the TSE up to July 24, 2025 (the “immediately preceding business day”).

<Table 2: Premiums on the Tender Offer Price>

Reference Price	Share Price	Premium
Closing price as of the immediately preceding business day	1,461 yen	40.31%
Average closing price for the past one month as of the immediately preceding business day	1,367 yen	49.96%
Average closing price for the past three months as of the immediately preceding business day	1,317 yen	55.66%
Average closing price for the past six months as of the immediately preceding business day	1,341 yen	52.87%

(B) Comparison with other transactions

As it is not possible to establish a single, objective standard for determining the appropriate amount of premium on share prices in tender offers (M&A Guidelines 2.2.2), the Special Committee has determined that it cannot be immediately concluded that the Tender Offer Price is appropriate or inappropriate solely because the foregoing premium is being added to the Tender Offer Price.

However, according to the explanations provided by Yamada Consulting during the Hearings, Etc., the aforementioned premium is at a reasonable level when compared to the levels of premiums offered upon determining the purchase price in 167 tender offer cases conducted as part of MBO announced during the period from June 28, 2019, when the Fair M&A Guidelines were published, to May 15, 2025 (the average value (44.31%) of the premiums on

the closing prices as of the business days preceding the announcement dates for those MBO transactions, the average value (46.99%) of the premiums on the simple average closing prices for the most recent one month, the average value (48.47%) of the premiums on the simple average closing prices for the most recent three months, and the average value (47.51%) of the premiums on the simple average closing prices for the most recent six months).

E. Relationship with PBR

The Tender Offer Price of 2,050 yen per share is below the Target's net asset value per share of 2,877 yen as of June 30, 2025 (the Tender Offer Price represents a 28.75% discount compared to this amount). However, according to explanations provided by the Target and Yamada Consulting, even in the event of the Target's liquidation, the book value of net assets would not necessarily be realized in full. The lands and buildings owned by the Target serve as its head office and factories and, considering that a considerable amount of time has passed since the construction of the head office and factory buildings, and that they have become aged and deteriorated, it is expected to be difficult to sell them at their book values. Therefore, significant losses are anticipated in consideration of the facts that it would be necessary to sell the sites as vacant land, which would require costs to demolish the existing buildings, significant additional costs would be required for foundation work related to removal of machinery and equipment upon the sale thereof, and that work-in-process in the production process, finished goods, and raw materials would have to be disposed of. In addition, if the Target Group were to be liquidated, including its subsidiaries, it is expected that a significant amount of additional costs would be required, such as special retirement allowances for employees and professional fees including legal fees, among other expenses associated with corporate liquidation. In light of the above, the amount that would ultimately be distributed to the Target's shareholders would, in reality, be considerably reduced from the book value of net assets of the Target. Furthermore, net asset value represents the liquidation value of the Target and does not reflect its future profitability. Therefore, it is not reasonable to place emphasis on net asset value when assessing the corporate value of the Target as a going concern.

Therefore, the Special Committee does not consider that the rationality of the Tender Offer Price will be denied by the fact that the Tender Offer Price is below the Target's net asset value per share by itself.

F. Summary

In light of the comparison with the results of the share valuation conducted by Yamada Consulting, as noted above, and the fact that the Transaction secures a premium that is generally close to and comparable with the levels observed in past cases as well as the fact that the Tender Offer Price is above 1,998 yen, the highest price of the Target Shares since listing (recorded on October 4, 2018), it can be said that the level of the Tender Offer Price is reasonable.

The Business Plans and the Stock Valuation Report based thereon have been prepared on a standalone basis. However, given that the premium levels

	<p>described in D. above are secured, it can be deemed that due attention has been paid in this case to the points set forth in the M&A Guidelines, which state that general shareholders should receive (I) the entire value that can be realized without an M&A transaction and (II) an appropriate portion of the value that cannot be realized without an M&A transaction (M&A Guidelines 2.2.1).</p> <p>In view of the foregoing circumstances, we believe that the Tender Offer Price appropriately reflects the share value of the Target Shares and is not at a level that would undermine its reasonableness.</p> <p>(3) Reasonableness of the scheme, etc.</p> <p>The Transaction is expected to be implemented in two steps: first, through the Tender Offer, and second, through the consolidation of the Target Shares (the “Share Consolidation”). It is not anticipated to be implemented by means of a share exchange or other form of organizational restructuring (however, once the Squeeze-out Procedure is completed and only the Tender Offeror and the Non-Tendering Shareholders remain as shareholders of the Target, it is anticipated that a share exchange will be implemented whereby the Tender Offeror will become a wholly-owning parent company and the Target will become a wholly-owned subsidiary, with the Tender Offeror’s common shares provided as consideration, for the purpose of making the Tender Offeror the sole shareholder of the Target). The method of the Transaction is one generally employed for this type of going-private transaction and enables a petition to be made to the court for the determination of the share price following a request for the purchase of shares in the second-step procedure.</p> <p>In addition, considering that the consideration to be received by the shareholders is cash, the method of this Transaction is desirable, since such consideration is easy to understand and its value is highly stable and objective. From the perspective of expeditiously making the Target a wholly-owned subsidiary and ensuring that general shareholders and others have the opportunity and time to make an fully informed and appropriate decision, this method is also preferable to a share exchange or other organizational restructuring in which shares or other forms of considerations are used. The Tender Offer Notification clearly states that the amount of money to be delivered to the Target’s shareholders as consideration upon the Share Consolidation will be calculated so that it equals the amount obtained by multiplying the Tender Offer Price by the number of Target Shares held by each shareholder.</p> <p>In light of the foregoing, it is reasonable to adopt a two-step acquisition method involving a tender offer, utilizing cash as the consideration for the acquisition (M&A Guideline 3.2.2).</p> <p>(4) Reasonableness of the Share Acquisition Rights Purchase Price</p> <p>The Share Acquisition Rights Purchase Price is set at 1 yen per Share Acquisition Right. This price is deemed reasonable, given that the Tender Offeror will not be able to exercise any Share Acquisition Rights even if it acquires them.</p> <p>(5) Summary</p>
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	<p>As stated in (1) through (4) above, the Tender Offer Price is deemed appropriate in light of the status of negotiations regarding the Transaction and the reasonableness of the scheme, among other factors. Furthermore, the reasonableness of the terms and conditions of the Transaction, including the Tender Offer, is ensured because general shareholders are guaranteed to receive the same amount of consideration as the Tender Offer Price per Company Share, regardless of whether such consideration is received through the Tender Offer or the Squeeze-out Procedure.</p> <p>(b)-4 The fairness of the procedures (In relation to the Consultation Matter 3)</p> <p>Next, the Special Committee examined whether it is acceptable to ensure the fairness of the procedures relating to the Transaction, including the Tender Offer, by confirming the status of adoption and operation of the Fairness Ensuring Measures referred to in the M&A Guidelines.</p> <p>(1) Establishment of the special committee and procurement of written report from the said committee</p> <p>The Special Committee is consulted on the Consultation Matters from the Target, and in considering the Consultation Matters, the special committee has been implementing the role that it should play under the M&A Guidelines (specifically, (I) to examine and judge the necessity of M&A from the perspective of whether it contributes to the enhancement of the target company's corporate value, and (II) to examine and judge (i) the reasonableness of the terms and conditions of the transaction and (ii) the fairness of the procedures, from the perspective of pursuing the interests of the general shareholders) (M&A Guidelines 3.2.2).</p> <p>In addition, the Special Committee is considered to be functioning effectively as the Fairness Ensuring Measures since it has been operated in the ways described in the following points.</p> <p>i) After receiving a letter of intent regarding the Transaction from Mr. Shinya Ogawa and Mr. Tetsushi Ogawa on October 25, 2024, the Special Committee was established on the 28th of the same month, and the First Meeting was held on November 6 of the same year. The said committee was established, and the said meeting was held as soon as possible after receiving the acquisition proposal from the acquirers (M&A Guidelines 3.2.4.1).</p> <p>ii) The Special Committee is comprised of four independent outside directors of the Target, and it was confirmed that each member is independent from the Target, the Tender Offeror Parties, and the success or failure of the Transaction, and is qualified to serve as a member (M&A Guidelines 3.2.4.2 B)a)).</p> <p>iii) The Special Committee confirms that it can be substantially involved in the negotiation process regarding the terms and conditions of the Transaction by confirming the policies in advance regarding the negotiation on the terms and conditions of the Transaction, receiving timely reports on the status thereof, expressing its opinions at important points, and giving instructions and requests (M&A Guidelines 3.2.4.4).</p> <p>iv) The Special Committee, having approved (including post approval) a financial advisor or a legal advisor of the Target, has confirmed that it will</p>
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	<p>receive professional advice or explanation from such advisors or is given the authority to appoint its own financial advisor or legal advisor and receive professional advice from such advisors (any cost in such case shall be incurred by the Target) if necessary, in making its recommendations on the Consultation Matters, and that it will request professional advice or explanation after confirming that there is no problem with the independence of Yamada Consulting, a financial advisor of the Target, and Anderson Mori & Tomotsune, a legal advisor of the Target, in the First Meeting (M&A Guideline 3.2.4.5).</p> <p>v) The Special Committee has collected information necessary for consideration and judgment, such as by sending questions to, and receiving answers from the Tender Offeror, receiving explanations from the Target, and requesting the Tender Offeror to provide information (M&A Guidelines 3.2.4.6).</p> <p>vi) The remuneration for each member of the Special Committee does not include a contingency fee contingent upon the announcement or consummation of the Transaction, regardless of the content of the recommendations (M&A Guideline 3.2.4.7).</p> <p>vii) The Target's Board of Directors has resolved that decision-making of the Target's Board of Directors relating to the Transaction will be made with the utmost respect for the Special Committee's judgment and, in particular, that if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, the Target's Board of Directors will disagree with the Transaction under such terms and conditions (M&A Guidelines 3.2.5).</p> <p>(2) Decision-making process</p> <p>In a resolution of the board of directors to decide whether to approve or disapprove an M&A, if all directors, excluding those with significant interest with such M&A, gives approval and all auditors raise no objections, it will be regarded as a circumstance that indicates that the Fairness Ensuring Measures have effectively functioned in such M&A (M&A Guidelines 3.2.5 Footnote 46).</p> <p>In respect of the Target, at a meeting of the board of directors held on the preparation date of the Written Report, it is expected that the Directors of the Target who have participated in the deliberations and resolutions (of the nine Directors, seven Directors excluding Mr. Shinya Ogawa and Mr. Tetsushi Ogawa) will unanimously express their opinion in support of the Tender Offer and recommend the shareholders of the Target to tender their shares in the Tender Offer, and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders in the Tender Offer. The Target's Representative Director and Chairperson, Mr. Shinya Ogawa, and the Target's Representative Director and President, Mr. Tetsushi Ogawa, are expected to continue to manage the Target after the Transaction. Given that there could be a conflict of interest or potential conflict of interest with the Target regarding the Transaction, they have not participated in any deliberation or resolution at the Target's Board of Directors regarding the Transaction, including the meeting of the Target's Board of Directors mentioned above. Moreover, they have not participated in any consideration in relation to the Transaction and any consultation or negotiation with the Tender Offeror from</p>
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	<p>the side of the Target.</p> <p>In addition, the Target intends to establish the Special Committee and obtain its opinions in accordance with (1) above. Since the decision-making of the Target's Board of Directors will be made with the utmost respect for the Special Committee's judgment and, in particular, that if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, the Target's Board of Directors will disagree with the Transaction under such terms and conditions, it can be said that the arbitrariness of decision-making of the Target with respect to the Transaction has been eliminated and the fairness, transparency and objectivity of decision-making process has been ensured (M&A Guidelines 3.2.4.4 and 3.2.5).</p> <p>Based on the foregoing, there is no doubt on the fairness of decision-making process of the Target.</p> <p>(3) Obtaining advice from an independent law firm</p> <p>According to the Opinion Press Release, in late October 2024, the Target appointed Anderson Mori & Tomotsune as its legal adviser independent of the Target and the Tender Offeror Parties to ensure the fairness and appropriateness of the decision-making process of the Target's Board of Directors relating to the Tender Offer, and it has received necessary legal advice from Anderson Mori & Tomotsune, concerning the methods and processes of decision-making of the Target's Board of Directors including procedures for the Transaction and other matters to be noted. Anderson Mori & Tomotsune is not a related party of the Target or the Tender Offeror Parties and does not have any material interest required to be disclosed in connection with the Transaction including the Tender Offer. In addition, the Special Committee has confirmed that there is no problem with Anderson Mori & Tomotsune's independence. Furthermore, the remuneration to Anderson Mori & Tomotsune in relation to the Transaction does not include a contingency fee that is payable contingent upon the consummation of the Transaction (M&A Guideline 3.3.1).</p> <p>Based on the foregoing, it is considered that the Target and the Special Committee have obtained professional advice from legal advisors since the early stage of their consideration of the Transaction.</p> <p>(4) Obtaining a stock valuation report from an independent third-party calculation agent</p> <p>According to the Opinion Press Release, in rendering its opinion regarding the Tender Offer, the Target requested Yamada Consulting, as a financial advisor and a third-party calculation agent institution independent of the Target and the Tender Offeror Parties, to calculate the share value of the Target's stock in order to ensure the fairness during the decision-making process of the Tender Offer Price proposed by the Tender Offeror, and obtained the Stock Valuation Report on July 24, 2025 (M&A Guideline 3.3.2).</p> <p>In the Stock Valuation Report, as described in (b)-3. above, multiple calculation methods have been adopted and consideration has been given in order not to calculate prices arbitrarily. In addition, no arbitrary action by the</p>
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	<p>officers or employees of the Tender Offeror Parties or the Target was found in the preparation of Business Plans, which is the basis of the calculation, and no circumstances which give rise to doubts about the fairness of the calculation have been found.</p> <p>Based on the foregoing, it is considered that the Stock Valuation Report is a stock valuation report prepared by an independent third-party calculation agent.</p> <p>The Target has not obtained a Fairness Opinions, but the obtaining Fairness Opinions is not required in M&A Guidelines (M&A Guidelines 3.3.2.2). The Transaction is entered into between independent parties and, taking other Fairness Ensuring Measures into consideration, it is considered that there is no problem for the Target to judge whether to approve or disapprove the Transaction and whether to recommend a tender, based on the Stock Valuation Report regarding fairness.</p> <p>(5) Market Check</p> <p>According to the Tender Offer Notification, the Tender Offeror set the purchase period for the Tender Offer (“Tender Offer Period”) to 30 business days even if the statutory minimum purchase period is 20 business days. Because the period set by the Tender Offeror is longer than the statutory minimum purchase period, such period ensures an opportunity for all shareholders of the Target to appropriately decide whether to tender their shares in the Tender Offer, and ensures an opportunity for persons other than the Tender Offeror (“Competing Offerors”) to present competing acquisition offers, etc. to be made for the Target Shares, and thereby the Tender Offeror intends to ensure the fairness of the Tender Offer.</p> <p>Additionally, the Tender Offeror and the Target have not made any agreements with provisions that prohibit contact with Competing Offerors, including transaction protection provisions, or any agreements that limit contact between Competing Offeror and the Target (M&A Guidelines, 3.4.2, Note 63). Thus, by implementing the so-called indirect market check by adjusting the above purchase period to ensure an opportunity for competing acquisition offers, it is considered that the fairness of the Tender Offer is thereby ensured.</p> <p>Although no so-called proactive market check (including bidding procedures prior to the announcement of the Transaction), which investigates and examines the existence of potential acquirers in the market, has been conducted for the Transaction, considering the details of the measures implemented to ensure the fairness of the Transaction, including the Tender Offer, and other specific circumstances of the Transaction, it is believed that the absence of such a market check does not particularly hinder the fairness of the Transaction.</p> <p>(6) Majority of minority</p> <p>According to the Tender Offer Notification, the Tender Offeror has set the minimum number of shares planned for purchase in the Tender Offer to 35,841,900 shares (ownership percentage: 62.02%) and the Tender Offeror plans not to purchase all of the tendered shares if the total number of shares</p>
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	<p>tendered falls short of this minimum number. This minimum number of shares planned for purchase exceeds the number of shares (27,551,109 shares, ownership percentage: 47.67%), which is equivalent to half the number of shares (55,103,135 shares) calculated by (i) adding the number of Target Shares (118,400 shares) underlying the total Share Acquisition Rights existing as of July 25, 2025 as reported by the Target (1,184 units) to the total number of issued shares of the Target as of June 30, 2025 (61,312,896 shares) as set forth in the “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2026 (Under Japanese GAAP),” which the Target released on July 25, 2025 (resulting in 61,431,296 shares), (ii) less the number of treasury shares the Target holds as of the same day (3,639,647 shares) as reported by the Target (resulting in 57,791,649 shares) less the Non-Tendered Shares (2,689,432 shares) (resulting in 55,102,217 shares). The Tender Offer will not be completed successfully without the consent of the holders of a majority of the number of the Target Shares owned by the Target’s shareholders who do not have any interest in the Tender Offeror, and the minimum number is set by giving consideration to the decisions of the Target’s general shareholder which satisfies the “majority of minority” condition.</p> <p>Therefore, the completion of the Tender Offer requires the approval (tender) of a majority of the general shareholders who do not have an interest in the Tender Offer, and such “majority of minority” condition will lead to a greater emphasis on ensuring opportunities for general shareholders to exercise their judgment, and it is recognized as contributing the execution of M&A transactions on transaction terms as favorable as possible for general shareholders (M&A Guidelines 3.5.1).</p> <p>(7) Enhancement of the provision of information to general shareholders and improvement of process transparency</p> <p>The M & A Guidelines recommend providing material information for general shareholders to decide the reasonableness of transaction terms (M & A Guidelines 3.6.1). Specifically, enhanced disclosures are expected regarding information related to the special committee and the share valuation report (M & A Guidelines 3.6.2).</p> <p>In the Transaction, the Tender Offer Notification and the Opinion Press Release will provide enhanced disclosures, including the details of the authority granted to the Special Committee, the chronology of the Special Committee’s deliberations and the status of its involvement in negotiation process, the details of this Written Report, and the structure of remuneration for committee members (M & A Guidelines 3.6.2.1), the outline of the Stock Valuation Report (M & A Guidelines 3.6.2.2), the process leading to the implementation of the Transaction and the course of negotiations (M & A Guidelines 3.6.2.3). It is therefore recognized that material information has been provided to the Target’s shareholders, etc. to decide the reasonableness of transaction terms.</p> <p>(8) Elimination of coerciveness</p> <p>According to the Tender Offer Notification, following the completion of the Tender Offer, the Tender Offeror will request the Target to hold an</p>
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extraordinary general meeting of shareholders around mid-October to around early November 2025 to resolve, among other matters, to implement the Share Consolidation and to amend the articles of incorporation to abolish the provision on share unit, subject to the effectiveness of the Share Consolidation, in accordance with Article 180 of the Companies Act. It has been clarified that the amount of money to be delivered to the Target's shareholders as consideration upon implementing the Share Consolidation will be calculated so that it is equal to the Tender Offer Price multiplied by the number of the Target Shares held by the relevant shareholders of the Target(Furthermore, The Supreme Court decision on July 1, 2016 (Minshu Vol. 70, No. 6, Page 1445 [J:COM Case]) ruled that in a two-stage acquisition involving conflicts of interest, if a tender offer is conducted through procedures generally recognized as fair, and subsequently the target company's shares are converted into class shares subject to class-wide call and such acquisition is carried out, it is appropriate to set the acquisition price for the class shares subject to class-wide call at the same amount as the tender offer price, unless there are special circumstances.).

Furthermore, considering that the Target's shareholders are guaranteed appraisal rights and the right to request the court for price determination respectively, it is recognized that consideration has been given to avoid coercion (M & A Guidelines 3.7) with respect to the Tender Offer.

(9) Summary

As described in (1) through (8) above, in the Transaction (i) a situation substantially equivalent to an arm's length transaction has been ensured in the process of formulating the transaction terms, and (ii) from the perspective of ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information (M&A Guidelines 2.4), robust Fairness Ensuring Measures have been adopted and are effectively implemented. Therefore, in conclusion, it is recognized that the fairness of the procedures related to the Transaction, including the Tender Offer, has been ensured.

(b)-5 Regarding the Consultation Matter 4

The Consultation Matter 4 asks whether the Transaction is not disadvantageous to the Target's general shareholders. As stated in (b)-1. (2) above, based on the Revisions to Listing Regulations, Etc., the Special Committee shall recommend as to whether the Transaction is fair to the Target's general shareholders as follows.

The Special Committee believes that the matters requested to be reviewed in the Consultation Matter 1 through 3 will be a factor to be considered when reviewing the Consultation Matter 4. As stated in (b)-2. through (b)-4. above, the Special Committee did not find any issues with respect to the Consultation Matters 1 through 3 as a result of its consideration.

Based on the above, the Special Committee hereby expresses its opinion that the Transaction is fair to the Target's general shareholders with regard to the Consultation Matter 4.

(b)-6 Regarding the Consultation Matter 5

The Consultation Matter 5 asks whether the Target's Board of Directors should express its opinion in support of the Tender Offer and recommend that the Target's shareholders tender their shares in the Tender Offer. This can be considered as asking whether the Target's Board of Directors should decide on the Transaction. Therefore, the Special Committee shall express its opinion on the appropriateness of the Target's Board of Directors stating its opinion in support of the Tender Offer, recommending that the Target's shareholders tender their shares in the Tender Offer, and leaving the decision on whether to tender in the Tender Offer to the Share Acquisition Rights Holders to decide whether or not to tender in the Tender Offer.

The Special Committee believes that the Consultation Matter 5 will be endorsed by confirming in the Consultation Matters 1 through 4 the rationality of the purpose of the Transaction, the fairness of the procedures for the Transaction, and the reasonableness of the transaction terms of the Transaction and confirming that the Transaction will not be disadvantageous to the Target's general shareholders. As described in (b)-2. through (b)-5. above, the Special Committee did not find any issues with regard to the Consultation Matters 1 through 4 as a result of its review. Although the Share Acquisition Rights Purchase Price is considered not to be unreasonable as described in (b)-3. (4) above, given that it is set at 1 yen, it is appropriate to leave the decision of the Share Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

Based on the above, the Special Committee expresses its opinion that, with respect to the Consultation Matter 5, it is appropriate for the Target's Board of Directors to resolve to state its opinion in support of the Tender Offer, to recommend that the Target's shareholders tender their shares in the Tender Offer, and to leave the decision on whether to tender in the Tender Offer to the Share Acquisition Rights Holders.

Please note that the recommendation in the above indicates the details of the Special Committee's judgment at the time of preparation of the Written Report.

(c) Terms

Notwithstanding anything else in this Notification, the terms listed below shall have the meanings specified below in (a) and (b) above.

- MBO Guidelines: "Guidelines for Management Buyouts (MBO) to Enhance Corporate Value and Ensure Fair Procedures" dated September 4, 2007 established by the Ministry of Economy, Trade and Industry (the "METI")
- M&A Guidelines: "Fair M&A Guidelines" dated June 28, 2019 established by the METI
- Tender Offeror Parties: collectively, Mr. Shinya Ogawa, Chairman and Representative Director of the Target and Mr. Tetsushi Ogawa, President and Representative Director of the Target, as well as the Tender Offeror
- Tender Offer Notification: draft of the Tender Offer Notification of the Tender Offeror dated July 28, 2025, as of the preparation date of this Written Report

	<ul style="list-style-type: none"> - TSE: Tokyo Stock Exchange, Inc. - Opinion Press Release: draft of the Target’s press release dated July 25, 2025 titled “Notice Regarding Implementation of MBO and Recommendation for Tender” as of the submission date of this Written Report - Reviewed Materials: the Stock Valuation Report, the Tender Offer Notification, the Opinion Press Release, and the Hearings, Etc., as well as other various materials distributed to the Special Committee - Squeeze-out Procedure: a series of procedures to be carried out after the completion of the Tender Offer, based on the situation following the Tender Offer, in order to make the Tender Offeror and the Non-Tendering Shareholders the sole shareholders of the Target - Transaction: a transaction for the purpose of acquiring all of the Target Shares and all of the Share Acquisition Rights (including the Restricted Shares and the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares held by the Target, and the Target Shares held by the Non-Tendering Shareholders), and privatizing the Target Shares - Hearings, Etc.: hearings, interviews, question-and-answer sessions, and other related activities, including the following matters, both during committee meetings and outside of scheduled meeting date <p>[2] Obtaining a stock valuation report from a third-party valuation agency independent from the Target</p> <p>As stated in section “[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer,” of section “(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy,” in the section titled “3. Purpose of Purchase, etc.,” above, in expressing its opinion on the Tender Offer, in order to ensure the fairness of its decision-making regarding the Tender Offer Price presented by the Tender Offeror, the Target requested that Yamada Consulting, a financial advisor and third-party valuation agency independent from the Tender Offer-Related Parties, calculate the share value of the Target Shares, and on July 24, 2025, obtained the Stock Valuation Report.</p> <p>Yamada Consulting is not a related party to the Tender Offer-Related Parties and does not have any material interest in the Transaction, including the Tender Offer. A substantial portion of the remuneration to be paid to Yamada Consulting in connection with the Transaction will be transaction fees, to be paid subject to announcement of the Transaction and completion of the Squeeze-out Procedures. Taking into account general practices and other matters in similar transactions, the Target appointed Yamada Consulting as a financial advisor and third-party valuation agency for the Target, in accordance with the remuneration structure described above. In addition, the Special Committee approved Yamada Consulting as the financial advisor and third-party valuation agency of the Target after confirming at its first meeting held on November 6, 2024 that there were no problems with the independence and expertise of Yamada Consulting.</p> <p>Yamada Consulting considered valuation methods for the Tender Offer, and on the assumption that the Target is a going concern and based on the opinion that it is appropriate to evaluate the value of the Target Shares multilaterally, it calculated the</p>
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per-share value of the Target Shares using (i) market price analysis, because the Target Shares are listed on the Prime Market of the TSE and the Premier Market of the NSE and market prices for those shares exist, (ii) comparable company analysis, because there are multiple listed companies comparable to the Target and it is possible to infer the value of the Target Shares through comparison with those comparable companies, and (iii) DCF analysis, so as to reflect the status of the Target's future business activities in the evaluation. As stated in this section “(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),” the Target has not obtained any opinions from Yamada Consulting concerning the fairness of the Tender Offer Price (fairness opinions), because the Tender Offeror and the Target have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

The range of the per-share value of the Target Shares calculated by Yamada Consulting using each of the methods above is as follows.

Market price analysis:	1,317 yen to 1,461 yen
Comparable company analysis:	668 yen to 1,804 yen
DCF analysis:	1,594 yen to 2,393 yen

Using the market price method, July 24, 2025 was set as the base date, and based on the 1,461 yen closing price for Target Shares on the TSE Prime Market on the base date, the simple average closing price of 1,367 yen over the preceding month, the simple average closing price of 1,317 yen over the preceding three months, and the simple average closing price of 1,341 yen over the preceding six months, the per-share value of the Target Shares was calculated to be in the range between 1,317 yen and 1,461 yen.

Using the comparable company method, Topre Corporation, G-TEKT CORPORATION, and PRESS KOGYO CO., LTD. were selected as comparable listed companies operating businesses relatively comparable to that of the Target, and then, using an EBITDA multiple of the business value and the net income rate to the market capitalization, the per-share value of the Target Shares was calculated to be in a range between 668 yen and 1,804 yen.

Using the DCF analysis, based on the earnings forecast and investment plans set out in the business plan from the fiscal year ending March 2026 to the fiscal year ending March 2030 (“Business Plan”), as prepared by the Target for the period that can be reasonably predicted at this point in time, the Target's financial information for the First Quarter of the Fiscal Year Ending March 2026, publicly available information, and other factors, Yamada Consulting calculated the Target's corporate value and share value by discounting the free cash flow the Target is expected to generate after the second quarter of the fiscal year ending March 2026 to the present value at a certain discount rate, and the per-share value of the Target Shares was calculated to be in a range between 1,594 yen and 2,393 yen. Yamada Consulting used the discount rate of 7.17% to 8.17%, which applied a weighted average cost of capital, and applied the perpetual growth method for calculation of the terminal value with a perpetual growth rate of 0.0% to 1.0% considering the external environment and other factors comprehensively, and a terminal value of 115,087 to 160,114 million yen.

The financial forecasts, based on the Business Plan that Yamada Consulting used as the basis for the calculation using the DCF analysis are as set forth below. The Business Plan that Yamada Consulting used for the DCF analysis does not include a business year in which a significant year-over-year increase or decrease in profit is expected, but includes a business year in which significant increases or decreases in

free cash flow is expected. Specifically, in the fiscal year ending March 2026, the Target expects capital investment for the fiscal year ending March 2026 to increase by 9,247 million yen compared to the previous fiscal year, as it plans to invest in the construction of a technology development center and the renewal of its plants, as well as a large capital investment to increase production capacity, and it expects capital investment for the next fiscal year ending March 2027 to decrease by 10,058 million yen compared to the previous fiscal year. Furthermore, the Target expects capital investment for the fiscal year ending March 2028 to decrease by 3,888 million yen compared to the previous fiscal year. Based on the circumstances above, the Target expects free cash flow for the fiscal year ending March 2026 to decrease significantly compared to the previous fiscal year, free cash flow for the fiscal year ending March 2027 to increase significantly compared to the previous fiscal year, and free cash flow for the fiscal year ending March 2028 to increase significantly compared to the previous fiscal year.

Additionally, the Business Plan was prepared in accordance with the basic materials of the Target's medium-term management plan announced by the Target in April 2023 and based on the current business environment, including the appreciation of the yen against the US dollar and revisions to domestic and overseas automobile production plans for the purpose of examining the appropriateness of the terms and conditions of the Transaction in consideration of the Target's future growth. The Tender Offeror, Shinya Ogawa, and Tetsushi Ogawa were not involved in the preparation process in any way.

Also, because it is difficult at present to estimate the specific synergies that are expected to be achieved through implementation of the Transaction, those synergies are not reflected in the financial forecasts.

(JPY 1 million)

	FY ending March 2026 (nine months)	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030
Sales	149,353	202,200	210,000	216,000	233,000
Operating profit	8,516	13,885	15,166	16,681	18,967
EBITDA	24,399	31,997	34,972	36,609	38,771
Free Cash Flow	(11,028)	5,275	10,659	13,368	14,015

When calculating the value of the Target Shares, Yamada Consulting used information provided by the Target, publicly disclosed information, and other information on an as-is basis, in principle, and on the assumption that all of those materials, information and the like were accurate and complete, and it has not independently verified their accuracy or completeness. Moreover, Yamada Consulting has not independently evaluated or assessed assets or liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target, nor has it requested that any third-party agency appraise or assess them. In addition, it is assumed that information regarding the Target's financial forecast was prepared rationally by the Target, based on the best estimates and judgments available at present. However, Yamada Consulting had multiple question-and-answer sessions with the Target regarding the Business Plan that it used as the basis for the calculations, and after understanding the background to the preparation of that plan

	<p>and the current situation of the Target, it confirmed the reasonableness of the Business Plan of the Target from the perspective of whether it contained any unreasonable matters. In addition, the calculation by Yamada Consulting reflected the foregoing information up to July 25, 2025. Although Share Acquisition Rights also are included in the purchases subject to the Tender Offer, as the Share Acquisition Rights Purchase Price is determined to be set at one yen, the Target has not obtained any valuation reports or opinions concerning the fairness of the Share Acquisition Rights Purchase Price (fairness opinions) from any third-party valuation agency.</p> <p>[3] Advice from a law firm independent from the Target</p> <p>As stated in section “[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer,” of section “(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy,” of section titled “3. Purpose of Purchase, etc.” above, in relation to the Transaction, the Target appointed Anderson Mori & Tomotsune as a legal advisor independent from the Tender Offer-Related Parties in order to ensure the fairness of the Tender Offer Price and other aspects of the Transaction, including the Tender Offer, and received legal advice from that legal advisor with regard to the measures that should be taken to ensure the fairness of the Transaction procedures, various Transaction procedures, the decision-making method used by the Target for the Transaction, and the process thereof. Anderson Mori & Tomotsune is not related to the Tender Offer-Related Parties and does not have any material interest in the Transaction, including the Tender Offer. In addition, the remuneration to be paid to Anderson Mori & Tomotsune does not include any contingency fees that are to be paid subject to conditions, including the successful completion of the Transaction. Further, the Special Committee approved Anderson Mori & Tomotsune as the Target’s legal advisor at its first meeting after confirming that there were no problems with the independence and expertise of Anderson Mori & Tomotsune.</p> <p>[4] Establishment of an independent consideration framework at the Target</p> <p>As stated in section “[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer,” of section “(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy,” of section titled “3. Purpose of Purchase, etc.” above, from the perspective of eliminating structural issues involving conflicts of interest, the Target has established an internal system for considering, negotiating, and making decisions regarding the Transaction from a position independent from the Tender Offer-Related Parties, excluding the Target.</p> <p>Specifically, after receiving the Letter of Intent from the Ogawas on October 25, 2024, the Target determined that it would not have the Ogawas be involved in the Target’s process of considering, negotiating, and making decisions about the Transaction, and then established a system for consideration of the Transaction, which consisted of officers and employees, including Hisashi Kayukawa (Director and Senior Managing Officer) and Terumi Noda (Director and Senior Managing Officer), who were found to be independent from the Tender Offer-Related Parties, excluding the Target. Together with the Special Committee, this framework for consideration was used in the process of negotiating the Transaction conditions, including the Tender</p>
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	<p>Offer Price, between the Target and the Tender Offeror, and the process of preparing the Target's business plan, which will be the basis for the valuation of the Target Shares, and the foregoing treatment continued until July 25, 2025.</p> <p>The framework of consideration (including the scope of officers and employees of the Target to be involved in consideration, negotiation and decisions for the Transaction, and their duties) of the Transaction, which the Target established internally and which includes the foregoing treatment, takes into consideration advice from Anderson Mori & Tomotsune, and the Target received approval from the Special Committee of the fact that there are no problems in terms of its independence and fairness.</p> <p>[5] Approval of all Target directors (including Audit and Supervisory Committee Members) who do not have any interest Based on the legal advice received from Anderson Mori & Tomotsune, the financial advice received from Yamada Consulting, the content of the Stock Valuation Report, the content of multiple discussions held continuously with the Tender Offer, and other related materials, and with the utmost respect for the judgment of the Special Committee as expressed in the Report, the Target carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to the improvement of the corporate value of the Target, and whether the conditions of the Transaction, including the Tender Offer Price, are appropriate.</p> <p>As a result thereof, as stated in section "[2] The Decision-Making Process and Reasons Leading the Target to Support the Tender Offer," of section "(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy," of section titled "3. Purpose of Purchase, etc." above, at the meeting of the Target's Board of Directors held on July 25, 2025, the Target passed a resolution that, from the perspective of resolving the management issues of the Target and providing opportunities to return profits to shareholders, the Transaction would contribute to the enhancement of the corporate value of the Target, and in light of the results of calculation of the Stock Valuation Report, the premium level of the Tender Offer Price, the process of negotiation with the Tender Offer, the process of determining the Tender Offer Price, and other matters, it had determined that the conditions of the Transaction, including the Tender Offer Price, were appropriate, that it would express an opinion in support of the Tender Offer, that it would recommend that shareholders of the Target tender their shares in the Tender Offer and that it would leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders' in the Tender Offer. At the aforementioned meeting of the Target's Board of Directors, out of nine directors of the Target, seven directors, excluding the Ogawas, participated in the deliberations and voting, and the aforementioned resolution was passed with the unanimous consent of all directors who participated the vote.</p> <p>Shinya Ogawa, the Target's Representative Director and Chairman, and Tetsushi Ogawa, the Target's Representative Director and President, will continue to be involved in the management of the Target after the Transaction; therefore, in light of the fact that there is a conflict of interest with the Target, or a risk thereof, in the Transaction, these two people did not participate in deliberations and votes by the Target's Board of Directors in relation to the Transaction, including the aforementioned meeting of the Target's Board of Directors, and did not participate in</p>
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	<p>any consideration of the Transaction or discussions and negotiations for the Transaction with the Tender Offeror from the Target’s position.</p> <p>[6] Securing an objective state where the fairness of the Tender Offer is ensured</p> <p>The minimum purchase period under laws and regulations is 20 Business Days, but the Tender Offeror has set the Tender Offer Period to 30 Business Days. Because this is a comparatively long period compared to the minimum period under laws and regulations, such period ensures an opportunity for all shareholders and Share Acquisition Rights Holders of the Target to appropriately determine whether to tender their shares in the Tender Offer, and ensures an opportunity for persons making competing acquisition offers to present competing acquisition offers, etc. to be made for the Target Shares, and thereby the Tender Offeror intends to ensure the fairness of the Tender Offer Price.</p> <p>Additionally, the Tender Offeror and the Target have not made any agreements with provisions that prohibit contact with a person making a competing acquisition offer, including transaction protection provisions, or any agreements that limit contact between such a person making a competing acquisition offer and the Target. Thus, by adjusting the above purchase period to ensure an opportunity for competing acquisition offers, it is considered that the fairness of the Tender Offer is thereby ensured.</p> <p>As stated in section “[1] Establishment of an independent special committee at the Target, and procuring a report from the special committee” above, the Special Committee determined that the fairness of the Transaction would not be particularly impeded by not performing an active market check (including bidding or other procedures before the announcement of the Transaction), which investigates and considers whether there are any potential acquirers in the market, in light of the details of various measures taken to ensure the fairness of the Transaction, including the Tender Offer, and other specific circumstances concerning the Transaction.</p> <p>[7] Establishing the minimum number of shares planned for purchase to satisfy the Majority of Minority Condition</p> <p>Since the Tender Offeror does not own any Target Shares or Share Acquisition Rights as of the Submission Date, the minimum number of shares planned for purchase in the Tender Offer (35,841,900 shares, ownership percentage: 62.02%) exceeds the number of shares (27,551,109 shares, ownership percentage: 47.67%), which is equivalent to half the number of shares (55,102,217 shares) calculated by deducting the total number of shares (2,689,432 shares) of the 1,573,305 shares owned by Shinya Ogawa (ownership percentage: 2.72%), 116,127 shares owned by Tetsushi Ogawa (ownership percentage: 0.20%), and 1,000,000 shares owned by the Foundation (ownership percentage: 1.73%) from the Total Number of Shares After Considering Potential Shares (57,791,649 shares). The Tender Offer will not be completed successfully without the consent of the holders of a majority of the number of the Target Shares and Share Acquisition Rights owned by the Target shareholders who do not have any interest in the Tender Offeror, which is known as the “Majority of Minority” condition, will be satisfied, and the Tender Offeror thereby respects the decisions of the Target’s minority shareholders.</p>
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(3) Number of Share Certificates, etc. planned for purchase

Type of share certificate, etc.	Number of shares planned for purchase	Minimum number of shares planned for purchase	Maximum number of shares planned for purchase
Ordinary shares	55,209,117 (shares)	35,841,900 (shares)	- (shares)
Total	55,209,117 (shares)	35,841,900 (shares)	- (shares)

Note 1: If the sum of Tendered Share Certificates, etc. does not reach the minimum number of shares planned for purchase (35,841,900 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. If the sum of Tendered Share Certificates, etc. does reach the minimum number of shares planned for purchase (35,841,900 shares), the Tender Offeror will make purchase, etc. of all Tendered Share Certificates, etc.

Note 2: Shares equal to less than one share unit also can be tendered in the Tender Offer. If a shareholder exercises its right to demand for purchase of shares equal to less than one share unit in accordance with the Companies Act, the Target may buy back its own shares during the Tender Offer Period in accordance with statutory procedures.

Note 3: There are no plans to acquire treasury shares held by the Target through the Tender Offer.

Note 4: In the Tender Offer, no maximum number of shares planned for purchase has been set, and the maximum number of Shares Certificates, etc. of the Target (55,209,117 shares) that the Tender Offeror will acquire through the Tender Offer is indicated as the number of shares planned for purchase. Note that said maximum number is a number obtained by subtracting the number of the Non-Tendered Shares (2,582,532 shares) from the Total Number of Shares After Considering Potential Shares (57,791,649 shares).

Note 5: The Target Shares to be delivered through the exercise of the Share Acquisition Rights by the end of the Tender Offer Period also can be tendered in the Tender Offer.

5. The Ownership Ratio of Share Certificates, etc. following the Purchase, etc.

Category	Number of Voting Rights
No. of voting rights attached to the Share Certificates, etc. planned for purchase (a)	552,091
No. of voting rights in (a) above that are voting rights attached to potentially dilutive Share Certificates, etc. (b)	1,184
No. of voting rights in (b) above that are voting rights attached to Beneficiary Certificates of Share Certificates, etc. in Trust and Depositary Receipts for Share Certificates, etc. (c)	-
No. of voting rights attached to Share Certificates, etc. of the Tender Offeror (as of July 28, 2025) (d)	-
No. of voting rights in (d) above that are voting rights attached to potentially dilutive Share Certificates, etc. (e)	-
No. of voting rights in (e) above that are voting rights attached to Beneficiary Certificates of Share Certificates, etc. in Trust and Depositary Receipts for Share Certificates, etc. (f)	-
No. of voting rights attached to Share Certificates, etc. of specially-related parties (as of July 28, 2025) (g)	26,894
No. of voting rights in (g) above that are voting rights attached to potentially dilutive Share Certificates, etc. (h)	1,069
No. of voting rights in (h) above that are voting rights attached to Beneficiary Certificates of Share Certificates, etc. in Trust and Depositary Receipts for Share Certificates, etc. (i)	-
Total number of voting rights of all shareholders, etc. of the Target (as of March 31, 2025) (j)	576,158
Percentage that the number of voting rights attached to the Share Certificates,	95.53

etc. planned for purchase represents of the number of voting rights of all shareholders, etc. (a/j) (%)	
The Ownership Ratio of Share Certificates, etc. following the Purchase, etc. $((a+d+g)/(j+(b-c)+(e-f)+(h-i))\times 100)$ (%)	100.00

Note 1: For “No. of voting rights attached to the Share Certificates, etc. planned for purchase (a)”, the number of voting rights attached to the number of shares planned for purchase in the Tender Offer (55,209,117 shares) is indicated.

Note 2: For “No. of voting rights in (a) above that are voting rights attached to potentially dilutive Share Certificates, etc. (b)”, the number of voting rights attached to the number of shares converted into shares (118,400 shares) in accordance with the terms and conditions of issuance for the Share Acquisition Rights, among the voting rights attached to the Share Certificates, etc. planned for purchase is indicated.

Note 3: For “No. of voting rights attached to Share Certificates, etc. of specially-related parties (as of July 28, 2025) (g)”, the total number of voting rights attached to Share Certificates, etc. owned by specially-related parties (excluding those specially-related parties who are excluded from the category of specially-related parties under the, Cabinet Office Ordinance Article 3, Paragraph 2, Item 1, in the calculation of the ownership ratio of share certificates, etc. under Act, Article 27-2, Paragraph 1) is indicated. However, because the Share Certificates, etc. owned by specially-related parties other than the Non-Tendered Shares also can be tendered in the Tender Offer, in the calculation of “The Ownership Ratio of Share Certificates, etc. following the Purchase, etc.” of “No. of voting rights attached to Share Certificates, etc. of specially-related parties (as of July 28, 2025) (g)”, only the number of voting rights (25,825 units) attached to the Non-Tendered Shares was added to the numerator. Note that following the submission of this Notification, the Tender Offeror will confirm the number of the Share Certificates, etc. of the Target owned by specially-related parties, and if this Notification needs to be revised, will submit a revised notification for this Notification.

Note 4: For “Total number of voting rights of all shareholders, etc. of the Target (as of March 31, 2025) (j)”, the number of voting rights of all shareholders, etc. as of March 31, 2025, as set forth in the 101st term annual securities report submitted by the Target on June 16, 2025, is indicated. However, because the Restricted Shares, shares equal to less than one share unit, and the Target Shares that may be issued or transferred as a result of the exercise of the Share Acquisition Rights also can be tendered in the Tender Offer, in the calculation of “Percentage that the number of voting rights attached to the Share Certificates, etc. planned for purchase represents of the number of voting rights of all shareholders, etc.” and “The Ownership Ratio of Share Certificates, etc. following the Purchase, etc.”, the number of voting rights (577,916 units) attached to the Total Number of Shares After Considering Potential Shares (57,791,649 shares) was used as the denominator.

Note 5: “Percentage that the number of voting rights attached to the Share Certificates, etc. planned for purchase represents of the number of voting rights of all shareholders, etc.” and “The Ownership Ratio of Share Certificates, etc. following the Purchase, etc.” are rounded off to the second decimal place.

6. Permits, etc. Concerning Acquisition of Share Certificates, etc.

Not applicable.

7. Tendering and Agreement Termination Methods

(1) Tendering Method

[1] Tender offer agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., 1-9-2 Otemachi, Chiyoda-ku, Tokyo

The tender offer agent has appointed the following sub-agent to undertake a portion of the administration of the tender offer: Mitsubishi UFJ eSmart Securities Co., Ltd. (sub-agent), 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

[2] Persons who wish to apply to sell, etc. in response to an offer to Purchase, etc. Share Certificates, etc. in the Tender Offer (“Tendering Shareholders, etc.”) must enter the required matters in the prescribed “Tender Offer Tendering Application” at the head office or any branch office in Japan of the tender offer agent by no later than 16:00 on the last day of the Tender Offer Period. Corporations that are tendering their shares must have their registered seal at hand.

Receipt of tender applications by Mitsubishi UFJ eSmart Securities Co., Ltd., the sub-agent, will be completed by a Tendering Shareholder, etc. entering the necessary matters on the screen after logging in by the method set forth in “Share Tender Offer (TOB)” (<https://kabu.com/item/tob/>) of said company’s home page (<https://kabu.com/>).

[3] Tendering Shareholders that do not have an account with the tender offer agent or sub-agent will need to open a new account. When opening a new account with the tender offer agent or the sub-agent, personal identification documents (Note 1) will be necessary. Further, personal identification documents may be necessary even for persons who already have accounts. For details on personal identification documents, etc., please inquire with the tender offer agent or the sub-agent.

[4] In the receipt of applications to tenders Share Certificates, etc., the Share Certificates, etc. planned to be tendered will need to be recorded in the account the Tendering Shareholder, etc. opened with the tender offer agent or sub-agent (“Tendering Shareholder, etc. Account”). For that reason, if the Share Certificates, etc. the Tendering Shareholder, etc. plans to tender is recorded in an account opened with a financial instruments business operator, etc. other than the tender offer agent or the sub-agent (including a case where they are recorded in a special account opened with Mitsubishi UFJ Trust Bank, Limited, the Target’s shareholder register manager), the Tendering Shareholder, etc. will need to complete transfer procedures to the Tendering Shareholder, etc. Account prior to tendering. Please note that the transfer procedures may take a certain number of days. Further, once the Tendered Share Certificates, etc. are transferred to the Tendering Shareholder, etc. Account, they cannot be re-recorded in the above special account.

[5] When tendering Share Acquisition Rights in the Tender Offer, the “Tender Offer Tendering Application” described above, as well as the “Transfer Approval Notice” issued by the Target upon a share acquisition right holder’s request, the “Document Containing Matters Described in the Share Acquisition Right Register” issued by the Target or its shareholder register manager, upon a share acquisition right holder’s request, as a document for confirming that the relevant party is a share acquisition rights holder, and documents necessary to request entry of a name change in the share acquisition rights register, which is subject to the successful completion of the Tender Offer, respectively, must be submitted to the tender offer agent. Mitsubishi UFJ eSmart Securities Co., Ltd., the sub-agent, will not accept any tenders of share acquisition rights.

[6] In the Tender Offer, no tender applications will be accepted through a financial instruments business operator, etc. other than the tender offer agent or the sub-agent.

[7] When receiving tender applications, the tender offer agent or the sub-agent will deliver to the Tendering Shareholders, etc. a “Tender Offer Tender Application Receipt Voucher”. Please note that delivery by the sub-agent will be conducted by an electromagnetic method through the screen after log-in.

[8] In the case of individual shareholders who are residents of Japan, the difference between the sale price of the Tendered Share Certificates, etc. and their acquisition costs, etc. will in principle be subject to separate self-assessment taxation relating to capital gains of stocks, etc. (Note 2).

[9] Shareholders residing outside of Japan (including corporate shareholders; “Foreign Shareholders, etc.”) must make tender applications to the tender offer agent through a standing proxy in Japan. Moreover, personal identification documents (Note 1) will be necessary. Mitsubishi UFJ eSmart Securities Co., Ltd., the sub-agent, will not accept tender applications from Foreign Shareholders, etc.

Note 1: Personal identification documents

Individuals

Please submit any of the documents of A, B or C below.

A	B	C
Individual number card (both sides) (the face will be the address, etc. verification document)	(Individual number) notice card (can only be used if it has the individual's current address and name) + Address, etc. verification documents (please submit one type from A below, or two types from B and C below)	Copy of resident card or certificate of items stated in the certificate of residence (with the individual's individual number)*1 + Address, etc. verification document (please submit one type from A or B below)

Address, etc. verification documents

i	<ul style="list-style-type: none"> • Driver's license or driving record certificate • Passport*2 • Basic resident register card (with a photograph of the individual) • Special education record book • Physical disability card • Residence card or special permanent resident certificate*3
ii	<ul style="list-style-type: none"> • Health insurance card (with the individual's current address) • National pension book • Maternal and child health handbook
iii	<ul style="list-style-type: none"> • Seal registration certificate*1 • Copy of resident card or certificate of items stated in resident card*1

*1 Must have been prepared within the past six months.

*2 Because passports applied for on or after February 4, 2020 no longer have a section for entering an "address," they cannot be used as personal identification documents.

*3 For non-Japanese citizens, to verify matters such as their length of stay in Japan, regardless of whether any of the above documents have been chosen (A to C), a residence card or a special permanent resident certificate must also be submitted.

Corporations

Please submit the documents of A through C below.

A. Corporate number verification documents	<ul style="list-style-type: none"> • Corporate number designation notification • Corporate number printed documents*
B. Personal identification documents of a corporate customer	<ul style="list-style-type: none"> • Certificate of registered matters (copy of register, excerpts, etc.)* • Documents, etc. issued by government offices (must be documents prepared within the past six months or that are currently valid, from which names, locations of headquarters or principal office, and nature of business can be verified)

C. Personal identification documents of person in charge of transaction	<ul style="list-style-type: none"> • Face of individual number card, or one type of address, etc. verification documents listed in i under Individuals above • Two types of address, etc. verification documents listed in ii under Individuals above, or one type of document each listed in ii and iii under Individuals above (total of two types of documents) • One type of address, etc. verification documents listed in ii or iii under Individuals above (Note) <p>Note: A “registered mail, etc. not requiring forwarding” will be sent, and personal identification procedures will be completed with receipt of such mail.</p> <p>Please note in advance that transactions will not be commenced until after personal identification procedures have been completed.</p>
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*Must have been prepared within the past six months.

Foreign Shareholders, etc.

In the case of foreign individuals (excluding residents) or corporations with headquarters or a principal office outside of Japan, please submit “Documents issued by foreign governments or authorized international organs approved by the Japanese Government, or other similar documents, which are comparable to personal identification documents of residents”.

Note 2: Separate self-assessment taxation relating to capital gains of stocks, etc. of residents of Japan (in the case of individual shareholders)

In principle, for individual shareholders who are residents of Japan, capital gains of stocks, etc. are subject to separate self-assessment taxation. Please consult with tax attorneys or other professionals with respect to specific tax questions, etc., and make your own individual determination.

(2) Agreement Termination Method

Tendering Shareholders, etc. may terminate the agreement pertaining to the Tender Offer at any time during the Tender Offer Period. To terminate the agreement through the tender offer agent, please deliver or send the Tender Offer Tender Application Receipt Voucher and a document stating the intent to terminate the agreement relating to the Tender Offer (“Termination Letter”) to the head office or any branch offices in Japan of the tender offer agent that received the tender by no later than 16:00 on the last day of the Tender Offer Period. Termination of the agreement will come into effect when the Termination Letter is delivered to, or reaches, the person designated below. However, in a case where the Termination Letter is made by mail, it will be a condition that the Termination Letter must reach the following designated person by no later than 16:00 on the last day of the Tender Offer Period. In the case of termination of tendering agreement through Mitsubishi UFJ eSmart Securities Co., Ltd., the sub-agent, please carry out termination procedures by no later than 16:00 on the last day of the Tender Offer Period through the screen after logging in by the method set forth in “Share Tender Offer (TOB) (<https://kabu.com/item/tob/>) of said company’s home page (<https://kabu.com/>).

Person authorized to receive Termination Letters

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., 1-9-2 Otemachi, Chiyoda-ku, Tokyo
(or any branch offices of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. in Japan)

(3) Method of Return of Share Certificates, etc.

If a Tendering Shareholder, etc. requests termination of the agreement relating to the Tender Offer by the method set forth in section “(2) Agreement Termination Method” above promptly after completion of termination procedures, the Tender Offeror will return the Tendered Share Certificates, etc. by the method set forth in section “(4) Method of Return of Share Certificates, etc.,” in the section titled “10. Method of Settlement” below.

- (4) Name and Location of Head Office of Financial Instruments Business Operator, Bank, etc. that Will Retain and Return Share Certificates, etc.

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., 1-9-2 Otemachi, Chiyoda-ku, Tokyo

Mitsubishi UFJ eSmart Securities Co., Ltd. (sub-agent), 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

8. Funds Required for Purchase, etc.

- (1) Funds, etc. Required for Purchase, etc.

Funds for purchase (yen) (a)	113,178,689,850
Type of non-monetary consideration	—
Total amount of non-monetary consideration	—
Purchase fees (yen) (b)	180,000,000
Other (yen) (c)	8,800,000
Total (yen)(a) + (b) + (c)	113,367,489,850

Note 1: In the “Funds for purchase (yen) (a)” section above, the amount calculated by multiplying the number of shares planned for purchase in the Tender Offer (55,209,117 shares) by the Tender Offer Price (2,050 yen) is indicated.

Note 2: In the “Purchase fees (yen) (b)” section above, an estimate of fees to be paid to the tender offer agent is indicated.

Note 3: In the “Other (yen) (c)” section above, an estimate of costs required for the public notice with respect to the Tender Offer, printing costs of the tender offer explanatory statement and other necessary documents, and other incidental expenses is indicated.

Note 4: The above amounts do not include consumption tax, etc.

Note 5: There are other expenses and attorney fees, etc. to be paid to the tender offer agent, the amount of which will not be determined until after the completion of the tender offer.

- (2) Deposits and Borrowings, etc. Available to Apply to Funds Required for Purchase, etc.

[1] Deposits as of One or Two Days Prior to the Submission Date

Type	Amount (thousands of yen)
-	-
Total (a)	-

[2] Borrowings Prior to Submission Date

- ii. Financial institutions

	Type of lender	Name, etc. of lender	Content of loan agreement	Amount (thousands of yen)
1	-	-	-	-
2	-	-	-	-
Total				-

iii. Entities other than financial institutions

Type of lender	Name, etc. of lender	Content of loan agreement	Amount (thousands of yen)
-	-	-	-
Total			-

[3] **Funds Planned to be Borrowed On or After Submission Date**

i. Financial institutions

	Type of lender	Name, etc. of lender	Content of loan agreement	Amount (thousands of yen)
1	-	-	-	-
2	Bank	MUFG Bank, Ltd. (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	<p>Loans to be applied to funds required for the Purchase, etc. (Note)</p> <p>(1) Term Loan A Loan term: 7 years (repayable in installments) Interest rate: Floating rate based on JBA Japanese Yen TIBOR rates Security: Target Shares, etc.</p> <p>(2) Term Loan B Loan term: 7 years (bullet repayment) Interest rate: Floating rate based on JBA Japanese Yen TIBOR rates Security: Target Shares, etc.</p> <p>(2) Bridge Loan Loan term: 1 year (bullet repayment) Interest rate: Short-term prime rate published by MUFG Bank on the drawdown date Security: Target Shares, etc.</p>	<p>(1) Term Loan A: 42,540,000</p> <p>(2) Term Loan B: 99,260,000</p> <p>(3) Bridge Loan: 17,802,000</p>

Total (b)	159,602,000
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Note 1: The Tender Offeror has obtained a certificate of loan from MUFG Bank dated July 25, 2025, to the effect that it is prepared to provide loans, up to 159,602,000 yen, in support of the loans of the above amount. The conditions precedent to the execution of the loans are planned to be those set forth in the certificate of loan, which is an attachment to this Notification, and as of the date of submission of this Notification, none of such conditions is considered difficult to satisfy.

Note 2: The above amounts include funds required for the Transaction and funds that can be applied to miscellaneous expenses incidental to the Transaction, as well as to repayment of existing borrowings of the Target and expenses incidental thereto.

ii. Entities other than financial institutions

Type of lender	Name, etc. of lender	Content of loan agreement	Amount (thousands of yen)
-	-	-	-
Total (c)			-

[4] Other Financing Methods

Details	Amount (thousands of yen)
Investment by DBJ via subscription for class A preferred shares (Note 1)	5,000,000
Investment by DBJ via subscription for class B preferred shares (Note 1)	5,000,000
Investment by the Ogaki Kyoritsu Bank, Ltd. via subscription for class A preferred shares (Note 2)	10,000,000
Investment by the Juroku Bank, Ltd. via subscription for class A preferred shares (Note 3)	5,000,000
Total (d)	25,000,000

Note 1: The Tender Offeror has obtained the respective investment certificates from DBJ on July 25, 2025, as supporting documents for the investments above, which state that it is prepared to make an investment by subscribing for class A preferred shares, up to a maximum of 5,000,000 thousand yen, and by subscribing for class B preferred shares, up to a maximum of 5,000,000 yen. In addition, in the investment agreement relating to the investments, the conditions precedent to execution of the investments will be established as described in the investment certificates, which are attached to this document.

Note 2: The Tender Offeror has obtained an investment certificate from the Ogaki Kyoritsu Bank, Ltd. on July 25, 2025 as a supporting document for the investment above, which states that it is prepared to make an investment by subscribing for class A preferred shares, up to a maximum of 10,000,000 thousand yen. In addition, in the investment agreement relating to the investment, the conditions precedent to the execution of the investment will be established as described in the investment certificate, which is attached to this document.

Note 3: The Tender Offeror has obtained an investment certificate from the Juroku Bank, Ltd. on July 25, 2025 as a supporting document for the investment above, which states that it is prepared to make an investment by subscribing for class A preferred shares, up to a maximum of 5,000,000 thousand yen. In addition, in the

investment agreement relating to the investment, the conditions precedent to the execution of the investment will be established as described in the investment certificate, which is attached to this document.

[5] Total Deposits or Borrowings, etc. Available to Apply to Funds Required for Purchase, etc.

184,602,000,000 yen ((a)+(b)+(c)+(d))

(3) Relationship, etc. Between Issuer of Securities to be Consideration for Purchase, etc. and the Tender Offeror
Not applicable.

9. Status of Issuer of Securities to be Consideration for Purchase, etc.

Not applicable.

10. Method of Settlement

(1) Name and Location of Head Office of Financial Instruments Business Operator, Bank, etc., Handling Settlement of Purchase, etc.

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 1-9-2 Otemachi, Chiyoda-ku, Tokyo

Mitsubishi UFJ eSmart Securities Co., Ltd. (sub-agent) 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

(2) Settlement Commencement Date

September 16, 2025 (Tuesday)

(3) Method of Settlement

Without delay after the end of the Tender Offer Period, a notice of Purchase, etc. through the Tender Offer will be mailed to the address or location of the Tendering Shareholders, etc. (or the standing proxy in the case of Foreign Shareholders, etc.). Delivery by sub-agent will be made by an electromagnetic method through the screen after log-in.

Purchases will be made in cash. The proceeds from the sale of the purchased Share Certificates, etc. will be remitted from the tender offer agent or sub-agent to the place designated by the Tendering Shareholder, etc. (or the standing proxy in the case of Foreign Shareholders, etc.) without delay on or after the settlement commencement date, as instructed by the Tendering Shareholder, etc. (or the standing proxy in the case of a Foreign Shareholders, etc.).

(4) Method of Return of Share Certificates, etc.

If not all of the Tendered Share Certificates, etc. are purchased pursuant to the conditions set forth in section “(1) Existence or Non-Existence of Conditions Specified in the Items of Article 27-13, Paragraph 4 of the Act,” or section “(2) Existence or Non-Existence of Conditions for Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.,” of the section titled “11. Other Conditions and Methods of Purchase, etc.” below, Share Certificates, etc. to be returned will be returned by restoring the record of Share Certificates, etc. to the record immediately before the tender was made promptly after the second Business Day following the last day of the Tender Offer Period (or the date of withdrawal, etc. if the tender offer is withdrawn, etc.). The Target Shares to be returned will be returned by restoring the record to the record in the Tendering Shareholder, etc. Account at the tender offer agent as it existed immediately before the tender was made (when transferring shares to the accounts of Tendering Shareholders, etc. established at other financial instruments business operators or the like, please confirm with the head office or nationwide branch office of the tender offer agent that accepted the tender). Share Acquisition Rights will be returned by delivering the documents submitted upon tendering the Share Acquisition Rights (documents described in section “[5],” of section “(1) Tendering Method,” in the section titled “7. Tendering and Agreement Termination Methods” above) to the Tendering

Shareholders, etc., or mailing them to the address thereof, pursuant to the instructions of the Tendering Shareholders, etc.

11. Other Conditions and Methods of Purchase, etc.

- (1) Existence or Non-Existence of Conditions Specified in the Items of Article 27-13, Paragraph 4 of the Act, and Details Thereof

In the event that the sum of Tendered Share Certificates, etc. does not reach the minimum number planned for purchase (35,841,900 shares), none of the Tendered Share Certificates, etc. will be Purchased, etc. In the event that the sum of Tendered Share Certificates, etc. is at least the minimum number planned for purchase (35,841,900 shares), all of the Tendered Share Certificates, etc. will be Purchased, etc.

- (2) Existence or Non-Existence of Conditions for Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

In the event of any of the matters set forth in Article 14, Paragraph 1, Items 1, *i* through *nu* and *wa* through *tsu*, Item 3, *i* through *chi* and *nu*, and Article 14, Paragraph 2, Items 3 through 6 of the Order, the Tender Offer may be withdrawn, etc. In the Tender Offer, “facts equivalent to the facts listed in *i* through *ri*” as stipulated in Article 14, Paragraph 1, Item 3 *nu* of the Order means (i) a case where a statutory disclosure document submitted by the Target in the past is found to contain a false statement with respect to a material matter or omit a statement of a material matter that should be stated, and the Tender Offeror did not know of such false statement or omission and could not have known of it despite exercising due care, and (ii) a case where any of the events listed in *i* through *to* of said item has occurred to the Target’s material subsidiary.

In the event of withdrawal, etc., an electronic public notice will be made, and a notice to that effect will be published in the Nihon Keizai Shimbun; provided, however, that if it is difficult to make the public notice by the end of the Tender Offer Period, a public announcement will be made in the manner stipulated in Article 20 of the Cabinet Office Ordinance, and a public notice will be made immediately thereafter.

- (3) Existence or Non-Existence of Conditions for Reduction of Purchase, etc. Price, Details Thereof, and Method of Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target engages in any of the conduct specified in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the Purchase, etc. price may be reduced in accordance with the criteria specified in Article 19, Paragraph 1 of the Cabinet Office Ordinance.

In the event that the Tender Offeror intends to reduce the Purchase, etc. price, it will make a public notice electronically and publish a notice in the Nihon Keizai Shimbun to that effect. However, if it is difficult to give public notice by the end of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and give public notice immediately thereafter.

In the event of a reduction in the Purchase, etc. price, Tendered Share Certificates, etc. prior to the date of such public notice will also be Purchased, etc. at the reduced Purchase, etc. price.

- (4) Matters Concerning Agreement Termination Right of Tendering Shareholders

Tendering Shareholders, etc. may terminate the agreement relating to the Tender Offer at any time during the Tender Offer Period. The method of termination shall be in accordance with section “(2) Agreement Termination Method,” in the section titled “7. Tendering and Agreement Termination Methods” above.

The Tender Offeror will not claim any compensation for damages or penalty payment from the Tendering Shareholders, etc. in connection with the termination of agreements by the Tendering Shareholders, etc. The cost of returning the Tendered Share Certificates, etc. will also be borne by the Tender Offeror. In the event of a request for termination, the Tendered Share Certificates, etc. will be returned in the manner described in section “(4) Method of Return of Share Certificates, etc.,” in the section titled “10. Method of Settlement” above

promptly after the completion of the procedures for such request for termination.

(5) Method of Disclosure in Case of Change of Purchase Conditions, etc.

During the Tender Offer Period, the Tender Offeror may change the purchase conditions, etc., except where prohibited by Article 27-6, Paragraph 1 of the Act or Article 13 of the Order.

If the Tender Offeror intends to change the purchase conditions, etc., the Tender Offeror will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun; provided, however, that if it is difficult to make the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and give public notice immediately thereafter.

In the event of a change in the purchase conditions, etc., Tendered Share Certificates, etc. that were issued prior to the date of such public notice, will also be Purchased, etc. in accordance with the amended purchase conditions, etc.

(6) Method of Disclosure in Case of Submission of Revised Notification

If the Tender Offeror submits a revised notification to the Director-General of the Kanto Local Finance Bureau (except for the cases provided for in the provision of Article 27-8, Paragraph 11 of the Act), the Tender Offeror will immediately make public announcement of the contents of the revised notification that relate to the contents of the public notice of the commencement of the Tender Offer in the manner stipulated in Article 20 of the Cabinet Office Ordinance. Further, the Tender Offeror will immediately revise the tender offer explanatory statement and deliver the revised tender offer explanatory statement to the Tendering Shareholders, etc. to which the tender offer explanatory statement has already been delivered; provided, however, that if the revisions are only minor in scope, the Tender Offeror will make the revisions by preparing a document stating the reason for the revisions, the matters revised, and the details of the revisions and delivering such document to the Tendering Shareholders, etc.

(7) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be announced in the manner prescribed in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the Tender Offer Period.

Part 2. Status of the Tender Offeror

1. If a Company

(1) Company Overview

[1] Company History

Month and year	Matter
March 2025	Established as a <i>kabushiki kaisha</i> with the trade name CORE Inc. and its head office at Hihome Takanawa 708, 4-23-6, Takanawa, Minato-ku, Tokyo, with capital of 50,000 yen.
July 2025	Relocated the head office to 100 Kyutoku-cho, Ogaki-shi, Gifu

Note : The Tender Offeror is located at Hihome Takanawa 708, 4-23-6, Takanawa, Minato-ku, Tokyo as of July 23, 2025, but the head office thereof was relocated to 100 Kyutoku-cho, Ogaki-shi, Gifu on July 24, 2025, and said address change is in the process of application for registration as of the date of submission of this Notification.

[2] Purpose of Company and Description of Business

Purpose of company

1. By way of owing shares of, or interests in, a company, controlling and managing the business activities of said company
2. All business ancillary to the preceding item.

Description of Business

The Tender Offeror's principal business is to acquire and hold the Target Shares and Share Acquisition Rights.

[3] Capital and Total Number of Issued Shares

As of July 28, 2025

Capital (yen)	Total number of issued shares (shares)
50,000	10

[4] Major Shareholders

As of July 28, 2025

Name	Address or location	Number of shares owned (shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
Tetsushi Ogawa	Ogaki-shi, Gifu	10	100.00
Total	-	10	100.00

[5] Career History of Officers and Number of Shares Held

As of July 28, 2025, 2024

Title	Position	Name	Date of birth	Career history	Number of
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					shares owned (shares)	
Representative Director	-	Tetsushi Ogawa	August 16, 1978	April 2005	Joined Toyota Motor Corporation	10
				December 2010	Left Toyota Motor Corporation	
				January 2011	Joined the Target	
				June 2011	Operating Officer of the Target	
				June 2013	Managing Officer of the Target	
				June 2014	Director and Managing Officer of the Target	
				June 2015	Director and Senior Managing Officer of the Target	
				June 2018	Director and Vice President of the Target	
				June 2021	Representative Director and Vice President of the Target	
				April 2023	Representative Director and President of the Target	
				July 2025	Representative Director of the Tender Offeror (current)	
Director	-	Shinya Ogawa	September 8, 1947	April 1973	Joined Toyota Motor Co., Ltd. (current Toyota Motor Corporation)	-
				January 1981	Left Toyota Motor Co., Ltd.	
				February 1981	Joined the Target	
				June 1983	Manager of Procurement Department of the Target	
				June 1983	Director, and Manager of Procurement Department of the Target	
				June 1985	Managing Director of the Target	
				March 1989	Senior Director of the Target	
				February 1990	Director and Vice President of the Target	
				June 1990	Representative Director and Vice President of the	

				Target	
				June 1996	Representative Director and President of the Target
				April 2023	Representative Director and Chairman of the Target (current)
				July 2025	Director of the Tender Offeror (current)
Total					10

Note 1: The Tender Offeror was incorporated with Masahiro Nobukawa as director as of incorporation, but after Mr. Nobukawa submitted a letter of resignation as director dated July 24, 2025, Tetsushi Ogawa took office as the Tender Offeror's representative director and Shiya Ogawa took office as the Tender Offeror's director. As of the date of submission of this Notification, said change of representative director and director is in the process of application for registration.

(2) Status of Accounting

The Tender Offeror is a *kabushiki kaisha* established on March 3, 2025 and has not completed its fiscal year since its establishment; therefore, no financial statements have been prepared.

(3) Matters Relating to the Tender Offeror as a Company Subject to Continuous Disclosure

[1] **Documents Submitted by the Tender Offeror**

- i. Securities report and attachments thereto
- ii. Semiannual reports
- iii. Revised reports

[2] **Place Where the Above Documents are Made Available for Public Inspection**

2. If an Organization Other than a Company

Not applicable.

3. If a Natural Person

Not applicable.

Part 3. Status of Ownership and Transactions of Share Certificates, etc. by the Tender Offeror and its Specially-Related Parties

1. Status of Ownership of Share Certificates, etc.

(1) Total Ownership of Share Certificates, etc. by the Tender Offeror and Specially-Related Parties

(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	25,825 (units)	- (units)	- (units)
Share option certificates	1,069 (units)	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates ()	-	-	-
Total	26,894	-	-
Total number of Share Certificates, etc., owned	26,894	-	-
(Total number of Potential Share Certificates, etc., owned)	(1,069)	-	-

Note 1: Following the submission of this Notification, the Tender Offeror will confirm the number of the Share Certificates, etc. of the Target owned by specially-related parties, and if this Notification needs to be revised, will submit a revised notification for this Notification.

Note 2: “Number of Share Certificates, etc., owned” above includes 276 units of voting rights underlying 27,688 Target Shares (rounded down to the nearest whole number) indirectly owned by specially-related parties via the officer stock ownership of the Target.

Note 3: “Number of Share Certificates, etc., owned” above includes 446 units of voting rights underlying 44,600 Restricted Shares owned by specially-related parties.

(2) Status of Ownership of Share Certificates, etc. by the Tender Offeror

(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	- (units)	- (units)	- (units)
Share option certificates	-	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates ()	-	-	-
Total	-	-	-

Total number of Share Certificates, etc., owned	-	-	-
(Total number of Potential Share Certificates, etc. owned)	(-)	-	-

(3) Status of Ownership of Share Certificates, etc. by Specially-Related Parties (Total of Specially-Related Parties)
(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	25,825 (units)	- (units)	- (units)
Share option certificates	1,069 (units)	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates()	-	-	-
Total	26,894	-	-
Total number of Share Certificates, etc., owned	26,894	-	-
(Total number of Potential Share Certificates, etc. owned)	(1,069)	-	-

Note1: Following the submission of this Notification, the Tender Offeror will confirm the number of the Share Certificates, etc. of the Target owned by specially-related parties, and if this Notification needs to be revised, will submit a revised notification for this Notification.

Note2: “Number of Share Certificates, etc., owned” above includes 276 units of voting rights underlying 27,688 Target Shares (rounded down to the nearest whole number) indirectly owned by specially-related parties via the officer stock ownership of the Target.

Note3: “Number of Share Certificates, etc., owned” above includes 446 units of voting rights underlying 44,600 Restricted Shares owned by specially-related parties.

(4) Status of Ownership of Share Certificates, etc. by Specially-Related Parties (Breakdown by Specially-Related Party)

[1] **Specially-Related Parties**

(As of July 28, 2025)

Name	Shinya Ogawa
Address or location	100 Kyutoku-cho, Ogaki-shi, Gifu (where the Tender Offeror is located)
Occupation or business	Director of the Tender Offeror Representative Director and Chairman of the Target Chairman (Representative Director) of the OGAWA Science and Technology Foundation
Contact information	Contact person: Yuji Shiga, attorney; Tsukasa Tahara, attorney Contact place: Otemon Tower 1-1-2, Otemachi, Chiyoda-ku, Tokyo Nishimura & Asahi (Gaikokuho Kyodo Jigyo)

	Phone number: 03-6250-6200 (main)
Relationship with the Tender Offeror	An officer of the Tender Offeror An individual who has a special capital relationship with the Tender Offeror A person that has agreed to exercise voting or other rights as a shareholder of the Target jointly with the Tender Offeror after the successful completion of the Tender Offer

Name	The OGAWA Science and Technology Foundation
Address or location	100 Kyutoku-cho, Ogaki-shi, Gifu, within PACIFIC INDUSTRIAL CO., LTD.
Occupation or business	Grant of subsidies/provision of support and promotion of research and development related to science, technology, and manufacturing
Contact information	Contact person: Shinya Ogawa Contact place: 100 Kyutoku-cho, Ogaki-shi, Gifu Phone number: 0584-93-0113
Relationship with the Tender Offeror	A person that has agreed to exercise voting or other rights as a shareholder of the Target jointly with the Tender Offeror after the successful completion of the Tender Offer

Name	Tetsushi Ogawa
Address or location	100 Kyutoku-cho, Ogaki-shi, Gifu (where the Tender Offeror is located)
Occupation or business	Representative Director of the Tender Offeror Representative Director and President of the Target Vice President (Executive Director) of the OGAWA Science and Technology Foundation
Contact information	Contact person: Yuji Shiga, attorney; Tsukasa Tahara, attorney Contact place: Otemon Tower 1-1-2, Otemachi, Chiyoda-ku, Tokyo Nishimura & Asahi (Gaikokuho Kyodo Jigyo) Phone number: 03-6250-6200 (main)
Relationship with the Tender Offeror	An officer of the Tender Offeror An individual who has a special capital relationship with the Tender Offeror A person that has agreed to exercise voting or other rights as a shareholder of the Target jointly with the Tender Offeror after the successful completion of the Tender Offer

[2] Number of Share Certificates, etc., Owned

Shinya Ogawa

(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	14,840 (units)	- (units)	- (units)
Share option certificates	893 (units)	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates ()	-	-	-

Total	15,733	-	-
Total number of Share Certificates, etc., owned	15,733	-	-
(Total number of Potential Share Certificates, etc., owned)	(893)	-	-

Note1: “Number of Share Certificates, etc., owned” above includes 138 units of voting rights underlying 13,856 Target Shares (rounded down to the nearest whole number) indirectly owned by Shinya Ogawa via the officer stock ownership of the Target.

Note2: “Number of Share Certificates, etc., owned” above includes 256 units of voting rights underlying 25,600 Restricted Shares owned by Shinya Ogawa.

The OGAWA Science and Technology Foundation

(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	10,000 (units)	- (units)	- (units)
Share option certificates	-	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates ()	-	-	-
Total	10,000	-	-
Total number of Share Certificates, etc., owned	10,000	-	-
(Total number of Potential Share Certificates, etc., owned)	(-)	-	-

Tetsushi Ogawa

(As of July 28, 2025)

	Number of Share Certificates, etc., owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Order
Share certificates	985(units)	- (units)	- (units)
Share option certificates	176 (units)	-	-
Bonds with share options	-	-	-
Share Certificates, etc. trust beneficiary certificates ()	-	-	-
Share Certificate, etc. depository certificates ()	-	-	-

Total	1,161	-	-
Total number of Share Certificates, etc., owned	1,161	-	-
(Total number of Potential Share Certificates, etc. owned)	(176)	-	-

Note1: “Number of Share Certificates, etc., owned” above includes 138 units of voting rights underlying 13,832 Target Shares (rounded down to the nearest whole number) indirectly owned by Tetsushi Ogawa via the officer stock ownership of the Target.

Note2: “Number of Share Certificates, etc., owned” above includes 190 units of voting rights underlying 19,000 Restricted Shares owned by Tetsushi Ogawa.

2. Status of Transactions of Share Certificates, etc.

(1) Status of Transactions in the 60 Days Prior to the Notification Date

Name	Type of Share Certificates, etc.	Number Increased	Number Decreased	Difference
Shinya Ogawa	Ordinary shares	400 shares	-	400 shares
Tetsushi Ogawa	Ordinary shares	1,005 shares	-	1,005 shares

Note 1: Shinya Ogawa acquired 81 shares on June 23, 2025 and 319 shares on July 22, 2025 (rounded down to the nearest whole number) through purchases via the officer stock ownership of the Target.

Note 2: Tetsushi Ogawa acquired 406 shares on June 23, 2025 and 599 shares on July 22, 2025 (rounded down to the nearest whole number) through purchases via the officer stock ownership of the Target.

3. Important Agreements Executed in Connection with the Share Certificates, etc.

The Tender Offeror executed a Non-Tendering Agreement (Founding Family) with Shinya Ogawa (number of shares owned: 1,573,305 shares, ownership percentage: 2.72%) and Tetsushi Ogawa (number of shares owned: 116,127 shares, ownership percentage: 0.20%), shareholders of the Target, on July 25, 2025. The Tender Offeror also executed a Non-Tendering Agreement (Foundation) with the Foundation (number of shares owned: 1,000,000 shares, ownership percentage: 1.73%), a shareholder of the Target, on July 25, 2025.

For details of the Non-Tendering Agreement (Founding Family) and the Non-Tendering Agreement (Foundation), please see section“(4) Important Agreements Relating to the Tender Offer,” of section “3. Purpose of Purchase, etc.,” in the section titled “Part 1. Tender Offer Terms and Conditions” above.

4. Agreement to Purchase, etc. of Share Certificates, etc. On or After the Submission Date of the Notification

Not applicable.

Part 4. Transactions, etc. Between the Tender Offeror and the Target

1. Existence or Non-Existence of Transactions Between the Tender Offeror and the Target or its Officers, and Details Thereof

(1) Transactions between the Tender Offeror and the Target

Not applicable.

(2) Transactions between the Tender Offeror and the Target's officers

Not applicable.

2. Existence or Non-Existence of Agreement Between the Tender Offeror and the Target or its Officers, and Details Thereof

(1) Existence or non-existence of agreement between the Tender Offeror and the Target

According to the Target Press Release, at the meeting of the Target's Board of Directors held on July 25, 2025, the Target passed a resolution indicating that the Target will express an opinion in support of the Tender Offer and recommend that the Target shareholders tender their shares and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders' in the Tender Offer.

For details of such decision-making process of the Target, please see the Target Press Release, and section "[5] Approval of all Target directors (including Audit and Supervisory Committee Members) who do not have any interest," of section "(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)," of section "Background of the Calculation," of section "(2) Purchase, etc. prices," of section "4. Purchase, etc. Period, Purchase, etc. Prices, and Number of Share Certificates, etc. Planned for Purchase," in the section titled "Part 1. Tender Offer Terms and Conditions" above.

(2) Existence or non-existence of agreement between the Tender Offeror and the Target's officers

The Tender Offeror executed a Non-Tendering Agreement (Founding Family) with Shinya Ogawa, Representative Director and Chairman of the Target (number of shares owned: 1,573,305 shares, ownership percentage: 2.72%) and Tetsushi Ogawa, Representative Director and President of the Target (number of shares owned: 116,127 shares, ownership percentage: 0.20%), on July 25, 2025.

For details of the Non-Tendering Agreement, please see section "(4) Important Agreements Relating to the Tender Offer," of section "3. Purpose of Purchase, etc.," in the section titled "Part 1. Tender Offer Terms and Conditions" above.

The Tender Offeror has not reached any agreement that it will provide any interests to the Target's officers, other than the agreement above.

(3) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

Please see section "(2) The Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy," of section "3. Purpose of Purchase, etc.," in the section titled "Part 1. Tender Offer Terms and Conditions" above.

(4) 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

Please see section "(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)," of section "Background of the Calculation," of section "(2) Purchase, etc. prices," of section "4. Purchase, etc. Period, Purchase, etc.

Prices, and Number of Share Certificates, etc. Planned for Purchase,” in the section titled “Part 1. Tender Offer Terms and Conditions” above.

Part 5. Status of the Target

1. Status of Earnings, etc. over the Past Three Years

(1) Status of Earnings

Settlement term	-	-	-
Sales	-	-	-
Cost of sales	-	-	-
SG&A expenses	-	-	-
Non-operating revenue	-	-	-
Non-operating expenses	-	-	-
Net profit (net loss) for term	-	-	-

(2) Status per One Share

Settlement term	-	-	-
Net profit or loss per one share	-	-	-
Dividends per one share	-	-	-
Net assets per one share	-	-	-

2. Status of Share Price

(unit: yen)

Name of financial instruments exchange or authorized financial instruments firms association	TSE Prime Market						
Month	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025 (Note 1)
Highest share price	1,567	1,520	1,495	1,381	1,330	1,359	1,761
Lowest share price	1,281	1,341	1,351	1,068	1,243	1,289	1,313

Note: For July 2025, the figures are for the period until July 25.

3. Status of Shareholders

(1) Status by Owner Type

As of [date]

Category	Status of Shares (no. of shares in 1 share unit: shares)	Status
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	Governments and local public agencies	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, etc.	Total	of shares equal to less than one share unit (shares)
					Entitles other than individuals	Individuals			
Number of shareholders (persons)	-	-	-	-	-	-	-	-	-
Number of shares owned (units)	-	-	-	-	-	-	-	-	-
Percentage of number of shares owned (%)	-	-	-	-	-	-	-	-	-

(2) Number of Shares Owned by Major Shareholders and by Officers

[1] **Major Shareholders**

As of [date]

Name	Address or location	Number of shares owned (shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	-	-	-

[2] **Officers**

As of [date]

Name	Title	Position	Number of shares owned (shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Total	-	-	-	-
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4. Matters Relating to the Target as a Company Subject to Continuous Disclosure

(1) Documents Submitted by the Target

[1] **Securities report and attachments thereto**

Business year: 100th Term (from April 1, 2023 until March 31, 2024), submitted to the Director-General of the Kanto Local Finance Bureau on June 17, 2024

Business year: 101st Term (from April 1, 2024 until March 31, 2025), submitted to the Director-General of the Kanto Local Finance Bureau on June 16, 2025

[2] **Semiannual reports**

Not applicable.

[3] **Extraordinary reports**

Not applicable.

[4] **Revised reports**

Not applicable.

(2) Place Where the Above Documents are Made Available for Public Inspection

PACIFIC INDUSTRIAL CO., LTD.

(100 Kyutoku-cho, Ogaki-shi, Gifu)

Tokyo Stock Exchange, Inc.

(2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Nagoya Stock Exchange, Inc.

(3-8-20 Sakae, Naka-ku, Nagoya-shi)

5. Facts That Have Been Conveyed Relating to the Implementation of the Tender Offer

Not applicable.

6. Other

(1) Release of the “Consolidated Financial Results For the 1st Quarter Ended June 30, 2025”

The Target released the “Consolidated Financial Results For the 1st Quarter Ended June 30, 2025” on July 25, 2025. The following is a summary of the Target First Quarter Financial Results according to the release. Note that the release was not subject of a review conducted by an audit firm. For details, please refer to the release.

Summary of the Consolidated Financial Results For the 1st Quarter Ended June 30, 2025

(from April 1, 2025 until June 30, 2025)

(i) Status of Earnings (Consolidated)

(unit: million yen)

Accounting Term	FY ending March 2026 (First Quarter Consolidated Cumulative Period)
Net sales	52,646
Operating income	4,483
Ordinary income	4,914
Quarterly net profit belonging to parent company shareholders	3,407

(ii) Status Per One Share (Consolidated)

(unit: yen)

Accounting Term	FY ending March 2026 (First Quarter Consolidated Cumulative Period)
Quarterly net profit per one share	59.56
Dividends per one share	0.00

(2) Release of the “Notice of Revision (No Dividend) of Fiscal Year Ending March 2026 Expected Interim Dividend and Year-End Dividend”

As explained in the “Notice of Revision (No Dividend) of Fiscal Year Ending March 2026 Expected Interim Dividend and Year-End Dividend” released on July 25, 2025, at the Target’s Board of Directors meeting held on July 25, 2025, the Target passed a resolution indicating that on the condition that the Tender Offer will be completed successfully, the fiscal year ending March 2026 expected dividend will be revised and the interim dividend and final dividends in the fiscal year ending March 2026 will not be distributed. For details, please refer to the “Notice of Revision (No Dividend) of Fiscal Year Ending March 2026 Expected Interim Dividend and Year-End Dividend” released by the Target on the same day.