



October 13, 2026

To whom it may concern:

Listed company name: RISO KYOIKU GROUP CORPORATION
 President and Representative Director: Masahiko Tenbo
 (Listing Code: 4714; Prime Market of the TSE)
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**Notice Concerning Expression of Opinion in Favor of, and Recommendation to Tender in the Tender Offer
 for the Company Shares, Etc. by Hulic Co., Ltd., the Company's Parent Company**

RISO KYOIKU GROUP CORPORATION ("Company") hereby announces that at a meeting of the Board of Directors held today, the Company has resolved to express an opinion in favor of a tender offer ("Tender Offer") by Hulic Co., Ltd. ("Tender Offeror"), the controlling shareholder (parent company) of the Company, for common shares of the Company ("Company Shares") and the Stock Acquisition Rights (as defined in "1. Overview of the Tender Offeror" below; the same shall apply hereinafter), and to recommend that the shareholders of the Company and holders of the Stock Acquisition Rights ("Stock Acquisition Right Holders") tender in the Tender Offer, as detailed below.

Please note that the resolution of the Board of Directors of the Company mentioned above has been adopted on the premise that the Tender Offeror intends to make the Company a wholly owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures, and that the Company Shares are scheduled to be delisted.

1. Overview of the Tender Offeror

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(1)	Name	Hulic Co., Ltd.	
(2)	Location	7-3, Nihonbashi Odenmachi, Chuo-ku, Tokyo	
(3)	Title and name of representative	Takaya Maeda President, Representative Director	
(4)	Description of business	Real estate holding, leasing, sales and brokerage	
(5)	Share capital	111,609 million yen (as of June 30, 2026)	
(6)	Date of establishment	March 26, 1957	
(7)	Major shareholders and their ownership ratios (as of June 30, 2026) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.57%
		Meiji Yasuda Life Insurance Company	6.21%
		Fuyo General Lease Co., Ltd.	5.30%
		Custody Bank of Japan, Ltd. (Trust Account)	4.75%
		Yasuda Real Estate Co., Ltd.	4.01%
		Mizuho Capital Co., Ltd.	3.33%
		Yasuda Logistics Corporation	3.17%
		Tokyo Tatemono Co., Ltd.	2.65%
		TEIKOKU SEN-I CO., Ltd.	2.21%
	Oki Electric Industry Co., Ltd.	1.64%	
(8)	Relationship between the Company and the Tender Offeror		
	Capital relationship	As of today, the Tender Offeror holds 86,885,599 shares of the Company Shares (ownership ratio (Note 2): 50.87%) and has made the Company a consolidated subsidiary.	
	Personnel relationship	One director of the Company concurrently serves as a director of the Tender Offeror.	
	Business relationship	The Tender Offeror has entered into a capital and business alliance agreement with the Company dated September 29, 2020, an amendment agreement to the capital and business alliance agreement dated October 27, 2021, and another amendment agreement to the capital and business alliance agreement dated April 8, 2024. In addition, the Company has entered into real estate lease agreements with the Tender Offeror and certain of its	

	group companies (specifically, Nexray Co., Ltd. (formerly Raysum Co., Ltd.) and Hulic Building Management Co., Ltd.) for the purpose of using the Company Group's offices and the business locations (school buildings and other facilities) of "Kodomo Department," which are education-specialized buildings.
Applicability to related parties	The Tender Offeror is the parent company of the Company, and the Tender Offeror and the Company are mutually related parties.

(Note 1) "Major shareholders and their ownership ratios (as of June 30, 2026)" is based on the "Status of Major shareholders" section of the Semi-Annual Securities Report for the 97th fiscal period that the Tender Offeror filed on August 4, 2026.

(Note 2) "Ownership ratio" refers to the ratio (rounded to the second decimal place) of the number of shares held to the number of shares (170,815,350 shares) obtained by deducting the number of treasury shares owned by the Company as of August 31, 2026 (1,270,719 shares) from the aggregate of (a) the total number of issued Company Shares as of August 31, 2026 (171,806,159 shares), both as stated in the "Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)" ("Summary Financial Results") released today by the Company, and (b) the number of Company Shares (279,910 shares) underlying the Stock Acquisition Rights (Note 3) that are outstanding as of the same date (26,057 rights) (Note 4); the same shall apply hereinafter for the calculation of the ownership ratio, unless otherwise defined.

(Note 3) Items (i) through (vi) below are hereinafter collectively referred to as "Stock Acquisition Rights." The price of purchase, etc. per Stock Acquisition Right in the Tender Offer is hereinafter individually or collectively referred to as "Stock Acquisition Right Price."

- (i) The first series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on October 9, 2018 ("First Stock Acquisition Rights") (exercise period: from November 20, 2018 through November 19, 2058);
- (ii) The second series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on August 23, 2019 ("Second Stock Acquisition Rights") (exercise period: from September 25, 2019 through September 24, 2059);
- (iii) The third series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on September 18, 2020 ("Third Stock Acquisition Rights") (exercise period: from October 20, 2020 through October 19, 2060);
- (iv) The fourth series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on August 24, 2021 ("Fourth Stock Acquisition Rights") (exercise period: from September 23, 2021 through September 22, 2061);
- (v) The fifth series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on June 23, 2022 ("Fifth Stock Acquisition Rights") (exercise period: from July 20, 2022 through July 19, 2062); and
- (vi) The sixth series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on September 19, 2023 ("Sixth Stock Acquisition Rights") (exercise period: from October 26, 2023 through October 25, 2063).

(Note 4) The table below presents a breakdown of the outstanding Stock Acquisition Rights as of August 31, 2026:

Name	Number of stock acquisition rights	Number of Company Shares underlying the stock acquisition rights (shares)
First Stock Acquisition Rights	967	29,010
Second Stock Acquisition Rights	2,408	24,080
Third Stock Acquisition Rights	6,173	61,730
Fourth Stock Acquisition Rights	2,037	20,370
Fifth Stock Acquisition Rights	9,857	98,570
Sixth Stock Acquisition Rights	4,615	46,150
Total	26,057	279,910

2. Overview of purchase, etc.

Purpose of the tender offer	To make the Company a wholly owned subsidiary of the Tender Offeror.
Period of purchase, etc.	From October 14, 2026 (Wednesday) to November 26, 2026 (Thursday) (30 business days)
Price of purchase, etc.	295 yen per common share (Note 1) 8,820 yen per First Stock Acquisition Right 2,940 yen per Second Stock Acquisition Right 2,940 yen per Third Stock Acquisition Right 2,940 yen per Fourth Stock Acquisition Right 2,940 yen per Fifth Stock Acquisition Right 2,940 yen per Sixth Stock Acquisition Right
Maximum number of shares to be purchased	— (shares)
Minimum number of shares to be purchased	26,646,601 (shares) (Note 2)

(Note 1) The price for purchase, etc. per share of the Company Shares in the Tender Offer is hereinafter collectively referred to as “Tender Offer Price.”

(Note 2) Assuming that the Tender Offeror executes a purchase, etc. for the minimum number of shares to be purchased, the Tender Offeror’s share ownership ratio (which means the ownership ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; “Act”), and if the Tender Offeror has specially related parties as defined in Paragraph 1, Item 1 of the same Article (excluding those who are excluded, pursuant to Article 3, Paragraph 2, Item 1 of 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), from the specially related parties for the purpose of the calculation of the share ownership ratio under each item of Article 27-2, Paragraph 1 of the Act), it means the ratio obtained by adding those parties’ share ownership ratio following such purchase, etc. will become 66.56% (rounded to the second decimal place). To calculate the aforementioned share ownership ratio, the denominator (1,705,831) has been determined by summing (a) the total number of voting rights (1,703,032 rights) held by all shareholders of the Company as of August 31, 2026, and (b) the number of voting rights (2,799 rights) pertaining to the number of Company Shares (279,910 shares) underlying the Stock Acquisition Rights (26,057 rights) that are outstanding as of the same date.

3. Contents of the opinion regarding the Tender Offer, and the grounds and reasons thereof

(1) Contents of the opinion

At its Board of Directors meeting held today, the Company has resolved to express its opinion in favor of the Tender Offer and to recommend that the Company’s shareholders and the Stock Acquisition Right Holders tender their securities in the Tender Offer based on the grounds and reasons stated in “(2) Grounds and reasons for the opinion” below.

With the view to eliminating any risk that the deliberations and resolutions at the Company’s Board of Directors meeting might be influenced by structural conflicts of interest arising from the transaction intended to make the Company a wholly owned subsidiary of the Tender Offer (“Transaction”), and given that Mr. Saburo Nishiura, one of the seven directors of the Company, concurrently serves as a director of the Tender Offeror, the six remaining directors, excluding Mr. Saburo Nishiura, deliberated on the matter and adopted the above resolution unanimously at the aforementioned Board of Directors meeting.

In addition, all four of the Company’s Auditors were in attendance at the aforementioned Board of Directors meeting and unanimously expressed that they had no objections to the aforementioned resolution.

Furthermore, given that Mr. Saburo Nishiura, one of the Company’s directors, concurrently serves as a director of the Tender Offeror as described above, he has not participated in any deliberations or resolutions at the Board of Directors meetings of the Company related to the Transaction, including the aforementioned Board of Directors meeting, nor has he participated in any discussions or negotiations regarding the Transaction on behalf of the Company with the view to eliminating any risk that the deliberations and resolutions at the Company’s Board of Directors meeting might be influenced by structural conflicts of interest arising from the Transaction.

(2) Grounds and reasons for the opinion

The information in this section regarding the Tender Offeror is based on explanations provided by the Tender Offeror.

- (I) Background, purpose, and decision-making process that led the Tender Offeror to implement the Tender Offer
- (i) Business environment and other factors affecting the Company

In July 1985, the Company acquired the operations of 14 classrooms from Nihon Kodomo Pia K.K. (a wholly owned subsidiary of GAKKEN CO., LTD.). The Company's founder, Mr. Mitsugu Iwasa ("Mr. Iwasa"), was involved in the management of this company, which specialized in the sale of educational equipment for young children and the operation of classrooms. In March 1990, the Company developed a "one-on-one private tutoring system in fully private rooms (all equipped with whiteboards)" and established Nihon Kyoiku Kosha, guided by the philosophy that "each student is unique, and true education is one that accurately responds to those individual differences." To this end, the Company sought to eliminate the drawbacks associated with traditional group instruction and provide high-quality educational services through individualized instruction tailored to each student's unique personality and individual differences. In October 1998, the Company changed its trade name to Riso Kyoiku Co., Ltd.

The Company Shares were registered on the over-the-counter market with the Japan Securities Dealers Association in December 1998; listed on the Second Section of Tokyo Stock Exchange, Inc. ("TSE") in March 2001; transferred to the First Section of the TSE in June 2002; and transferred from the First Section of the TSE to the TSE Prime Market following the market reclassification in April 2022. On September 1, 2025, the Company transitioned to a holding company structure through a company split (absorption-type split) and adopted the trade name "RISO KYOIKU GROUP CORPORATION." The structure and name have remained unchanged since then.

As of today, the Company has eight subsidiaries, and the Company and these eight subsidiaries constitute a corporate group ("Company Group"). The core business of the Company's subsidiaries is tutoring for college and school entrance exams through fully one-on-one private instruction. They also operate preparatory schools for entrance exams to prestigious kindergartens and elementary schools, as well as daycare centers for children, after-school care facilities, English conversation schools, and other programs.

The Company Group's major entities and their business activities are as follows:

(a) TOMAS Co., Ltd.

TOMAS Co., Ltd., a consolidated subsidiary of the Company, primarily offers entrance exam preparation services through fully one-on-one tutoring, using a "100 People, 100 Ways" curriculum, which is designed to work backward from the goal of helping students pass the exams. It operates the college and school preparatory tutoring school "TOMAS," the medical school-specialized tutoring school "Medic TOMAS," and the one-on-one English conversation school "Inter TOMAS," all under a direct management model.

(b) Meimonkai Co., Ltd.

Meimonkai Co., Ltd., a consolidated subsidiary of the Company, primarily operates one-on-one entrance exam preparatory schools where instruction is provided exclusively by teaching professionals (full-time instructors with experience in student guidance who teach as their primary occupation). It operates the "Meimonkai Home Teacher Dispatch Center," "MEDIC Meimonkai" (a preparatory school specializing in medical school entrance exams that offers fully one-on-one tutoring), and the nationwide one-on-one school and college preparation school "TOMEIKAI" in regions where "TOMAS," the Company's one-on-one entrance exam preparation school, does not operate, all under a direct management model.

(c) Shingakai Co., Ltd.

Shingakai Co., Ltd., a consolidated subsidiary of the Company, operates "Shingakai," which provides preparation for entrance exams to prestigious kindergartens and elementary schools, and "Shinga's Club," which offers extended-hour childcare services tailored to entrance exam preparation, as well as after-school programs that include instructions for junior high school entrance exams.

(d) School TOMAS Co., Ltd.

School TOMAS Co., Ltd., a consolidated subsidiary of the Company, operates "School TOMAS," an in-school one-on-one tutoring service in private tutoring booths set up within schools. This service is part of its offerings to incorporated educational institutions, leveraging the expertise of "TOMAS."

(e) Plus One Kyoiku Co., Ltd.

Plus One Kyoiku Co., Ltd., a consolidated subsidiary of the Company, operates programs called "School Tour Ship," "TOMAS Soccer School," and "TOMAS Gymnastics," which incorporate character and emotional education into their educational curricula, addressing areas that cannot be fully satisfied through academic instruction alone.

(f) Sundai TOMAS Co., Ltd.

Sundai TOMAS Co., Ltd., a consolidated subsidiary of the Company, focuses primarily on educational services tailored to highly competitive entrance exams, with a core emphasis on fully personalized tutoring, and operates “Spec. TOMAS.”

In July 2019, the Company entered into a capital and business alliance agreement with Surugadai Gakuen Educational Institute (“Surugadai Gakuen”) to establish an educational system specializing in preparation for entrance exams to the most selective schools. Sundai TOMAS Co., Ltd. was established in September of the same year as a joint venture between the Company and Surugadai Gakuen.

(g) Cocokara Teachers Co., Ltd.

Cocokara Teachers Co., Ltd., a consolidated subsidiary of the Company, handles all aspects of instructor recruitment to ensure the “quality and quantity of instructors” and to continuously carry out effective and efficient instructor recruitment and retention. The company provides comprehensive support for the development, training, and placement of recruited instructors.

(h) Riso Welfare Co., Ltd.

Riso Welfare Co., Ltd., a consolidated subsidiary of the Company, operates a café in a building located in Minami-Ikebukuro, Toshima-ku, Tokyo, as part of the Company Group’s employee welfare program. This café is available not only to employees of the Company Group but also to registered users of the Company Group.

On September 29, 2020, the Company entered into a capital and business alliance agreement with the Tender Offeror for the purpose of collaboration with the Tender Offeror and Konami Sports Co., Ltd. (“Konami Sports”) on the development of “Kodomo Department,” which are education-specialized buildings that offer one-stop services for children, in the education business, and the introduction by the Tender Offeror of properties for use as the Company’s classrooms. On October 27, 2021, the Company entered into an amendment agreement to the capital and business alliance agreement with the Tender Offeror. Additionally, the Company has become a consolidated subsidiary of the Tender Offeror as a result of the tender offer for the Company Shares that commenced on April 9, 2024, and the issuance of shares through a third-party allotment to the Tender Offeror conducted on May 28 of the same year.

On April 8, 2026, the Company formulated and announced a new three-year medium-term management plan covering from the fiscal years ending February 2027 (42nd fiscal year) through February 2029 (44th fiscal year) (“New Medium-Term Management Plan”). The Company plans to allocate management resources to new initiatives such as the expansion into new business areas by opening tenant stores within “Kodomo Department” operated by the Tender Offeror as a new business, as well as the expansion of online and video lessons, in addition to maintaining sound management in existing businesses by systematizing student referrals across group brands and improving operational efficiency through DX (Note 1).

(Note 1) “DX” is an abbreviation for digital transformation and refers to the process of utilizing data and digital technologies to review business processes and work styles, thereby transforming business models.

(ii) Background, purpose, and decision-making process that led to the implementation of the tender offer and management policy after the purchase, etc.

According to the Tender Offeror, it was established in March 1957 as Nihonbashi Kogyo Co., Ltd., named after Nihonbashi in Tokyo, the place of its foundation. Since its establishment, the Tender Offeror has primarily operated in the real estate business. In January 2007, upon reaching its 50th anniversary, the Tender Offeror changed its trade name to the current “Hulic Co., Ltd.” The Tender Offeror is strengthening its corporate foundation through a unique growth strategy centered on reconstruction of its owned properties, as well as aggressive investments and M&A in growth sectors. The Tender Offeror is also promoting new business initiatives that extend beyond the real estate sector, such as tourism and the Child Education Business.

The Tender Offeror’s shares were listed on the First Section of the TSE in November 2008. Following the TSE’s market reclassification in April 2022, the Tender Offeror’s shares were transferred from the First Section of the TSE to the TSE Prime Market, where they remain to date.

As of June 30, 2026, the Tender Offeror’s group consists of the Tender Offeror, 53 consolidated subsidiaries (including the Company), 46 equity method affiliates, 10 non-consolidated subsidiaries, and 10 non-equity method affiliates (“Tender Offeror Group”), and operates in the Real Estate Business, Insurance Business, Hotel and Ryokan Business, and “Other” segment.

In Real Estate Business, the Tender Offeror engages in Real Estate Leasing Operations, which have established a revenue structure that it considers stable and efficient; Real Estate Development Operations, involving the reconstruction of properties it owns and development projects in prime metropolitan areas; Real Estate Investment Operations, involving the acquisition of properties to expand its rental asset portfolio, as

well as the real estate value-added business (Note 1) and other acquisition and sales of properties; and Asset Management Operations (Note 2) for investment corporations and similar entities, among other operations. For the Tender Offeror Group, approximately 90% of consolidated operating revenue for the fiscal year ended December 2025 was derived from the Real Estate Business. The Insurance Business encompasses life and non-life insurance agency operations, while the Hotel and Ryokan Business involves the operation of hotels and ryokan (Japanese-style inns), and the “Other” segment includes construction contracting services, design and construction supervision services, and the Child Education Business, among others.

(Note 1) “Real estate value-added business” refers to a business that seeks to maximize property value by performing value-added activities, including remodeling, renewal, renovation, expansion, change of use, and restoration of compliance and seismic safety, on properties owned by the Tender Offeror Group or on real estate that has been newly acquired or in which the Tender Offeror Group has newly invested.

(Note 2) “Asset Management Operations” refers to the operations involved in selecting, acquiring, managing, and selling real estate, as well as managing these assets to maximize returns for investors.

(A) Real Estate Business

(a) Real Estate Leasing Operations

As of June 30, 2026, the Tender Offeror Group’s core business is Real Estate Leasing Business, in which it utilizes approximately 250 rental properties that it owns and manages (excluding properties held for sale). These properties are primarily located near train stations in Tokyo’s 23 wards, and together encompass approximately 1.26 million square meters of leasable area. The Tender Offeror’s core business model centers on increasing rental income through the rebuilding of its owned properties to secure stable rental revenue with the view to effectively utilizing this rental asset portfolio and further strengthening profitability. Furthermore, the Tender Offeror engages in real estate acquisition and sales operations, including the real estate value-added business.

Nexray Co., Ltd., a consolidated subsidiary of the Tender Offeror, is also engaged in the acquisition and sale of real estate, as well as the real estate value-added business, among other businesses. The two companies are collaborating to achieve further growth on a consolidated basis and sustainably enhance corporate value.

Furthermore, the Tender Offeror Group is promoting initiatives in new business domains (Note 3) where market expansion is anticipated.

(Note 3) “New business domains” refers to a wide range of business fields that extend beyond the Real Estate Business, including tourism, senior care, environmental services, and the Child Education Business.

(b) Real Estate Development and Reconstruction Operations

The Tender Offeror is engaged in Real Estate Development Operations tailored to the characteristics of each property location. In particular, the Tender Offeror is enhancing the quality of its portfolio through the steady reconstruction of its existing rental properties. The Tender Offeror is also undertaking high-quality development operations in prime locations with the aim of creating added value through the acquisition, development, and sale of new properties.

(c) Asset Management Operations

Hulic REIT Management Co., Ltd., a consolidated subsidiary of the Tender Offeror, is entrusted with providing Asset Management Operations to Hulic Reit, Inc., which was listed on the Real Estate Investment Trust Securities Market of the TSE in February 2014 to enter the J-REIT business (Note 4).

In addition, Hulic Real Estate Investment Advisors Co., Ltd., a consolidated subsidiary of the Tender Offeror, is entrusted with providing Asset Management Operations to Hulic Private Reit, Inc., which came into operation in November 2017, and other entities.

(Note 4) “J-REIT business” refers to a business that raises funds from investors to purchase and manage real estate, and distributes the resulting income to investors.

(d) Other operations

Hulic Building Management Co., Ltd., a consolidated subsidiary of the Tender Offeror, and other entities are engaged in building management, security services, and building cleaning services as operations related to properties for lease.

Hulic Property Solution Co., Ltd., a consolidated subsidiary of the Tender Offeror, is engaged in planning, designing, appraising, supervising and consulting on construction work associated with the real estate value-added business.

(B) Insurance Business

As of August 31, 2026, Hulic Insurance Service Co., Ltd., a consolidated subsidiary of the Tender Offeror, had entered into agency agreements with 21 property and casualty insurance companies, 24 life insurance companies, and one small-amount short-term insurance company, and was engaged in fire, auto, and other property and casualty insurance agency services, as well as the solicitation of life insurance products (including term and endowment policies) and health insurance. The company also provides collection agency services related to its insurance agency operations.

While the Insurance Business focuses its sales efforts on the corporate market, it also provides attentive, “customer-first” service to individual customers, thus building a well-balanced sales base that serves both corporate and individual clients.

(C) Hotel and Ryokan Business

Hulic Hotel Management Co., Ltd., a consolidated subsidiary of the Tender Offeror, operates hotels under “THE GATE HOTEL” and “View Hotel” brands, while HULIC FUFU Co., Ltd. operates hotels and ryokan, primarily under the “FUFU” brand.

(D) Other segment

Hulic Build Co., Ltd., a consolidated subsidiary of the Tender Offeror, provides construction contracting services that primarily consist of maintenance work on buildings owned by the Tender Offeror and interior renovation work associated with tenant move-ins and move-outs. The company also provides design and construction supervision services.

Regarding the Child Education Business, the Company, a consolidated subsidiary of the Tender Offeror, engages in the promotion of businesses that provide education-related services for children. In addition, in July 2026, the Tender Offeror made Tokyo Kyoiku Ken Co., Ltd. (“Tokyo Kyoiku Ken”), which operates “Tetsuryokukai,” a tutoring school that specializes in preparing students for the University of Tokyo entrance exams, a wholly owned subsidiary through acquisition of shares.

Hulic Energy Solution Co., Ltd., a consolidated subsidiary of the Tender Offeror, is engaged in environmental infrastructure businesses, including the development and management of renewable energy power plants and energy storage facilities, as well as the retail electricity business.

In addition, during the fiscal year ended December 2025, Cook Deli, Inc., engaged in planning, development, outsourcing of the manufacturing, and sale of fully prepared meals for nursing care facilities, and Koken Boring Machine Co., Ltd., engaged in the manufacturing and sales of boring equipment and other related equipment, as well as related construction works, became wholly owned subsidiaries of the Tender Offeror.

According to the Tender Offeror, since around October 2018, the Tender Offeror has been leasing to the Company real estate for which publicly offered REITs managed by the Tender Offeror or a subsidiary of the Tender Offeror holds trust beneficiary rights, for use as the head office and other premises of Shingakai Co., Ltd., a consolidated subsidiary of the Company. In addition, on September 29, 2020, the Tender Offeror entered into a three-party business alliance agreement with the Company and Konami Sports for the purpose of developing “Kodomo Department,” which are education-specialized buildings that offer one-stop services for children, in the education business, thereby entering the Child Education Business.

With respect to the capital relationship between the Tender Offeror and the Company, on September 29, 2020, the Tender Offeror entered into a capital and business alliance agreement with the Company for the purpose of establishing and strengthening a long-term alliance relationship aimed at promoting business alliances such as jointly exploring new education-related businesses, utilizing real estate owned and developed by the Tender Offeror Group, providing real estate strategy support, and mutually utilizing the knowledge, know-how, and networks of both companies, and, on September 30, 2020, acquired 7,820,000 Company Shares (ownership ratio: 5.29% (meaning the ratio of such shares to 147,814,609 shares, which is the number obtained by deducting the number of treasury shares held by the Company as of August 31, 2020 (8,395,220 shares) from the total number of issued shares of the Company as of the same date (156,209,829 shares); hereinafter, in this paragraph and below, figures for “ownership ratio” are rounded to the second decimal place)) from Mr. Iwasa, thereby becoming a holder of the Company Shares. In addition, on May 28, 2021, the Tender Offeror newly acquired 9,322,039 Company Shares from Nihon Doro Koun, Inc., and as a result came to hold 17,142,039 Company Shares (ownership ratio: 11.60% (the ratio of such shares to 147,813,759 shares, which is the number obtained by deducting the number of treasury shares held by the Company as of February 28, 2021 (8,396,070 shares) from the total number of issued shares of the Company as of the same date (156,209,829 shares))). Furthermore, on October 27, 2021, in addition to acquiring an additional 8,200,000 Company Shares from Mr. Iwasa pursuant to a share transfer agreement entered into with Mr. Iwasa as of the same date, the Tender Offeror entered into an amendment agreement to the capital and business alliance

agreement with the Company as of the same date for the purpose of strengthening the provisions concerning management structure in the capital and business alliance agreement dated September 29, 2020, thereby acquiring an additional 6,500,000 Company Shares through the disposal of treasury shares by way of third-party allotment from the Company with a disposal date of November 17, 2021. As a result, the Tender Offeror came to hold 31,842,039 Company Shares (ownership ratio: 21.54% (the ratio of such shares to 147,813,759 shares, which is the number obtained by deducting the number of treasury shares held by the Company as of August 31, 2021 (8,396,070 shares) from the total number of issued shares of the Company as of the same date (156,209,829 shares))), making the Company an equity method affiliate of the Tender Offeror.

Subsequently, the Tender Offeror recognized that, as long as its ownership ratio of the Company Shares remained at slightly over 20%, it would be unable to incorporate the Company's profits into the Tender Offeror Group's revenues, nor would it be able to benefit fully from the synergies through information sharing or investment of management resources. The Tender Offeror also found it difficult to provide M&A support, as they could not share confidential information regarding potential M&A targets being considered by the Company. On the other hand, if the Tender Offeror were to make the Company a consolidated subsidiary, it would be possible to share information under exceptions to confidentiality obligations and provide active investment and support. The Tender Offeror therefore concluded that doing so would contribute to enhancing corporate value.

Accordingly, the Tender Offeror determined that, in order to enhance the effectiveness of the existing capital and business alliance, it would be appropriate to make the Company a consolidated subsidiary so that the Tender Offeror could incorporate the Company's profits into group revenues, support the identification of new business alliance partners by sharing the Tender Offeror's real estate information and its networks of tenants, brokers, and investees, and establish a structure that allows for rapid injection of management resources through the utilization of its financial base. However, at that time, the Tender Offeror believed that, because the Company's status as a listed company contributed to customer recognition and talent acquisition, delisting through conversion into a wholly owned subsidiary was not desirable, and that it was preferable for the Company to pursue value enhancement while continuing to enjoy the benefits of maintaining its listing.

In addition, the Tender Offeror planned to expand its "Kodomo Department" buildings to approximately 20 locations in the Greater Tokyo Area by 2029 and recognized that the Company was also expected to have capital expenditure needs for DX and other investments. Therefore, in early December 2023, the Tender Offeror concluded that strengthening the Company's financial base and using the resulting investment capacity to secure funds for medium- to long-term growth investments would be important from the perspective of enhancing the Company's corporate value. As the method for making the Company a consolidated subsidiary of the Tender Offeror, the Tender Offeror determined that the optimal method would be to provide investment funds to the Company by means of a combination of a tender offer and a third-party allotment of new shares, and on April 8, 2024 entered into an amendment agreement to the capital and business alliance agreement with the Company, further amending the amendment agreement to the capital and business alliance agreement dated October 27, 2021. Then, for the purpose of making the Company a consolidated subsidiary, the Tender Offeror acquired 39,447,230 Company Shares through the implementation of a tender offer for the Company Shares (maximum number of shares to be purchased: 39,447,200 shares (ownership ratio: 25.55% (the ratio of such shares to 154,363,599 shares, which is the number of shares obtained by deducting the number of treasury shares held by the Company as of February 29, 2024 (1,846,230 shares) from the total number of issued shares of the Company as of the same date (156,209,829 shares))), purchase period: from April 9, 2024 to May 27, 2024 (the "Previous Tender Offer")) and subscribed for 15,596,330 shares through a third-party allotment of new shares. As a result, on May 28, 2024, the Company became a consolidated subsidiary of the Tender Offeror, and on June 3, 2024, which was the commencement date of the settlement of the Previous Tender Offer, the Tender Offeror came to hold, in total, 86,885,599 Company Shares (ownership ratio: 51.12% (the ratio of such shares to 169,959,929 shares, which is the number of shares obtained by adding the number of Company Shares subscribed for by the Tender Offeror in the third-party allotment of new shares on May 28, 2024 (15,596,330 shares) to the total number of issued shares of the Company as of February 29, 2024 (156,209,829 shares), and deducting from the result (171,806,159 shares) the number of treasury shares held by the Company as of February 29, 2024 (1,846,230 shares))).

The Tender Offeror states that, since the Company became a consolidated subsidiary on May 28, 2024, it has achieved steady results in terms of intra-group collaboration and management support through strengthened collaborative initiatives, such as expanding the Company's presence in "Kodomo Department," which are education-specialized buildings that offer one-stop services for children, and implementing DX investments, as well as promoting medium- to long-term growth investments through joint efforts by both companies. "Kodomo Department," which is the core of the Child Education Business and integrates a diverse range of offerings for parents and children, including a wide variety of extracurricular activities, such as those in the cram school field in which the Company excels, as well as pediatric clinics and cafes where parents and

children can enjoy time together, has begun operating as a new child-rearing hub that supports both “children’s education” and the “reduction of the burden on parents” by addressing issues such as transportation to and from extracurricular activities and securing free time. As of today, three “Kodomo Department” buildings have opened in the Greater Tokyo Area (i.e., Tokyo and Kanagawa) and, through synergies between the after-school and educational services provided by the Company Group and the various services provided by tenants in these buildings, they are attracting families with a wide range of needs and achieving mutual customer referrals among tenants. In addition, the Tender Offeror has promoted collaboration with the Company by providing support for opening locations in prime sites through the utilization of its real estate expertise and network, information sharing regarding business alliance partners, and assisting in the evaluation of potential M&A targets. Furthermore, the Tender Offer believes that, compared to the period prior to the Company becoming a consolidated subsidiary, certain results have been achieved in establishing a foundation for promoting collaboration, as closer communication and faster coordination with the Company have become possible in areas such as discussions regarding the Company’s medium- to long-term business strategies, support for opening new locations, and the introduction of business alliance partners and potential M&A targets as opportunities arise.

On the other hand, the Tender Offeror recognizes that, since the Company became a consolidated subsidiary, the Company has been unable to respond swiftly to changes in the macroeconomic environment, such as soaring labor costs and rent, and its business performance has lagged behind that of its industry peers. As a result, the business environment surrounding the Company has been changing, as evidenced by the Company’s stock price remaining at a low level over the past year. Although the Company announced the New Medium-Term Management Plan on April 8, 2026, the Tender Offeror recognizes that, in light of recent changes in the macroeconomic environment, including soaring personnel expenses and rents associated with rising inflation, it is essential for the Company to swiftly implement fundamental measures aimed at enhancing corporate value over the medium to long term. However, as a listed company with general shareholders, the Company is compelled to balance business operations that contribute to the optimization of the Tender Offeror Group as a whole with business operations that serve the interests of the Company’s general shareholders, and certain constraints have also arisen with respect to the integrated utilization of management resources and know-how, as well as in business operations and decision-making. For example, in situations where the Tender Offeror is considering investing management resources in the Company, under the current capital relationship, while the Tender Offeror bears the costs and risks associated with such investment, the resulting benefits from the enhancement of the Company’s corporate value accrue to all of the Company’s shareholders. Consequently, the burden borne by the Tender Offeror does not necessarily align with the economic returns attributable to the Tender Offeror, meaning that investment of management resources in the Company is not always optimal for the Tender Offeror, and there have been situations where it cannot make prompt investment decisions or conduct business operations in the most appropriate manner. As such, the Tender Offeror recognizes that the current capital relationship has limitations in terms of making agile investment decisions and conducting business operations from the perspective of optimizing the Tender Offeror Group as a whole. The Tender Offeror believes that the Transactions will eliminate such constraints regarding the attribution of profits and the conflicts of interest arising from the current capital relationship, making it possible to align the interests of the Tender Offeror and the Company more directly. The Tender Offeror believes that this will enable it to consider and execute the allocation of management resources more flexibly and proactively from the perspective of enhancing the corporate value of the Tender Offeror Group as a whole, including investments contributing to the Company’s medium- to long-term growth, and to establish a structure that allows for more effective utilization of the human resources, technologies, know-how, and customer bases of the Tender Offeror Group.

Against this backdrop, in mid-June 2026, the Tender Offeror concluded that the Transactions were the best option for establishing the optimal management environment for both companies under a more stable and robust capital relationship with the Company and determined that transitioning to integrated group management through the Transactions is in the best interest of both companies.

In addition, the Tender Offeror believes that, by implementing the Transactions and supporting accelerated growth of the Company Group through maximum utilization of the Tender Offeror Group’s resources, the following synergies will be realized, contributing to the enhancement of the corporate value of both the Tender Offeror and the Company.

(i) Expansion of the Company Group’s existing businesses through enhanced intra-group collaboration

According to the Tender Offeror, the consolidation of the Company Group and Tetsuryokukai, which is operated by Tokyo Kyoiku Ken, a consolidated subsidiary of the Tender Offeror, into the Tender Offeror Group will enable the Tender Offeror Group as a whole to form a comprehensive lineup of educational services covering everything from early childhood education to entrance examinations for the most selective

universities. Although the specific details of joint efforts are to be determined through further discussions with the Company and other parties, various synergies are anticipated, including mutual collaboration in terms of know-how, branding, and human resources accumulated over the years, as well as exploration of joint services with the Company Group, and further expansion of the TOMAS and School TOMAS businesses are expected to be achieved.

(ii) Support for the New Medium-Term Management Plan and acceleration of its implementation

According to the Tender Offeror, in the New Medium-Term Management Plan, the Company has set forth two core strategies: improving performance of existing businesses and driving revenue through new businesses, with specific initiatives including the systematization of student referrals across group brands, the reduction of administrative work hours through DX, nationwide rollout via video lessons, franchise expansion via online lessons, the acceleration of online shift and regional expansion of School TOMAS, and plans to open new “Kodomo Department” buildings. The Tender Offeror believes that, after the Transactions are implemented and the Company becomes a wholly owned subsidiary of the Tender Offeror, integrated groupwide operations will become possible, and the Tender Offeror Group will be able to make investment decisions and provide support more proactively to facilitate the implementation of these initiatives set forth by the Company, including assistance from the Tender Offeror Group’s IT and systems departments in systematization and DX, as well as financial assistance, such as parent-subsidiary loans for upfront investments.

(iii) Reduction of listing maintenance costs and related operational burdens

According to the Tender Offeror, corporate governance requirements for listed companies like the Company that have controlling shareholders, particularly the requirements for the proper management of conflicts of interest that may arise between the controlling shareholders and general shareholders, as well as regulatory and disclosure requirements relating to transactions in which such conflicts of interest may become an issue, are becoming increasingly stringent, creating operational and financial burdens, and the Tender Offeror believes that implementing the Transactions will enable the Company to reduce the costs associated with maintaining its listing.

If the Transactions are successfully completed, the Company Shares will be delisted. The disadvantages generally associated with delisting include, among others, the inability to raise funds from the capital markets and the loss of benefits associated with being a listed company, such as gaining social credibility from business partners and other external parties and maintaining name recognition. However, with respect to financing, since the Company will be able to utilize the group financing of the Tender Offeror Group, the Tender Offeror considers that the impact of delisting will be minimal. In addition, since a certain level of trust has already been established between the Company and its business partners, it is not expected that existing business relationships will be impaired due to delisting, nor is it expected that the social credibility and name recognition accumulated by the Company through its business operations to date will be lost immediately as a result of delisting. Therefore, the Tender Offeror considers that the impact of the disadvantages associated with delisting will be minimal and will not outweigh the expected benefits of the enhancement of the Company’s corporate value described above.

After such consideration, in order to proceed with full-scale deliberations for the implementation of the Transactions, in mid-June 2026, the Tender Offeror appointed Mizuho Securities Co., Ltd. (“Mizuho Securities”) as its financial advisor and third-party valuator independent of both the Tender Offeror and the Company, and on June 24, 2026, appointed Mori Hamada & Matsumoto as its legal advisor, and on June 29, 2026, appointed KPMG FAS Co., Ltd. as its accounting and tax advisor.

Subsequently, on June 30, 2026, the Tender Offeror submitted to the Company the Letter of Intent (as defined in “(i) Background to the establishment of the review structure” in “(III) Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” below) outlining the background to, significance of, and anticipated schedule for the Transactions. Then, on July 10, 2026, the Tender Offeror received notice from the Company that, at the Board of Directors meeting of the Company held on the same day, a resolution had been adopted to establish the Special Committee (as defined in “(i) Background to the establishment of the review structure” in “(III) Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” below; the same shall apply hereinafter) and that the Company would cooperate with due diligence to a reasonable extent. In response, the Tender Offeror conducted due diligence on the Company from late July 2026 through late August 2026. In addition, since September 1, 2026, the Tender Offeror has engaged in multiple rounds of discussions and negotiations with the Company regarding the Tender Offer Price and the Stock Acquisition Right Price. Specifically, on September 1, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 240 yen (which

represents a premium of 14.29% over the closing price of 210 yen for the Company Shares on the Prime Market of the TSE on August 31, 2026, the business day immediately preceding the date of the proposal (rounded to the second decimal place; the same shall apply hereinafter to the calculation of premium rates), 17.07% over the simple average closing price of 205 yen for the past one month up to the same date (rounded to the nearest whole number; the same shall apply hereinafter to the calculation of simple average closing prices), 20.60% over the simple average closing price of 199 yen for the past three months up to the same date, and 21.83% over the simple average closing price of 197 yen for the past six months up to the same date), after comprehensively considering objective materials such as the financial information disclosed by the Company, disclosure materials including the Business Plan dated August 21 (as defined in “(ii) Process of review and negotiation” in “(III) Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” below; the same shall apply hereinafter) provided through due diligence, and factors such as the historical market price trends of the Company Shares. The Tender Offeror also made its initial proposal to set the Stock Acquisition Right Price at (i) 7,170 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 239 yen, the difference between 240 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,390 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 239 yen, the difference between 240 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 4, 2026, the Tender Offeror received a response from the Company and the Special Committee requesting that the Tender Offer Price be increased on the grounds that the proposed Tender Offer Price could not be considered a price that adequately took into account the premium levels observed in comparable transactions by controlling shareholders involving domestic listed companies, and that it was also significantly inadequate in relation to the Company Shares’ intrinsic value based on the Business Plan dated September 3 (as defined in “(ii) Process of review and negotiation” in “(III) Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” below; the same shall apply hereinafter). In light of this, on September 9, 2026, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 260 yen (which represents a premium of 23.81% over the closing price of 210 yen for the Company Shares on the Prime Market of the TSE on September 8, 2026, the business day immediately preceding the date of the proposal, 25.60% over the simple average closing price of 207 yen for the past one month up to the same date, 29.35% over the simple average closing price of 201 yen for the past three months up to the same date, and 31.31% over the simple average closing price of 198 yen for the past six months up to the same date), based on the Business Plan dated September 3 provided by the Company. The Tender Offeror also made its second proposal to set the Stock Acquisition Right Price at (i) 7,770 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 259 yen, the difference between 260 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,590 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 259 yen, the difference between 260 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 11, 2026, the Tender Offeror received a response from the Company and the Special Committee requesting a substantial increase in the Tender Offer Price on the grounds that the proposed Tender Offer Price could not be considered a price that adequately took into account the premium levels observed in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary), and that it was still significantly inadequate in relation to the Company Shares’ intrinsic value based on the Business Plan dated September 3 and the terms of the Previous Tender Offer. In light of this, on September 18, 2026, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 280 yen (which represents a premium of 30.84% over the closing price of 214 yen for the Company Shares on the Prime Market of the TSE on September 17, 2026, the business day immediately preceding the date of the proposal, 33.97% over the simple average closing price of 209 yen for the past one month up to the same date, 37.93% over the simple average closing price of 203 yen for the past three months up to the same date, and 40.70% over the simple average closing price of 199 yen for the past six months up to the same date). In addition, as the background to the Tender Offer Price, the Tender Offeror explained that (a) the terms of the Previous Tender Offer were determined based on such factors as the Company’s business plan, market environment, and transaction structure at the time of the Previous Tender Offer, and therefore, the terms of the Previous Tender Offer should not be regarded as the benchmark in considering the current Tender Offer Price, and (b) the Tender Offeror proposed the Tender Offer Price based on the results of its comprehensive review

of the Company's recent business performance, the feasibility of the Business Plan dated September 3 presented this time, and the business environment surrounding the Company Group, among other factors. The Tender Offeror also made its third proposal to set the Stock Acquisition Right Price at (i) 8,370 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 279 yen, the difference between 280 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,790 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 279 yen, the difference between 280 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 25, 2026, the Tender Offeror received a response from the Company and the Special Committee requesting a further increase in the Tender Offer Price on the grounds that the proposed Tender Offer Price could not be considered a price that adequately took into account the premium levels observed in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary), and that it was still at an inadequate level for the Company's minority shareholders in relation to the Company Shares' intrinsic value based on the Business Plan dated September 3 and the terms of the Previous Tender Offer. In addition, in response to the Tender Offeror's explanation regarding the background to the Tender Offer Price, the Company stated that (a) whereas the purpose of the Previous Tender Offer was to make the Company a consolidated subsidiary, the current Tender Offer and the subsequent procedures are intended to make the Company a wholly owned subsidiary, and, in light of the benefits associated with taking full control of the Company (the so-called "control premium"), the Tender Offer should fundamentally be implemented at a Tender Offer Price and a premium level exceeding those in the Previous Tender Offer, rather than at a Tender Offer Price lower than that in the Previous Tender Offer; furthermore, although the Company's minority shareholders were given an opportunity to tender in the Previous Tender Offer, a maximum number of shares to be purchased was set in the Previous Tender Offer, and not all minority shareholders were given an opportunity to sell, and therefore, the tender offer price in the Previous Tender Offer should be given due consideration; and (b) the Business Plan dated September 3 has been evaluated by the Special Committee as a plan that reasonably reflected recent changes in the business environment and approved by it as a premise for reviewing the Transactions, and, although the Company recognizes the severe business environment, factors contributing to the enhancement of the Company's corporate value, such as the solid improvement in its recent business performance and the steady progress of its joint businesses with the Tender Offeror, should also be evaluated objectively and appropriately. In light of this, on September 29, 2026, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 290 yen (which represents a premium of 37.44% over the closing price of 211 yen for the Company Shares on the Prime Market of the TSE on September 28, 2026, the business day immediately preceding the date of the proposal, 37.44% over the simple average closing price of 211 yen for the past one month up to the same date, 41.46% over the simple average closing price of 205 yen for the past three months up to the same date, and 45.00% over the simple average closing price of 200 yen for the past six months up to the same date). In addition, the Tender Offeror explained that, although it had reconsidered the Tender Offer Price in light of the views of the Company and the Special Committee, it had not changed its views underlying the Tender Offer Price for the following reasons: (a) the so-called control premium should have been paid in the Previous Tender Offer, when the Tender Offer acquired control of the Company, and since it was duly paid in the Previous Tender Offer, there was no need to pay an additional control premium in the current Tender Offer, and (b) given the Company's business model of providing fully private tutoring focused on entrance examinations for highly selective schools, the Company needs to secure a considerable number of high-quality instructors and is therefore more susceptible to rising labor costs and, considering the ongoing upward pressures on labor and other costs, there is a risk of further pressure on revenue going forward, and furthermore, the Tender Offeror considers the Company to be lagging behind its industry peers in terms of sales growth and profit growth rates; therefore, it necessary to evaluate the Business Plan dated September 3 with caution. The Tender Offeror also made its fourth proposal to set the Stock Acquisition Right Price at (i) 8,670 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 289 yen, the difference between 290 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,890 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 289 yen, the difference between 290 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 30, 2026, the Tender Offeror received a response from the Company and the Special Committee stating that the proposed Tender Offer Price did not exceed the general levels of premium observed

in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary) and was inadequate in relation to the Company Shares' intrinsic value based on the Business Plan dated September 3, and requesting that, from the perspective of ensuring the fairness of the transaction terms from a procedural standpoint as well, the Tender Offeror either consider setting a so-called "majority of minority" condition with respect to the minimum number of shares to be purchased, which is a transaction term other than the Tender Offer Price, or, if it would not set such a "majority of minority" condition, substantially increase the Tender Offer Price. In light of this, on October 2, 2026, the Tender Offeror made a proposal (the "Final Proposal") to the Company to set the Tender Offer Price at 295 yen (which represents a premium of 41.15% over the closing price of 209 yen for the Company Shares on the Prime Market of the TSE on October 1, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date). In addition, the Tender Offeror explained that, although it had considered setting a "majority of minority" condition, it decided not do so because it believed that setting such a condition in the Transactions could destabilize the success of the Tender Offer and might not serve the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer. The Tender Offeror also made its Final Proposal to set the Stock Acquisition Right Price at (i) 8,820 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,940 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on October 5, 2026, the Tender Offeror received a response from the Company and the Special Committee requesting that the Tender Offer Price be further increased if the Tender Offeror maintains its policy of not setting a "majority of minority" conditions, on the grounds that the proposed Tender Offer Price did not exceed the general levels of premium observed in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary) and still did not reach the level of increase that the Company regarded as adequate and could not be considered sufficient to be fair to minority shareholders who would be forced to exit through the Transactions. In light of this, on October 6, 2026, the Tender Offeror made a renewed proposal to the Company to set the Tender Offer Price at 295 yen (which represents a premium of 43.20% over the closing price of 206 yen for the Company Shares on the Prime Market of the TSE on October 5, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date), explaining that the Tender Offer Price in the Final Proposal represented a price that gave maximum consideration to the interests of the Company's general shareholders and was also the highest price that the Tender Offeror could offer. In addition, although the Tender Offeror again considered setting a "majority of minority" condition, it once again explained that, as described in the Final Proposal, it would not set such a "majority of minority" condition because it believed that setting such a condition in the Transactions could destabilize the success of the Tender Offer and might not serve the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer. In addition, the Tender Offeror made a renewed proposal to set the Stock Acquisition Right Price at (i) 8,820 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,940 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on October 7, 2026, the Tender Offeror received a response from the Company and the Special Committee requesting a further increase in the Tender Offer Price on the grounds that the proposed Tender Offer Price could not be said to sufficiently reflect the Company's recent solid business improvement and could hardly be considered to be at a sufficient level to constitute a fair price for minority shareholders who would be forced to exit through the Transactions. In light of this, on October 8, 2026, the Tender Offeror made a further renewed proposal to the Company to set the Tender Offer Price at 295 yen (which represents a premium of 43.20% over the closing price of 206 yen for the Company

Shares on the Prime Market of the TSE on October 7, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date), explaining that the Tender Offer Price in the Final Proposal was the best and final proposal for the purpose of consummating the Transactions and that it could not agree to any further increase. In addition, the Tender Offeror again explained that its view regarding the setting of a “majority of minority” condition remained unchanged and that it would not set such a “majority of minority” condition. The Tender Offeror also made a further renewed proposal to set the Stock Acquisition Right Price at (i) 8,820 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,940 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on October 9, 2026, the Tender Offeror received notice from the Company and the Special Committee that, subject to the formal decision being approved at the Company’s Board of Directors meeting scheduled to be held on October 13, 2026, the Company would support the Tender Offer at the Tender Offer Price set forth in the Final Proposal. Following the above process, by the resolution of the Board of Directors as of October 13, 2026, the Tender Offeror decided to commence the Tender Offer as part of the Transactions.

In addition, in parallel with its discussions with the Company, and in order to increase the likelihood of the Tender Offer being successfully completed, on September 28, 2026, the Tender Offeror explained to Surugadai Gakuen that it was in negotiations with the Company regarding the Tender Offer Price, and confirmed Surugadai Gakuen’s intention to tender its shares in the Tender Offer if the Tender Offer Price were set at 290 yen, the same price as that proposed by the Tender Offeror to the Company on September 29, 2026, and received a response from Surugadai Gakuen stating that it intended to tender its shares in the Tender Offer. Accordingly, the Tender Offeror proposed to Surugadai Gakuen that they enter into a tender agreement (the “Tender Agreement”) and, based on the agreement reached with Surugadai Gakuen on October 8, 2026 regarding the terms and conditions of the Tender Agreement, the Tender Offeror entered into the Tender Agreement with Surugadai Gakuen on October 13, 2026.

(II) Management policy after the Tender Offer

While the Tender Offeror has been advancing joint initiatives with the Company, including “Kodomo Department,” by making the Company a wholly owned subsidiary through the Transactions, including the Tender Offer, it aims to further deepen its collaboration with the Company Group and accelerate decision-making, thereby achieving the synergies of the Transactions described in “(I) Background, purpose, and decision-making process that led the Tender Offeror to implement the Tender Offer” and enhancing corporate value over the medium to long term.

After the Transactions, while taking into account the characteristics of the Company’s business and continuing to respect the Company’s managerial autonomy, the Tender Offeror intends to support the acceleration of growth through maximum utilization of the know-how held by the Tender Offeror Group. However, no details have been determined at this time with respect to the Company’s management structure after the Transactions, and the Tender Offeror plans to explore the establishment of an optimal structure for maximizing the above synergies through future discussions with the Company.

The Tender Offeror intends to maintain the current employment of the Company’s employees and their terms of employment in principle.

In addition, because the Tender Offeror intends to make the Company a wholly owned subsidiary, if it is unable to acquire all of the Company Shares and all of the Stock Acquisition Rights in the Tender Offer, it plans to implement, after the completion of the Tender Offer, a series of procedures to make the Tender Offeror the sole shareholder of the Company, thereby making the Company a wholly owned subsidiary (the “Squeeze-Out Procedures”), as described in “(3) Post-Tender Offer reorganization policy” below.

(III) Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer

(i) Background to the establishment of the review structure

As described in “(I) Background, purpose, and decision-making process that led the Tender Offeror to implement the Tender Offer” above, on June 30, 2026, the Company received from the Tender Offeror a preliminary non-binding proposal (the “Letter of Intent”) outlining the Tender Offeror’s intention to make the Company its wholly owned subsidiary, including the purpose and significance of the Transactions. In light of

this, in reviewing the Transactions and conducting discussions and negotiations with the Tender Offeror regarding the Transactions, the Company recognized that the Tender Offeror is the Company's controlling shareholder (parent company), holding an ownership ratio of 50.87% of the Company Shares, and the Transactions fall under a category in which structural conflicts of interest and information asymmetry typically exist. Accordingly, in order to address these issues and ensure the fairness of the Transactions, at the Board of Directors meeting of the Company held on July 10, 2026, at which six of the Company's seven directors, excluding Mr. Saburo Nishiura, who concurrently serves as a director of the Tender Offeror, participated in the deliberations and resolution, by a unanimous vote of all directors participating in the resolution, the Company appointed Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its legal advisor, independent of both the Tender Offeror Group and the Company Group and of the success or failure of the Transactions, and PLUTUS CONSULTING Co., Ltd. ("PLUTUS CONSULTING") as its financial advisor and third-party valuator, independent of both the Tender Offeror Group and the Company Group. In addition, in order to ensure the fairness of the Transactions, and based on advice from Anderson Mori & Tomotsune, the Company immediately began establishing a structure to conduct deliberations, negotiations, and decision-making regarding the Transactions from a standpoint independent of both the Tender Offeror Group and the Company Group, with a view to enhancing the Company's corporate value and protecting the interests of its general shareholders. Specifically, pursuant to the above Board of Directors resolution, the Company established a special committee (the "Special Committee") consisting of the following four members, each of whom was recognized as possessing a high level of expertise: Mr. Toru Konishi (independent outside director of the Company; Representative Attorney of Meguro-Shirokane Law Office and attorney-at-law), Ms. Maiko Onoda (independent outside director of the Company; Representative Director of RightStuff Co., Ltd., Representative Director of My Company Co., Ltd., outside director of TASUKI Holdings Inc., professor at Professional University of Information and Management for Innovation, visiting professor at Senzoku Gakuen College of Music, outside director of Hachijuni Nagano Bank, Ltd., and visiting professor at Tokyo Women's Medical University), Ms. Yuki Hirashima (independent outside audit & supervisory board member of the Company; outside director of OFFICEBUSTERS CORPORATION, Partner of Masuda & Partners Law Office, and attorney-at-law), and Mr. Toshihiko Shibusa (independent outside audit & supervisory board member of the Company; Chairman of Toranomon Audit LLC, Representative Director of Toranomon Accounting Co., Ltd., President and Representative Director of GREGION Co., Ltd., Representative Director of Soma Gas Co., Ltd., Representative Director, CEO, and CFO of RiceResin Inc., and certified public accountant).

At its first meeting held on July 23, 2026, the Special Committee, acting pursuant to the authority granted to the Special Committee by the resolution of the Board of Directors on July 10, 2026, appointed Toranomon Accounting Co., Ltd. ("Toranomon Accounting") as its own advisor, independent of both the Tender Offeror Group and the Company Group, after reviewing Toranomon Accounting's independence and expertise. The Special Committee appointed Toranomon Accounting, of which committee member Toshihiko Shibusa serves as a representative, as its own independent advisor based on a proposal from committee member Toshihiko Shibusa that, since only one member of the Special Committee held a certified public accountant license, the Transactions should be reviewed by multiple certified public accountants to prevent any bias in opinions.

Furthermore, the Company established an internal structure (including the scope of the Company's officers and employees to be involved in the review, negotiation, and decision-making process relating to the Transactions and their respective duties) to review, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror Group, and obtained the approval of the Special Committee confirming that there were no issues with such review structure from the perspectives of independence and fairness.

(ii) Process of review and negotiation

The Company received from PLUTUS CONSULTING a report on the results of its valuation of the Company Shares, advice on the negotiation policy with the Tender Offeror, and other financial advice, and received from Anderson Mori & Tomotsune advice on measures to ensure the fairness of the procedures for the Transactions, advice on the negotiation policy with the Tender Offeror, and other legal advice. Based on such advice, while giving the utmost respect to the opinion of the Special Committee, the Company has continuously engaged in discussions and negotiations with the Tender Offeror and has carefully discussed and considered whether to proceed with the Transactions and the fairness and appropriateness of the terms thereof.

In addition, since receiving the Letter of Intent from the Tender Offeror on June 30, 2026, the Company has continuously engaged in discussions and negotiations with the Tender Offeror regarding the terms of the Transactions, including the Tender Offer Price and the Stock Acquisition Right Price.

Specifically, after receiving the Letter of Intent on June 30, 2026 and establishing the Special Committee pursuant to the resolution of the Company's Board of Directors on July 10, 2026, the Company and the Special

Committee proceeded with their deliberations and discussions. Subsequently, on July 31, 2026, the Company and the Special Committee sent written questions to the Tender Offeror regarding the significance and purpose of the Transactions, and on August 17, 2026 received formal written responses from the Tender Offeror to some of those questions. Furthermore, based on preliminary responses to the above questions that the Company had received from the Tender Offeror on August 11, 2026 prior to formal responses, the Company and the Special Committee sent additional written questions on August 14, 2026, and on August 17, 2026 received written responses from the Tender Offeror to those questions. Based on these responses, on August 18, 2026, the Special Committee conducted an interview with the Tender Offeror.

Since September 1, 2026, the Company has engaged in multiple rounds of discussions and negotiations with the Tender Offeror regarding the Tender Offer Price and the Stock Acquisition Right Price. Specifically, on September 1, 2026, the Company received from the Tender Offeror a proposal to set the Tender Offer Price at 240 yen (which represents a premium of 14.29% over the closing price of 210 yen for the Company Shares on the Prime Market of the TSE on August 31, 2026, the business day immediately preceding the date of the proposal, 17.07% over the simple average closing price of 205 yen for the past one month up to the same date, 20.60% over the simple average closing price of 199 yen for the past three months up to the same date, and 21.83% over the simple average closing price of 197 yen for the past six months up to the same date), which was made after comprehensively considering objective materials such as the financial information disclosed by the Company, disclosure materials including the Business Plan dated August 21 (as defined below; the same shall apply hereinafter) provided through due diligence, and factors such as the historical market price trends of the Company Shares. The Company also received from the Tender Offeror its initial proposal to set the Stock Acquisition Right Price at (i) 7,170 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 239 yen, the difference between 240 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,390 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 239 yen, the difference between 240 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 4, 2026, the Company and the Special Committee requested that the Tender Offer Price be increased on the grounds that the proposed Tender Offer Price (240 yen) could not be considered a price that adequately took into account the premium levels observed in comparable transactions by controlling shareholders involving domestic listed companies, and that it was also significantly inadequate in relation to the Company Shares' intrinsic value based on the Business Plan dated September 3 (as defined in "(ii) Process of review and negotiation" in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" below; the same shall apply hereinafter). Subsequently, on September 9, 2026, the Company received from the Tender Offeror a proposal to the Company to set the Tender Offer Price at 260 yen (which represents a premium of 23.81% over the closing price of 210 yen for the Company Shares on the Prime Market of the TSE on September 8, 2026, the business day immediately preceding the date of the proposal, 25.60% over the simple average closing price of 207 yen for the past one month up to the same date, 29.35% over the simple average closing price of 201 yen for the past three months up to the same date, and 31.31% over the simple average closing price of 198 yen for the past six months up to the same date), based on the Business Plan dated September 3 provided by the Company. The Company also received from the Tender Offeror its second proposal to set the Stock Acquisition Right Price at (i) 7,770 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 259 yen, the difference between 260 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,590 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 259 yen, the difference between 260 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 11, 2026, the Company and the Special Committee requested a substantial increase in the Tender Offer Price on the grounds that the proposed Tender Offer Price could not be considered a price that adequately took into account the premium levels observed in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary), and that it was still significantly inadequate in relation to the Company Shares' intrinsic value based on the Business Plan dated September 3 and the terms of the Previous Tender Offer. Subsequently, on September 18, 2026, the Company received from the Tender Offeror a proposal to set the Tender Offer Price at 280 yen (which represents a premium of 30.84% over the closing price of 214 yen for the Company Shares on the Prime Market of the TSE on September 17, 2026, the business day

immediately preceding the date of the proposal, 33.97% over the simple average closing price of 209 yen for the past one month up to the same date, 37.93% over the simple average closing price of 203 yen for the past three months up to the same date, and 40.70% over the simple average closing price of 199 yen for the past six months up to the same date), on the grounds that, when comparing the Company's business plan used in connection with the Previous Tender Offer with the Company's actual results thereafter and its projected results for the current fiscal year, net sales and the principal profit indicators as a whole were below that plan. The Company also received from the Tender Offeror its third proposal to set the Stock Acquisition Right Price at (i) 8,370 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 279 yen, the difference between 280 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,790 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 279 yen, the difference between 280 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 25, 2026, the Company and the Special Committee rebutted the Tender Offeror's view, arguing that the Company's recent business performance had been improving, on the grounds that, in the most recent first quarter, net sales exceeded those of the corresponding period of the previous fiscal year in all segments and the operating loss was substantially reduced, and that, based on the projected results for the second quarter, both net sales and operating profit were expected to significantly exceed those of the corresponding period of the previous fiscal year. The Company and the Special Committee also requested a further increase in the Tender Offer Price on the grounds that the proposed Tender Offer Price could not be considered a price that adequately took into account the premium levels observed in comparable cases of tender offers involving domestic listed companies (cases of MBOs and tender offers by parent companies aimed at making a subsidiary a wholly owned subsidiary), and that it was still at an inadequate level for the Company's minority shareholders in relation to the Company Shares' intrinsic value based on the Business Plan dated September 3 (as defined below) and the terms of the Previous Tender Offer. Subsequently, on September 29, 2026, the Company received from the Tender Offeror a proposal to set the Tender Offer Price at 290 yen (which represents a premium of 37.44% over the closing price of 211 yen for the Company Shares on the Prime Market of the TSE on September 28, 2026, the business day immediately preceding the date of the proposal, 37.44% over the simple average closing price of 211 yen for the past one month up to the same date, 41.46% over the simple average closing price of 205 yen for the past three months up to the same date, and 45.00% over the simple average closing price of 200 yen for the past six months up to the same date), on the grounds that, given the failure to achieve the business plan set forth in the Previous Tender Offer, it would not be appropriate to refer directly to the tender offer price in the Previous Tender Offer, and that such proposal was made as a result of a comprehensive review of the Company's recent business performance, the feasibility of the Business Plan dated September 3, and the business environment surrounding the Company Group, among other factors. The Company also received from the Tender Offeror its fourth proposal to set the Stock Acquisition Right Price at (i) 8,670 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 289 yen, the difference between 290 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,890 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 289 yen, the difference between 290 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on September 30, 2026, the Company and the Special Committee rebutted the Tender Offeror's view, arguing that, although the Company also had concerns regarding the business environment, the Tender Offeror's IR Presentation dated April 27, 2026 stated that the Company's "earnings power is solid with profit growth expected," and the Company shared the same view as expressed in such IR Presentations with respect to the Company's earnings power, and that, because the Tender Offeror's disclosure materials as the controlling shareholder constitute important information underlying the valuation of the Company's corporate value for minority shareholders, it is important to evaluate the Company's corporate value in light of such view. The Company and Special Committee also stated that they could not conclude that the proposed Tender Offer Price was a price they could confidently recommend to minority shareholders who would be forced to exit as a result of the Transactions, and requested that, from the perspective of ensuring the fairness of the transaction terms from a procedural standpoint as well, the Tender Offeror either consider setting a so-called "majority of minority" condition with respect to the minimum number of shares to be purchased, which is a transaction term other than the Tender Offer Price, or, if it would not set such a "majority of minority" condition, substantially increase the Tender Offer Price in light of the matters mentioned above. Subsequently, on October 2, 2026, the Company received from the Tender Offeror a proposal to set the Tender Offer Price at 295 yen (which represents

a premium of 41.15% over the closing price of 209 yen for the Company Shares on the Prime Market of the TSE on October 1, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date), which the Tender Offeror stated was the highest price it could propose based on careful and repeated deliberations that fully respected the opinions of the Company and the Special Committee. The Company also received from the Tender Offeror its Final Proposal to set the Stock Acquisition Right Price at (i) 8,820 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,940 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on October 5, 2026, the Company and the Special Committee requested that the Tender Offer Price be further increased if the Tender Offeror maintains its policy of not setting a “majority of minority” conditions for the following reasons: (a) if the Tender Offeror would not set a so-called “majority of minority” condition, the Tender Offer Price should be set at an appropriate level to ensure the fairness of the transaction terms for the benefit of minority shareholders, and, from such perspective, the Tender Offer Price of 295 yen still did not reach the level of increase that the Company regarded as adequate and could not be considered sufficient to be fair to minority shareholders who would be forced to exit through the Transactions; and (b) since the Company’s business performance for the first quarter of the fiscal year ending February 2027 was showing an upward trend and its financial results for the second quarter, which is scheduled to be announced on the same day as the Transactions, were likewise showing a continuing upward trend, such solid improvement in the Company’s recent business performance should be fully reflected in the Tender Offer Price. Subsequently, on October 6, 2026, the Company received from the Tender Offeror a proposal to set the Tender Offer Price at 295 yen (which represents a premium of 43.20% over the closing price of 206 yen for the Company Shares on the Prime Market of the TSE on October 5, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date), which the Tender Offeror stated was the highest price it could propose and the final result of its repeated discussions, taking fully into account the Company’s financial conditions, future prospects, and the synergies expected from the Transactions, among other factors. The Company also received from the Tender Offeror its renewed Final Proposal to set the Stock Acquisition Right Price at (i) 8,820 yen for the First Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the First Stock Acquisition Rights (30 shares), and (ii) 2,940 yen for the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, the Fifth Stock Acquisition Rights, and the Sixth Stock Acquisition Rights, which is the amount obtained by multiplying 294 yen, the difference between 295 yen, being the Tender Offer Price, and the exercise price per Company Share of 1 yen, by the number of Company Shares subject to the relevant Stock Acquisition Rights (10 shares). In response, on October 7, 2026, the Company and the Special Committee requested a further increase in the Tender Offer Price on the grounds that the Tender Offer Price of 295 yen did not fully reflect the solid improvement in the Company’s recent business performance and could not be considered sufficient to be fair to minority shareholders who would be forced to exit through the Transactions. Thereafter, on October 8, 2026, the Company received from the Tender Offeror a renewed final proposal to set the Tender Offer Price at 295 yen (which represents a premium of 43.20% over the closing price of 206 yen for the Company Shares on the Prime Market of the TSE on October 7, 2026, the business day immediately preceding the date of the proposal, 40.48% over the simple average closing price of 210 yen for the past one month up to the same date, 43.20% over the simple average closing price of 206 yen for the past three months up to the same date, and 47.50% over the simple average closing price of 200 yen for the past six months up to the same date), as the best and final proposed price that gave maximum consideration to the interests of the Company’s general shareholders and would provide such general shareholders with a sufficient opportunity to sell their shares.

In response, on October 9, 2026, the Company and the Special Committee responded that, as a result of the Special Committee’s review of the terms of the Tender Offer Price, they determined that the Tender Offeror’s conducting the Tender Offer at the Tender Offer Price of 295 yen per share would provide the Company’s shareholders with a reasonable opportunity to sell their shares and was at a level at which the Company could

express its opinion in favor of the Tender Offer and recommend that the Company's shareholders and the holders of the Stock Acquisition Rights tender their shares and Stock Acquisition Rights, respectively, in the Tender Offer.

In the course of the above review and negotiation process, in conducting discussions and negotiations with the Tender Offeror regarding the Tender Offer Price and the Stock Acquisition Right Price, the Company conducted its review based on the opinions heard from the Special Committee and the advice received from PLUTUS CONSULTING and Anderson Mori & Tomotsune. During such process, the Special Committee received analyses and advice from Toranomom Accounting from a professional perspective on an ongoing basis, exchanged views with the Company and experts such as the Company's financial advisor and legal advisor, and provided confirmations and approvals as appropriate. Specifically, with respect to the Company's four-year business plan (from the fiscal year ending February 2027 to the fiscal year ending February 2030) prepared by the Company for the purpose of reviewing the Transactions, which was to be presented by the Company to the Tender Offeror and used by PLUTUS CONSULTING as the basis for its valuation of the Company Shares, the Special Committee expressed the view that, given the importance of the reasonableness its content, key assumptions, and the process by which it was prepared, the Business Plan should be presented to the Tender Offeror only after approval by the Special Committee. Based on this view, at the Special Committee meetings held on August 7 and August 21, 2026, the Company received confirmation regarding the reasonableness of the content of the business plan, its key assumptions, and its preparation method such as its independence from the Tender Offeror at the time of preparation, and obtained the Special Committee's approval on August 21, 2026 (such business plan, the "Business Plan dated August 21"). The Company then presented the Business Plan dated August 21 to the Tender Offeror on the same day. Subsequently, because there were objective errors in certain parts of the Business Plan dated August 21, the Company revised the business plan, and at the Special Committee meeting held on September 3, 2026, the Company received the Special Committee's confirmation regarding the appropriateness of the content of the revisions to the business plan, its key assumptions, and its preparation method such as its independence from the Tender Offeror at the time of preparation and, on the same day, obtained the Special Committee's final approval (such business plan, the "Business Plan dated September 3"). The Company then presented the Business Plan dated September 3 to the Tender Offeror on the same day.

In addition, PLUTUS CONSULTING, the Company's financial advisor, has conducted negotiations with the Tender Offeror in accordance with the negotiation policy determined in advance by the Special Committee after its deliberation. Each time the Company received a proposal from the Tender Offeror regarding the Tender Offer Price and the Stock Acquisition Right Price, it promptly reported the proposal to the Special Committee and responded to the Tender Offeror in accordance with the opinions, instructions, and requests received from the Special Committee regarding the negotiation policy with the Tender Offeror and other matters.

Then, on October 9, 2026, the Company received from the Special Committee a report (the "Report") (for details of the Report, please refer to Appendix 1). In addition, on the same date, the Company received from PLUTUS CONSULTING a share valuation report regarding the Company Shares (the "Share Valuation Report (PLUTUS CONSULTING)") and a fairness opinion stating that the Tender Offer Price of 295 yen is considered fair to the Company's general shareholders from a financial perspective (the "Fairness Opinion").

(iii) Details of the decision

Under the above circumstances, the Company received from Anderson Mori & Tomotsune, its legal advisor, the necessary legal advice regarding the method and process of decision-making by the Company's Board of Directors, including the various procedures related to the Transactions, and other points to be considered, and also received from the Special Committee the Report. Thereafter, at the Company's Board of Directors meeting held today, while taking into account the legal advice received from Anderson Mori & Tomotsune, its legal advisor, the financial advice received from PLUTUS CONSULTING, its financial advisor and third-party valuator, and the contents of the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion and giving the utmost respect to the Special Committee's judgment as set forth in the Report, the Company carefully discussed and considered whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value, and whether the terms of the Transactions, including the Tender Offer Price and the Stock Acquisition Right Price, were fair, taking into account the following matters, among others.

As described in "(i) Business environment and other factors affecting the Company" in "(I) Background, purpose, and decision-making process that led the Tender Offeror to implement the Tender Offer" above, the core business of the Company Group is tutoring for college and school entrance exams through fully one-on-

one private instruction. It also operates preparatory schools for entrance exams to prestigious kindergartens and elementary schools, as well as daycare centers for children, after-school care facilities, and English conversation schools.

The Company recognizes that, since the Company became a consolidated subsidiary of the Tender Offeror on May 28, 2024, the business environment surrounding the Company has been changing, including changes in the macroeconomic environment such as soaring labor costs and rent, as well as the discrepancy with the pace of implementation of measures and performance levels expected by the capital markets, resulting in the Company's market share price remaining at a low level over the past year, having fallen from 220 yen in January 2026 to 187 yen in June 2026 and currently fluctuating in the low 200-yen range. The most significant current and future management challenges facing the Company Group are the shrinking target customer base due to the declining birthrate, and the difficulties in recruiting top talent and the rising labor costs resulting from the shrinking working-age population. To overcome these management challenges, the Company has implemented measures to strengthen its recruitment capabilities, such as improving employment conditions and operational efficiency to create a more comfortable working environment. However, the Company believes that, as a measure to achieve further growth, it is necessary to consider and promote the development of new businesses through M&A and proactive business alliances with other industries to provide customers with new added value beyond conventional educational support. In addition, the Company plans to focus on building and implementing systems to enhance the lifetime value (LTV) per student by strengthening customer referrals within the group.

In light of the above circumstances surrounding the Company Group, the Company expects the following initiatives and synergies to be achieved by implementing the Transactions.

(i) Enhancement of the performance of the Company Group's existing businesses through enhanced intra-group collaboration

The Company has identified "improving the performance of existing businesses" as one of two core strategies in the New Medium-Term Management Plan. However, the recruitment of talented personnel has posed a management challenge in carrying out the Company's existing businesses. According to the Tender Offeror, the consolidation of the Company Group and Tetsuryokukai, which is operated by Tokyo Kyoiku Ken, a consolidated subsidiary of the Tender Offeror, into the Tender Offeror Group will enable the Tender Offeror Group as a whole to form a comprehensive lineup of educational services covering everything from early childhood education to entrance examinations for the most selective universities. The Tender Offeror anticipates synergies resulting from this, such as mutual collaboration in terms of human resources and other areas, as well as the exploration of joint services with the Company Group. It is believed that the Company's becoming a wholly owned subsidiary of the Tender Offeror will enable the Company Group to conduct recruitment more flexibly. In particular, if the Company can successfully utilize top talent by leveraging the Tender Offeror Group's resources, TOMAS will be able to consistently secure high-quality instructors for initiatives such as establishing high-end, specialized school facilities; the franchise expansion of Meimonkai's online one-on-one tutoring; and the online shift of School TOMAS. The Company anticipates that this initiative will contribute to addressing its management challenge of securing top talent and expanding the Company Group's existing businesses.

In addition, the Tender Offeror believes that, after the Transactions are implemented and the Company becomes a wholly owned subsidiary of the Tender Offeror, integrated groupwide operations will become possible, and the Tender Offeror Group will be able to make investment decisions and provide support more proactively to facilitate the implementation of these initiatives set forth by the Company, including assistance from the Tender Offeror Group's IT and systems departments in systematization and DX, as well as financial assistance, such as parent-subsidary loans for upfront investments. The Company anticipates that by becoming a wholly owned subsidiary of the Tender Offeror and enabling integrated groupwide operations, it will be able to further benefit from the sharing of information and expertise that the Tender Offeror possesses regarding digital systems and other domains. The establishment of a framework in which the Tender Offeror Group's IT and systems departments work closely alongside the Company's DX promotion department, as part of their support for systematization and DX, will advance the sophistication and efficiency of the Company's business processes and enable the Company to further enhance its security measures, including the management of personal information of its customers that it handles. This is also believed to lay the groundwork for expanding the Company's existing businesses.

(ii) Support for the New Medium-Term Management Plan and acceleration of its implementation

In the New Medium-Term Management Plan, the Company has set forth two core strategies: improving performance of existing businesses and driving revenue through new businesses. Nonetheless, as a

publicly traded company, the Company faces certain constraints when making large-scale, bold upfront investments that require a certain time to generate returns, given the market reactions to short-term profit fluctuations and downward revisions in performance, as well as the need to secure shareholder interests. However, following the Transactions, as a wholly owned subsidiary of the Tender Offeror, the Company will be able to receive robust group financing from the Tender Offeror, including parent-subsidary loans. It is believed that this will enable it to execute such upfront investments with greater flexibility. The Company anticipates that this initiative will stimulate revenue growth through new businesses, including business expansions that accommodate a J-curve (Note 1), and ultimately contribute to the realization of the New Medium-Term Management Plan.

Furthermore, it is believed that following the Transactions, the Company will be able to make investment decisions from a medium- to long-term perspective, directly leveraging the Tender Offeror's robust financial foundation without being constrained by market stock prices or the interests of minority shareholders. Consequently, the Company will be able to pursue various initiatives, including large-scale growth investments and M&A, that would be difficult to implement on its own, in a more flexible and agile manner. It is anticipated that this will further accelerate the implementation of the New Medium-Term Management Plan, including improving the performance of existing businesses and increasing sales through new business ventures. Specifically, this includes expanding the Company's market share in the education industry, and expanding into new educational domains (providing diverse educational and activity opportunities that go beyond traditional instruction, such as partnerships with international schools and the establishment of classes for new sports disciplines that the Company has not previously offered). (Note 1) "J-curve" refers to a situation in which, during the initial stages of large-scale investments, such as the launch of new businesses or major M&A, profits temporarily decline due to upfront costs but subsequently expand over the medium to long term.

(iii) Reducing operational burdens associated with maintaining listing status and streamlining of coordination with the Tender Offeror

In a circumstance where the Tender Offeror owns approximately 51% of the Company Shares, the Company is required to establish a special committee and pass resolutions to review and confirm that transactions between the Company and the Tender Offeror are not detrimental to the Company's minority shareholders, in order to avoid conflicts of interest with the Company's minority shareholders. The Company recognizes that this hinders the flexibility of collaboration between the Company and the Tender Offeror. In this regard, the Tender Offeror states that corporate governance requirements for listed companies like the Company that have controlling shareholders, particularly the requirements for the proper management of conflicts of interest that may arise between the controlling shareholders and general shareholders, as well as regulatory and disclosure requirements relating to transactions in which such conflicts of interest may become an issue, are becoming increasingly stringent, creating operational and financial burdens, and the Tender Offeror believes that implementing the Transactions will enable the Company to reduce the costs associated with maintaining its listing. The Company also believes that by becoming a wholly owned subsidiary of the Tender Offeror, the burden of handling these procedures and related operational tasks will be reduced, enabling it to receive resources, including high-quality properties, from the Tender Offeror without delay.

There are potential disadvantages of the Company Shares being delisted. While the Company currently has a strong business brand that has been built through its past initiatives, such as TOMAS and Shingakai, there are concerns that if the Company is delisted through the Transactions, the loss of the market's perception of the Company as a "Prime Market-listed company" could negatively impact the Company's ability to recruit and retain talent. However, even considering these concerns, the Company believes that, from a comprehensive perspective, the business benefits to be gained from the Transactions, such as synergies with Tetsuryokukai through collaboration with the Tender Offeror Group and the acceleration of M&A activities, will outweigh these concerns, and that the Transactions will contribute to enhancing the Company's corporate value.

Based on the foregoing, the Company's Board of Directors concluded that making the Company a wholly owned subsidiary through the Transactions, including the Tender Offer by the Tender Offeror, would contribute to the enhancement of the Company's corporate value.

Furthermore, in light of the following matters, the Company determined that the Tender Offer Price (295 yen) and the Stock Acquisition Right Price are fair to the Company's shareholders and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares.

(a) The Tender Offer Price (295 yen) is, among the results of the valuation of the Company Shares by PLUTUS CONSULTING, in excess of the upper limits of the valuations based on the market price method and the comparable company method, and in excess of the median of the valuation results based on the discounted

cash flow method (the “DCF Method”).

(b) The Tender Offer Price (295 yen) represents a premium of 41.15% over the closing price of 209 yen for the Company Shares on the Prime Market of the TSE on October 9, 2026, the business day immediately preceding the date of announcement regarding the implementation of the Tender Offer, 40.48% over the simple average closing price of 210 yen for the one month up to the same date, 43.20% over the simple average closing price of 206 yen for the three months up to the same date, and 46.77% over the simple average closing price of 201 yen for the six months up to the same date, and such premium levels exceed those with respect to the closing price on the business day immediately preceding the announcement date and the simple average closing prices for the most recent three-month and six-month periods up to the business day immediately preceding the announcement date, and are considered to be at a level comparable to those with respect to the simple average closing price for the most recent one-month period up to the business day immediately preceding the announcement date when compared to the average and median premium rates in comparable transactions by other companies (Note 1). Therefore, the Tender Offer Price is considered to include a reasonable premium.

(Note 1) With respect to the premium rates in 85 cases which may be considered comparable to the Transactions, involving tender offer cases intended to make a subsidiary a wholly owned subsidiary by its parent company (excluding cases in which the market price surged or fluctuated significantly due to speculative media reports, etc., and two-step tender offer cases) announced and successfully completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry published the “Fair M&A Guidelines,” through June 30, 2026, the average premium rates over the closing price on the business day immediately preceding the announcement date, and over the simple average closing prices for the most recent one month, three months, and six months were 40.23%, 41.87%, 40.84% and 39.11%, respectively, and the median premium rates were 39.88%, 41.30%, 38.40% and 36.72%, respectively.

(c) The Tender Offer Price was determined after sincere and repeated negotiations with the Tender Offeror under the substantial involvement of the Special Committee, which is independent of both the Company Group and the Tender Offeror Group, and represents a price that is 55 yen higher than the initial price proposed by the Tender Offeror (240 yen).

(d) Although the Tender Offer Price (295 yen) does not reach 320 yen, which was the tender offer price in the Previous Tender Offer, in light of the business environment surrounding the Company and its business plan at the time of the current Tender Offer, the Tender Offer Price (295 yen) can be said to adequately reflect the Company Shares’ intrinsic value at the present time from the perspectives of the valuation of the Company Shares and the premium level, as described above.

(e) As described above, given that the Transactions ensure that general shareholders will receive consideration equal to the Tender Offer Price regardless of whether they receive consideration through the Tender Offer or the Squeeze-Out Procedures, the terms of the Transactions, consisting of the Tender Offer and the Squeeze-Out Procedures, are deemed fair and appropriate.

(f) The Stock Acquisition Right Price was calculated based on the Tender Offer Price, taking into account the exercise price for each series and the number of Company Shares subject to each Stock Acquisition Right, and can be regarded as intended to provide economic terms for the purchase of the Stock Acquisition Rights equivalent to those offered in the Tender Offer, and is therefore deemed fair and appropriate.

(g) PLUTUS CONSULTING has issued the Fairness Opinion stating that the Tender Offer Price (295 yen) is fair to the Company’s general shareholders from a financial perspective.

(h) It is recognized that sufficient consideration has been given to the interests of the Company’s general shareholders, including taking the measures to avoid conflicts of interest.

(i) The Tender Offer Price (295 yen) and the Stock Acquisition Right Price were determined after the measures to avoid conflicts of interest were taken as described above and multiple rounds of discussions and negotiations equivalent to those conducted in a transaction between independent parties were carried out between the Company and the Tender Offeror. More specifically, they were determined after sincere and continuous discussions and negotiations with the Tender Offeror, taking into account the Company’s consultations with the Special Committee, the content of the results of valuation of the Company Shares by PLUTUS CONSULTING, the financial advice received from PLUTUS CONSULTING, and the legal advice received from Anderson Mori & Tomotsune.

(j) The Special Committee expressed its opinion that the Tender Offer Price was fair and appropriate after receiving financial advice from Toranomon Accounting as appropriate, confirming the negotiation policy in advance, receiving timely reports on the status of negotiations, and providing opinions, instructions, and requests at important stages of the negotiations.

Based on the foregoing, at the Company’s Board of Directors meeting held today, the Company has resolved to express an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders and

holders of the Stock Acquisition Rights tender in the Tender Offer. It should be noted that this resolution of the Company's Board of Directors has been adopted on the premise that the Company Shares are scheduled to be delisted as a result of the implementation of the Tender Offer and the Squeeze-Out Procedure by the Tender Offeror.

(3) Post-Tender Offer reorganization policy

According to the Tender Offeror, if it is unable to acquire all of the Company Shares and all of the Stock Acquisition Rights through the Tender Offer, it intends to implement the Squeeze-Out Procedures by the following methods after the successful completion of the Tender Offer.

(I) Demand for Sale of Shares, Etc.

According to the Tender Offeror, if, upon the successful completion of the Tender Offer and the completion of the settlement thereof, the Tender Offeror comes to own 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror intends to request that all of the shareholders of the Company (excluding the Tender Offeror and the Company; "Selling Shareholders") sell all of the Company Shares they own promptly after the completion of the settlement of the Tender Offer ("Demand for Sale of Shares") and request that all of the Stock Acquisition Right Holders ("Selling Stock Acquisition Right Holders") sell all of the Stock Acquisition Rights they own ("Demand for Sale of Stock Acquisition Right"; and together with the Demand for Sale of Shares, "Demand for Sale of Shares, Etc.") pursuant to Article 179 of the Companies Act. In the Demand for Sale of Shares, the Tender Offeror intends to determine that an amount of money equal to the Tender Offer Price per Company Share will be delivered to the Selling Shareholders as consideration for each share, and that, in the Demand for Sale of Stock Acquisition Right, it intends to determine that an amount of money equal to the Stock Acquisition Right Price per Stock Acquisition Right will be delivered to the Selling Stock Acquisition Right Holders as consideration for each of the Stock Acquisition Rights. In this case, the Tender Offeror will notify the Company to that effect and request the Company to approve the Demand for Sale of Shares, Etc. If the Company approves the Demand for Sale of Shares, Etc. by a resolution of its board of directors, the Tender Offeror will, in accordance with the procedures prescribed by relevant laws and regulations and without requiring the individual consent of the Selling Shareholders and the Selling Stock Acquisition Right Holders, acquire all of the Company Shares owned by the Selling Shareholders and all of the Stock Acquisition Rights owned by the Selling Stock Acquisition Right Holders as of the acquisition date specified in the Demand for Sale of Shares, Etc. In this case, as consideration for the Company Shares owned by the Selling Shareholders and the Stock Acquisition Rights owned by the Selling Stock Acquisition Right Holders, the Tender Offeror intends to deliver to each such Selling Shareholder an amount of money equal to the Tender Offer Price per Company Share, and to each Selling Stock Acquisition Right Holder an amount of money equal to the Stock Acquisition Right Price per Stock Acquisition Right. Furthermore, the Company intends to approve such Demand for Sale of Shares, Etc. at the board of directors meeting of the Company if a Demand for Sale of Shares, Etc. is made by the Tender Offeror.

As a provision of the Companies Act intended to protect the rights of general shareholders and stock acquisition right holders in relation to the Demand for Sale of Shares, Etc., the Companies Act provides that the Selling Shareholders and the Selling Stock Acquisition Right Holders who did not tender their shares or Stock Acquisition Rights in the Tender Offer may file a petition with a court for a determination of the sales price of the Company Shares or the Stock Acquisition Rights they own, in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. The sales price of the Company Shares or the Stock Acquisition Rights in the event such a petition is filed will ultimately be determined by the court.

(II) Share Consolidation

According to the Tender Offeror, if, after the successful completion of the Tender Offer and the completion of the settlement thereof, the total number of voting rights of the Company owned by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Company, the Tender Offeror intends to request the Company to hold an extraordinary shareholders' meeting of the Company ("Extraordinary Shareholders' Meeting") promptly after the completion of the settlement of the Tender Offer, which includes in its agenda proposals to consolidate the Company Shares ("Share Consolidation") pursuant to Article 180 of the Companies Act and, subject to the Share Consolidation becoming effective, to make a partial amendment to its articles of incorporation to abolish the provision regarding the number of shares constituting one unit of shares. (As of today, the Tender Offeror intends to request the Company to hold the Extraordinary Shareholders' Meeting around mid-February 2027.) The Tender Offeror believes it is desirable to hold the Extraordinary Shareholders' Meeting as early as possible from the perspective of enhancing the corporate value of the Company, and that it intends to request the Company to set the record date for the Extraordinary Shareholders' Meeting as a date close to the commencement date of the settlement of the Tender Offer. In this regard, the Company intends to comply with

such request if it is made by the Tender Offeror. The Tender Offeror also intends to vote in favor of each of the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will, on the date the Share Consolidation becomes effective, own the number of Company Shares proportionate to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If fractions less than one share arise as a result of the Share Consolidation, the shareholders of the Company for whom such fractions arise will be delivered an amount of cash obtained by selling the Company Shares equivalent to the sum of such fractions (if there is a fraction of less than one share in the sum, such fraction shall be rounded down; the same shall apply hereinafter) to the Company or the Tender Offeror, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. Regarding the sales price of the Company Shares equivalent to the total number of such fractions, the Tender Offeror intends to request the Company to calculate the price so that the amount of money delivered to each shareholder of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by such shareholder, and then to file a petition with a court for permission for a voluntary sale.

Furthermore, according to the Tender Offeror, although the ratio of the Share Consolidation is undecided as of today, the Tender Offeror intends to request the Company to determine the ratio so that the number of Company Shares owned by each shareholder of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be a fraction of less than one share, in order for the Tender Offeror to own all of the Company Shares (excluding the treasury shares owned by the Company). The Company intends to comply with these requests by the Tender Offeror if the Tender Offer is successfully completed. Regarding the specific procedures for the Share Consolidation, the Company intends to promptly announce them once they are determined through discussions between the Tender Offeror and the Company.

As a provision of the Companies Act intended to protect the rights of general shareholders in relation to the Share Consolidation, the Companies Act provides that, if the Share Consolidation results in fractions of less than one share, the shareholders of the Company (excluding the Tender Offeror and the Company) may request that the Company purchase all of their shares that will become fractions of less than one share at a fair price, and may file a petition with a court for a determination of the sales price of the Company Shares, in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations.

As stated above, in the Share Consolidation, the number of the Company Shares owned by the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) is expected to become a fraction of less than one share; therefore, the shareholders of the Company who dissent from the Share Consolidation (excluding the Tender Offeror and the Company) are expected to be able to file the above-mentioned petition. The sales price of the Company Shares in the event such a petition is filed will ultimately be determined by the court.

According to the Tender Offeror, regarding each of the procedures in (I) and (II) above, changes may occur in the method and timing of implementation depending on circumstances such as amendments to, enforcement of, or interpretations by authorities of relevant laws and regulations. However, even in such a case, a method will be adopted whereby money will be ultimately delivered to the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company), and the amount of money to be delivered to each such shareholder in that case will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by such shareholder. Furthermore, if any money will be delivered to the holders of the Stock Acquisition Rights who did not tender their Stock Acquisition Rights in the Tender Offer, the amount will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price for the Stock Acquisition Rights by the number of Stock Acquisition Rights owned by such holder.

Additionally, as of today, the Company has issued the Company's restricted shares granted to the directors of the Company and its subsidiaries as restricted share compensation ("Restricted Shares"). Under the relevant allocation agreement for the Restricted Shares, (a) if, during the transfer restriction period, any matter relating to a share consolidation as provided in Article 180 of the Companies Act (limited to cases where the share consolidation results in the Restricted Shares becoming only fractions of less than one share) is approved at a general meeting of shareholders of the Company, or if any matter relating to the Demand for Sale of Shares targeting the Company Shares is approved by the board of directors of the Company (provided that the effective date of the share consolidation or the "Acquisition Date" as provided in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the effective date of the share consolidation and the Acquisition Date are individually or collectively "Squeeze-Out Effective Date") arrives before the expiration of the transfer restriction period), the

Company shall, by resolution of the board of directors of the Company, lift the transfer restrictions, at the time immediately preceding the business day before the Squeeze-Out Effective Date, for a number of shares (provided that any fraction of less than one share resulting from the calculation shall be rounded down) obtained by multiplying the number of the Restricted Shares held as of the date of such approval (“Squeeze-Out Approval Date”) by a factor obtained by dividing by 12 the number of months from the month following the month containing the date of the Ordinary General Meeting of Shareholders of the Company immediately preceding the date on which the Company decided to grant the Restricted Shares to the month containing the Squeeze-Out Approval Date (provided that if the result of the calculation exceeds 1, it shall be 1); and (b) if the approval at the general meeting of shareholders or the board of directors as described in (a) above is resolved, the Company shall automatically acquire without consideration, as of the business day before the Squeeze-Out Effective Date, all of the Restricted Shares for which the transfer restrictions have not been lifted as of such date, at the time immediately following such time. Therefore, in the Squeeze-Out Procedures, the Tender Offeror intends to request the Company to: (i) include the Restricted Shares for which transfer restrictions are lifted at the time immediately preceding the business day before the Squeeze-Out Effective Date in the Demand for Sale of Shares, Etc. or the Share Consolidation, in accordance with the provisions of each allocation agreement described in (a) above; and (ii) acquire without consideration, as of the business day before the Squeeze-Out Effective Date, the Restricted Shares for which transfer restrictions are not lifted, in accordance with the provisions of the allocation agreements described in (b) above.

Furthermore, the Tender Offeror has stated that if the Tender Offer is successfully completed but the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer, and the Stock Acquisition Rights remain unexercised and outstanding, and the Squeeze-Out Procedures are to be conducted by way of the Share Consolidation, the Tender Offeror intends to request the Company to implement procedures reasonably necessary for the execution of the Transaction, such as the acquisition of the Stock Acquisition Rights by the Company or the solicitation of the holders of the Stock Acquisition Rights to waive their Stock Acquisition Rights. The Company intends to cooperate with such requests if they are made.

Specific procedures and the timing of their implementation in the cases mentioned above will be announced promptly by the Company as soon as they are determined through consultation between the Tender Offeror and the Company. Please note that the Tender Offer is not intended in any way to solicit the approval of the Company’s shareholders at the Extraordinary Shareholders’ Meeting. In addition, with respect to the tax treatment of tendering in the Tender Offer or the respective procedures described above, shareholders and holders of the Stock Acquisition Rights of the Company are requested to consult with tax advisors or other professionals at their own responsibility.

(4) Prospects for Delisting and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the TSE. However, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, the Company Shares may be delisted through prescribed procedures in accordance with the delisting standards of the TSE, depending on the results of the Tender Offer. Also, even if the Company Shares do not meet such standards at the time of the successful completion of the Tender Offer, the Squeeze-Out Procedures are scheduled to be implemented after the completion of the Tender Offer as described in “(3) Post-Tender Offer reorganization policy” above. In such a case, the Company Shares will be delisted through prescribed procedures in accordance with the delisting standards of the TSE. After the delisting, the Company Shares will no longer be tradeable on the Prime Market of the TSE.

4. Future outlook

Please refer to “(I) Background, purpose, and decision-making process that led the Tender Offeror to implement the Tender Offer,” “(II) Management policy after the Tender Offer,” and “(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer” in “(2) Grounds and reasons for the opinion”, as well as “(3) Post-Tender Offer reorganization policy” and “(4) Prospects for Delisting and Reasons Therefor” in “3. Contents of the opinion regarding the Tender Offer, and the grounds and reasons thereof” above.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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