[Translation]

November 30, 2021

To whom it may concern:

Company Name:	Mitsui O.S.K.Lines,Ltd.
Name of Representative:	Takeshi Hashimoto Representative Director, President Chief Executive Officer (Securities Code: 9104, the First Section of the Tokyo Stock Exchange)
Contact:	Makoto Inomoto, General Manager of Finance Division (Tel: 03-3587-7003)

Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of Utoc Corporation (Securities Code 9358)

Mitsui O.S.K.Lines,Ltd. (the "**Tender Offeror**") hereby announces as follows that it resolved at its board of directors meeting held today to acquire the common stock (the "**Target Company Shares**") of Utoc Corporation (First Section of the Tokyo Stock Exchange, Inc. (the "**TSE**"), Securities Code: 9358, the "**Target Company**") through a tender offer (the "**Tender Offer**") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the "**Act**").

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

As of today, the Tender Offeror holds 28,919,526 shares (ownership ratio (Note): 66.87%) of the Target Company Shares that are listed on the First Section of the TSE and the Target Company is a consolidated subsidiary of the Tender Offeror. For background with respect to the Tender Offeror's decision to make the Target Company a consolidated subsidiary, see "(a) Background to the Tender Offer" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" below.

Note: "Ownership ratio" means the percentage (rounded up or down to the nearest two decimal places; the same applies to statements regarding ownership ratios below unless otherwise stipulated) in the product (43,247,189 shares) of (i) the total number of issued shares of the Target Company as of September 30, 2021 (43,448,099 shares) stated in the "Consolidated Financial Results Release for the Second Quarter for the Fiscal Year Ending March 2022" announced by the Target

Company on October 29, 2021 (the "**Target Company's Financial Results Release**") less (ii) the number of treasury shares held by the Target Company as of that date (200,910 shares).

The Tender Offeror resolved at its board of directors meeting held on today to implement the Tender Offer as part of the transactions (the "**Transactions**") intended to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror or treasury shares held by the Target Company; the same applies below) and make the Target Company a wholly-owned subsidiary of the Tender Offeror.

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer. Also, the Tender Offeror has not set the minimum number of shares to be purchased in the Tender Offer and will conduct the purchase, etc. of all of the Share Certificates, Etc. tendered in response to the Tender Offer (the "**Tendered Share Certificates, Etc.**"), in order to ensure that the shareholders of the Target Company who wish to sell their shares through the Tender Offer are provided with the opportunity to sell their shares. While the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, since the Tender Offeror holds 28,919,526 shares (ownership ratio: 66.87%) of the Target Company Shares as stated above, the Tender Offeror believes that it would be possible for the Tender Offeror to make the Target Company a wholly-owned subsidiary by other means without implementing the Tender Offer, such as by requesting that the Target Company implement a share consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (Law No. 86 of 2005, as amended; the "**Companies Act**") (the "**Share Consolidation**"). However, the Tender Offeror intends to ensure that the shareholders of the Target Company have an appropriate opportunity to make decisions regarding the Transactions and accordingly ensure the fairness of the Transactions by first implementing the Tender Offer to properly disclose information about the Transactions.

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Target Company Shares through the Tender Offer, the Tender Offeror intends to acquire all of the Target Company Shares by implementing the series of procedures (the "**Squeeze-Out Procedures**") stated in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition")" below to become the sole shareholder of the Target Company after the successful completion of the Tender Offer. In case of unsuccessful completion of the Tender Offer, including the case where the Tender Offer is withdrawn (for the conditions of withdrawal, etc., please see "(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of Purchase" in "2. Overview of the Tender Offer" below) or where no shares are tendered in the Tender Offer, the Tender Offeror Contemplates that the Tender Offeror will consult with the Target Company about the implementation of the Squeeze-Out Procedures by the Tender Offeror based on analysis of the reasons and backgrounds, etc. of the unsuccessful completion of the Tender Offer, however, the Tender Offeror has not decided whether or not to implement the Squeeze-Out Procedures in case of the unsuccessful completion of the Tender Offer as of today.

Also, according to "Notice of Support of the Tender Offer for the Shares of the Company by Our Parent Company, Mitsui O.S.K. Lines, Ltd., and Recommendation to Tender Shares" (the "**Target Company's Press Release**") released on today by the Target Company, the Target Company resolved at its board of directors' meeting held on today to express an opinion in support of the Tender Offer and to recommend to the Target Company's shareholders to tender their Target Company Shares in response to the Tender Offer.

For details regarding the decision-making process of the Target Company, please see the Target Company's Press Release and "(viii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." under "2. Overview of the Tender Offer" below.

At its board of directors' meeting held on November 30, 2021, the Tender Offeror also resolved to acquire DAIBIRU's common stock through a tender offer (the "**DAIBIRU Tender Offer**") as is the case in the Transactions, as part of the transaction in which the Tender Offeror makes DAIBIRU CORPORATION, a consolidated subsidiary of the Tender Offeror ("**DAIBIRU**"), a wholly-owned subsidiary of the Tender Offer. However, the Tender Offeror considered both transactions independently from each other and decided to implement the Transactions and the DAIBIRU Tender Offer as a result of separate discussion with the Target Company and DAIBIRU. Therefore, each of the Transactions and the DAIBIRU Tender Offer are independent transactions (for the background that the Tender Offeror began deliberating the DAIBIRU Tender Offer and other details of the DAIBIRU Tender Offer, please refer to "Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of DAIBIRU CORPORATION (Securities Code 8806)" released on today).

(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer

(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer

(a) Background to the Tender Offer

The Tender Offeror was formed under its current trade name in April 1999, through the merger of Navix Line, Ltd. and Mitsui O.S.K. Lines Ltd., the latter of which was formed by the merger of Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. in April 1964. Osaka Shosen Kaisha was a shipowner and liner service operator (see Note 1) founded in May 1884 with a capital stock of 1.2 million yen through a large-scale merger of shipowners based in the Kansai region. Mitsui Steamship Co., Ltd. originated as the shipping department of MITSUI & CO., LTD., which had operated shipping business in the late 19th Century; the shipping department was spun off into an independent corporation on December 28, 1942, with a capital stock of 50 million yen. Due to the Second World War, both Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. lost the bulk of their ships and the right to do shipping business on their own account, but after the shipping industry was re-privatized in April 1950, due to their efforts to regain their shipping rights and rebuild their fleets, they were able to restore their main prewar routes by the early 1950s. Following the merger of Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. in April 1964 described above, the new entity (named Mitsui O.S.K. Lines, Ltd.) strove to expand and diversify its business in response to the development of Japanese trade and the growing variety of shipping methods and cargoes.

Osaka Shosen Kaisha listed on the Osaka Stock Exchange in June 1884, and Mitsui Steamship Co., Ltd. listed on the Tokyo, Osaka, and Nagoya stock exchanges in May 1949, and on all of the Japanese stock exchanges in 1964. The Tender Offeror delisted from the Sapporo Stock Exchange in November 2007, from the Fukuoka Stock Exchange in May 2013, from the First Section of the Osaka Stock Exchange in July 2013, and from the Nagoya Stock Exchange in May 2017, and is currently listed on the First Section of the TSE.

As of September 30, 2021, the Tender Offeror has 481 consolidated affiliates (369 consolidated subsidiaries and 112 equity-method affiliates including the Target Company; the Tender Offeror and its consolidated affiliates collectively, the "**Tender Offeror Group**"), and the Tender Offeror Group operates globally, mainly in the shipping business. The Tender Offeror Group's five business segments – Dry Bulker Transport, Energy Transport, Product Transport, Associated Businesses, and Other – are outlined below.

I. Dry Bulker Transport: The Tender Offeror Group owns and operates dry bulkers (see Note 2) (excluding coal carriers which transport coal for power plants) with which it transports cargo around the globe.

II. Energy Transport: The Tender Offeror Group owns and operates coal carriers (which transport coal for power plants), tankers, offshore business, LNG carriers, and other ships with which it transports cargo around the globe.

III. Product Transport: The Tender Offeror Group owns and operates car carriers (see Note 2) with which it transports cargo around the globe. It also provides total logistics solutions including owning and operating container ships, container terminals operation, air and ocean freight forwarding (see Note 3), trucking, warehousing, and heavyweight and oversized cargo transport. The Tender Offeror's consolidated affiliates MOL Ferry Co., Ltd. and Ferry Sunflower Limited operate ferries for passenger and freight transport, mainly on Japan's Pacific coast and Seto Inland Sea.

IV. Associated Businesses: In addition to the real estate business mainly centered on DAIBIRU, the Tender Offeror Group operates passenger cruises, tugboats, general trading (including the sale of fuel, shipbuilding materials, and machinery), and other businesses.

V. Other: The Tender Offeror Group operates businesses including ship management (for ships other than tankers and LNG carriers), finance (for group-internal financing), information services, accounting, and maritime business consulting, through its consolidated affiliates including MOL Ship Management Co., Ltd.

A liner ship is a ship operating on a regular route under a regular schedule, with the port of departure, ports of call, port of destination, planned dates of departure and arrival, and ship name published in advance.

A dry bulker is a cargo ship designed to carry unpackaged grain, ore, cement, and other bulk cargo in its hold.

A car carrier is a specialized ship for the transportation of automobiles.

Freight forwarding is the service of providing support for trade paperwork and specialized operations that arise in connection with arranging transportation, as an agent between the entity that requests shipping (the consignor) and the actual shipping provider (the carrier).

Note 1: A liner ship is a ship operating on a regular route under a regular schedule, with the port of departure, ports of call, port of destination, planned dates of departure and arrival, and ship name published in advance.

Note 2: A dry bulker is a cargo ship designed to carry unpackaged grain, ore, cement, and other bulk cargo in its hold.

Note 3: A car carrier is a specialized ship for the transportation of automobiles.

Note 4: Freight forwarding is the business service of providing support for trade paperwork and specialized operations that arise in connection with arranging transportation, as an agent between the entity that requests shipping (the consignor) and the actual shipping provider (the carrier).

On the other hand, accrding to the Target Company's Press release, the Target Company was established as UTSUNOMIYA TOKUZO MARINE TRANSPORTATION, which was privately managed by Tokuzo Utsunomiya in Yokohama in March 1890. The trade name was changed to UTOKU EXPRESS CO., LTD. in January 1949, and expanded its business in the Kanto, Tohoku, Hokuriku, and Kansai regions and expanded the scale and activities of its business. It changed its trade name to the present Utoc Corporation in August 2007. Its main business was marine transportation when it was first established, and the Company expanded its business into port business (Note 5) and plant and logistic business (Note 6). Presently, the port business accounts for 38% and the plant and logistics business accounts for 61% of the Company's sales, respectively. The Company was listed on the Second Section of the TSE in September 1962, and became listed on the First Section of the TSE in September 1980. Thereafter, through expansion into the US, Southeast Asia and China, as of the date of this Press Release, the Company has been operating its businesses as a group (the "Company Group") comprised of the Company and 16 consolidated subsidiaries (UTOC LOGISTIC CORPORATION, UTOC STEVEDORING CORPORATION, UTOC TRANSNET CORPORATION, TERMINAL ENGINEERING CO.,LTD., KYUSHU UTOC CORPORATION, UTOC RYUTSU SERVICE CORPORATION, UTOC BUSINESSSUPPORT CORPORATION, UTOC PLANT SERVICE CORPORATION, UTOC TERMINAL SERVICE CORPORATION, UTOC TRANSPORT CORPORATION, UTOC ENGINEERING PTE.LTD., UTOC (THAILAND) CO.,LTD., UTOC AMERICA, INC., ASIA UTOC PTE.LTD., UTOC PLANT CONSTRUCTION SDN.BHD., and UTOC LOGISTICS (TIANJIN) CO.,LTD).

Note 5: In port business, the Company provides services such as cargo-handling (Note 8) of container ships, car carriers, conventional ships, roll-on/roll-off (RO/RO) (Note 7) vessels and operation of container and RO/RO vessels terminals mainly in the Ports of Keihin (Tokyo and Yokohoama), Chiba and Ibaraki, as well as loading and unloading cargos at the port warehouse of the Company.

Note 6: Plant and logistic business is broadly divided into two categories, the plant business and logistics business. In plant business, the Company provides services from design and planning to implementation control for heavy goods transportation and installation related to power plant, plant construction and periodic maintenance of petrochemical plants and other types of plant, bridge erection and dismantling for expressways and junctions. In logistics business, the Company provides integrated services such as logistic arrangement abroad and in

Japan, customs clearance, warehousing and packing for various cargoes from food to heavyweight and oversized cargo.

Note 7: RO/RO vessels mean cargo ships that can transport trucks and trailers with cargoes, and RO/RO is an abbreviation for ROLL-ON/ROLL-OFF.

Note 8: Cargo-handling means comprehensive loading and unloading works for cargos between the ship and land at a port.

The capital relationship between the Target Company and the Tender Offeror is as follows. Mitsui Steamship Co., Ltd., one of the precursors of the Tender Offeror, made a capital contribution to the Target Company in 1951, and as of March 31, 2004, the Tender Offeror held 6,162,975 Target Company Shares (shareholding ratio (meaning the ratio of the total issued shares of the Target Company excluding treasury shares represented by the Target Company Shares held at a given time, rounded to two decimal places; the same applies to references to "shareholding ratio" below in this paragraph) as of March 31, 2004: 21.32%; total issued shares as of that date: 29,106,000 shares; treasury shares as of that date: 197,686 shares). On February 25, 2005, in order to maintain trading relationships in the port and harbor transportation business and maintain relationships with the Target Company as an equity-method affiliate, the Tender Offeror acquired the 2,910,000 shares of the Target Company Shares held by MITSUI & CO., bringing the Tender Offeror's total shareholding to 9,072,975 shares (shareholding ratio as of February 25, 2005: 31.39%; total issued shares as of that date: 29,106,000 shares; treasury shares as of March 31, 2004: 197,686 shares) as of that date. The Tender Offeror conducted a tender offer for the Target Company Shares in February 2006 for the purpose of clarifying the Target Company's status as a member of the Tender Offeror Group in order to strengthen the corporate group and promote group operations, especially in the core business area of shipping (tender offer period: February 6 to February 27, 2006; maximum number of shares to be purchased: 5,390,000 shares; minimum number of shares to be purchased: N/A); as of March 7, 2006, the Tender Offeror acquired 5,390,551shares of the Target Company Shares, bringing its shareholding to 14,463,526 shares (shareholding ratio as of March 7, 2006: 50.05%; total issued shares as of that date: 29,106,000 shares; treasury shares as of March 31, 2005: 207,899 shares), and making the Target Company a consolidated subsidiary of the Tender Offeror. On April 1, 2011, the Tender Offeror's shareholding increased to 28,919,526 shares of the Target Company Shares (shareholding ratio as of April 1, 2011: 66.87%; total issued shares as of that date: 43,448,099 shares; treasury shares as of that date: 200,052 shares) after it received an allotment of 14,456,000 shares of the Target Company Shares as consideration for the merger between the Target Company and INTERNATIONAL CONTAINER TERMINAL CO., LTD., and it holds 28,919,526 shares of the Target Company Shares as of today (shareholding ratio: 66.87%).

(b) Purpose of and Decision-Making Process for the Tender Offeror Leading to the Decision to Conduct the Tender Offer

Demand for the Tender Offeror Group's core business of shipping is directly influenced by changes in different countries' production of resources, materials, and products; as the growth of the world economy has diversified the factors that affect production in each country, demand forecasting is becoming more and more difficult. Furthermore, the industry-wide effort to introduce new ships that use LNG and other clean alternative fuels is a technological revolution that has also introduced an element of uncertainty, making supply-side forecasting similarly challenging. Due to these supply and demand factors, businesses such as the container ship business, the dry bulker business (especially iron ore), and the tanker business of energy transport, is becoming more uncertain in terms of global growth potential and future forecasting as a result of supply-side forecasting analysis becoming increasingly difficult due to changes in demand for transportation and environmental measures. The Tender Offeror has long believed that it will struggle to maintain the medium- to long-term growth going forward unless it branches out from continuing the general shipping business, which has a low barrier of entry due to the relative lack of expertise required for shipping and freight handling. There is also a growing global trend toward sustainability, as represented by the SDGs, and there is particular social demand for measures to address climate change and other environmental issues, which the Tender Offeror Group is aware of as a pressing issue that it cannot avoid. On April 1 2021, the Tender Offeror Group revised its corporate mission and group vision, stating its intention to contribute to the long-term prosperity of the society in the fields in which the Tender Offeror Group has strengths and develop a variety of social infrastructure businesses in addition to traditional shipping businesses globally to create value, and on June 18, 2021 it issued its revised environmental vision ("MOL Group Environmental Vision 2.1") in which it aims to achieve "Net Zero GHG Emissions by 2050" by collaborating with industry leaders to reduce society's greenhouse gas emissions, which it believes will enable sustainable growth for the Tender Offeror Group.

The Tender Offeror Group's core business area of shipping is cyclical by nature due to demand being strongly affected by fluctuations in the market and the broader economy, and its position in the medium- to long-term is subject to uncertainties, including profit instability, due to the effects of decarbonization – particularly the decreasing demand for transportation of fossil fuels like coal and oil, the switch from heavy fuel oil to LNG and other clean alternatives which will require additional investment to refit ships, and the variability of alternative fuel prices. In this context, the Tender Offeror believes that making the Target Company a wholly-owned subsidiary of the Tender Offeror will increase the proportion of its portfolio that is represented by the port business and the logistics business – which both have strong connections to the shipping business, but which have different properties and incur limited impacts due to market movements – and reduce the Tender Offeror Group's dependence on traditional shipping, and to reinforce its business and allow consistent, stable earnings, and will also diversify its access to new business areas by enabling it to leverage the strengths and network that the Tender Offeror Group has built up in the shipping business. In addition, by making the Target Company a wholly-owned subsidiary of the Tender Offeror, the two groups will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company. Placing the Target Company Group at the core of the Tender Offeror Group's domestic regional business and coordinating and aligning its operations with those of the other companies in the Tender Offeror Group, including information sharing and the leveraging of each other's customer bases, business bases, financial bases and other management resources, will enable the Tender Offeror Group to expand its business areas.

The Tender Offeror believes that, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, the Target Company Group will be able to make swifter decisions without concern for the effects of temporary increases in investment burdens and short-term decreases in performance on the shareholders, and the two companies will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company, which will allow them to implement growth strategies with a stronger focus on the medium- to long-term. Specifically, as the number of individual users (shipping companies) decreases due to the integration of shipping companies, and given the expected drop-off in import and export volumes as a result of long-term population decline projected by the Japan Statistics Bureau, the Target Company Group's port business needs to make efforts to further improve the quality and value-competitiveness of the services it offers to customers. The Tender Offeror believes that if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror after the Transactions, the Target Company Group will no longer have to consider the effect of temporary increases in investment burden or short-term dips in performance on the general shareholders of the Target Company, and it can therefore enhance the Target Company Group's port business by strategic coordination with the Tender Offeror Group's network and the promotion of new investment to secure cost-competitiveness using the Tender Offeror Group's capital based on a medium- to long-term view. In the plant and logistics businesses, the Target Company Group has a stable business base, especially, in the Tender Offeror's understanding, due to its advanced technical capabilities in its original specialty area of heavy goods transportation. As demand is expected to remain firm going forward due to the replacement of aging Japanese infrastructure and the installation of new wind generation and other environmentally friendly plants, the Tender Offeror wishes to further expand these businesses after the Transactions by increasing coordination between the Tender Offeror Group and the Target Company Group and bringing in the expected demand. In addition, the Tender Offeror Group expects to utilize its global business base to further expand the Target Company Group's plant and logistics businesses in overseas markets.

The Tender Offeror has managed the Target Company as a member of the Tender Offeror Group since acquiring it as a consolidated subsidiary on March 7, 2006, and achieved synergies while respecting the Target Company's independence as a listed company. However, the Tender Offeror has carefully considered the capital relationship between the Tender Offeror Group and the Target Company Group since its acquisition as a consolidated subsidiary, given that there is currently a limit on how far customer bases, business bases, financial bases, and other management resources can be shared and optimized to implement the above measures from the standpoint of maintaining independence as a listed company. The Tender Offeror believes that if the Target Company's listing is maintained, it will be difficult to carry out the initiatives that the Tender Offeror intends to carry out after the Tender Offer as described in the preceding two paragraphs, including: strategic coordination with the Target Company Group's network; promotion of new investment to secure cost-competitiveness using the Tender Offeror Group's capital to enhance the port business; expansion of business through further enhancing coordination in the plant and logistics businesses; and utilizing the global business base of the Tender Offeror Group to further expand the Target Company Group's plant and logistics businesses in overseas markets. The Tender Offeror believes that while the above initiatives will contribute to the medium- to long-term corporate value of the Target Company Group, they may cause investment increases and instability in the Target Company Group's performance in the short term, and it is therefore anticipated that the Target Company's management strategy may not necessarily align with the interests of its existing general shareholders in the short term. After formulating its management plan (Rolling Plan 2021), which was announced on April 5, 2021, the Tender Offeror accelerated its internal deliberations of the capital relationship between itself and the Target Company with a view to achieving the above initiatives and the implementation of growth strategies and management strategies for the Target Company with a medium- to long-term view. As a result, in early August 2021, the Tender Offeror concluded that making the Target Company a wholly owned subsidiary of the Tender Offeror and making the Tender Offeror the only shareholder of the Target Company is the most appropriate way of consolidating the management of the Tender Offeror Group, including the Target Company Group, and achieving the above initiatives, and is the best choice for enhancing the corporate value of both the Tender Offeror Group and the Target Company Group. As stated in "(1) Outline of the Tender Offer" in "1. Purpose of the Tender Offer" above, while the Tender Offeror intends to make the Target Company its wholly-owned subsidiary, since the Tender Offeror holds 28,919,526 shares (ownership ratio: 66.87%) of the Target Company Shares as stated above, the Tender Offeror believes that it would be possible for the Tender Offeror to make the Target Company a wholly-owned subsidiary by other means without implementing the Tender Offer, such as by requesting that the Target Company implement the Share Consolidation. However, the Tender Offeror intends to ensure that the shareholders of the Target Company have an appropriate opportunity to make decisions regarding the Transactions and ensure the fairness of the Transactions by first implementing the Tender Offer to make appropriate disclosures about the Transactions. The Tender Offeror believes, with respect to eliminating the dual listing of parent and subsidiary, that making the Target Company a wholly-owned subsidiary through the Tender Offer is consistent with recent trends in group governance discussion demanding greater fairness and transparency in the governance of listed companies (notably the Ministry of Economy, Trade and Industry's publication of the "Practical Guidelines for Corporate Governance Systems" on June 28, 2019).

Based on this understanding, in early August 2021, the Tender Offeror appointed Goldman Sachs Japan Co., Ltd. ("**Goldman Sachs**") as its financial advisor and Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror Group and the Target Company Group, and began deliberating the Transactions in earnest. The Tender Offeror, having concluded that it would be appropriate to offer the minority shareholders of the Target Company a reasonable opportunity to sell their shares by acquiring the Target Company Shares through a tender offer as part of the Transactions, initially approached the Target Company on September 30, 2021 indicating that the Transactions would be conducted through a tender offer and requesting to begin discussions between the Tender Offeror and the Target Company with respect to the possibility and conditions of the Transactions, and the two companies agreed to begin discussions. Following that, the Tender Offeror received the Target Company's business plan for the Y.E. March 2022 through the Y.E. March 2027 (the "**Target Company's Business Plan**") from the Target Company on October 22, 2021 and received an explanation from the Target Company regarding the Target Company's Business Plan on October 28, 2021. On October 29, 2021, following comprehensive consideration of the inherent corporate value of the Target Company based on analyses including the market share price analysis of the Target Company Shares and financial forecast model analysis based on the Target Company's Business Plan, and the possibility of endorsement of the Tender Offer by the Target Company and the prospect of successful completion of the Tender Offer, the Tender Offeror made a formal proposal to the Target Company regarding the Transactions, including deciding on the price for purchase, etc. of the Target Company Shares (the "**Tender Offer Price**") of 680 yen per share. However, on November 4, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price because 680 yen per share could not be considered to represent a reasonable premium on the market share price in comparison to other tender offer buyouts of a subsidiary by a parent company with the assumption of taking the target company private, and did not sufficiently reflect the corporate value of the Target Company in light of the theoretical range of share prices calculated by DCF analysis (defined in "(ii) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser" in

"(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below; the same applies hereinafter), and it was therefore not sufficient from the perspective of the Target Company's minority shareholders. Based on the request to reconsider the Tender Offer Price, the Tender Offeror proposed on November 5 to increase the Tender Offer Price to 700 yen per share, but on November 8, the Target Company requested that the Tender Offeror once again consider raising the Tender Offer Price for the same reasons as above. On November 12, the Tender Offeror proposed a Tender Offer Price of 710 yen per share, but the Target Company responded on November 16 that it had concluded that the price of 710 yen per share was still not adequate for its minority shareholders for the same reasons as above, and requested that the Tender Offeror again reconsider the Tender Offer Price. On November 17, the Tender Offeror proposed a Tender Offer Price of 715 yen per share. On November 22, the Target Company responded that 715 yen per share was still not adequate for its minority shareholders for the same reasons as above, and requested that the Tender Offeror reconsider. On November 25, the Tender Offeror made a final offer with a Tender Offer Price of 725 yen per share, and the Tender Offeror received a response from the Target Company regarding the final decision, to the effect that it is appropriate to accept the proposal to set the Tender Offer Price at 725 yen on the basis that the final decision will be made through a resolution of the board of directors taking into account the report from the Special Committee.

As described above, at the board of directors' meeting held on today, the Tender Offeror resolved to implement the Tender Offer for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, considering legal advice from Mori Hamada & Matsumoto, and advice from a financial point of view from Goldman Sachs, and a financial analysis report dated November 30, 2021 ("**the Analysis Report (GS)**") received from Goldman Sachs. For an outline of the Analysis Report (GS), see "(A) Basis of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

(c) Decision-Making Process and Reasoning of the Target Company

(i) Background of the Construction of a System for Deliberation

According to the Target Company, on September 30, 2021, the Target Company received initial contact from the Tender Offeror concerning its proposal to conduct the Transaction by means of a tender offer and that it wishes to commence discussions with the Target Company regarding whether the Transaction would be conducted and its conditions. The Target Company agreed to commence discussions with the Tender Offeror. After this, in mid October 2021, the Target Company appointed Nomura Securities Co., Ltd. ("**Nomura Securities**") as its financial advisor and third-party valuator independent from the Tender Offeror and the Company, and Anderson Mori & Tomotsune ("**AM&T**") as its legal advisor independent from the Tender Offeror and the Target Company, respectively, in order to ensure the fairness of the Tender Offer Price and the terms of the Transactions including other Tender Offer. In consideration of the fact that the Target Company is the Tender Offeror's consolidated subsidiary and that the Transactions fall under a transaction that involves structural conflict of interests and asymmetry of information, as a means to deal with these issues, and to ensure fairness of the Transaction, the Target Company immediately commenced establishing a framework for evaluation, negotiation and decision-making regarding the Transactions from the perspective of enhancing the Target

Company's corporate value and securing the benefits of the minority shareholders of the Target Company, based on advice from AM&T and from a position that is independent from the Tender Offeror.

Specifically, the Target Company has, from mid October 2021, began preparation to establish a special committee constituting of an independent outside director, independent outside corporate auditor and an outside expert as described in "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below. Based on this, the Target Company established a special committee (the "**Special Committee**"; please see "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below on the circumstances of establishing the Special Committee, review by and contents of judgment of the Special Committee) constituting Mr. Hajime Nakai (the Target Company's independent outside director), Ms. Chihiro Kawai (the Target Company's independent outside corporate auditor, representative of Bayside Partners (accounting firm) and committee member of Yokohama City University Evaluation Committee) and Mr. Akito Takahashi (lawyer of Takahashi & Katayama (law firm)) by resolution of the board of directors meeting held on October 18, 2021 and submitted to the Special Committee the matters for which it wishes to consult with the committee concerning (i) whether the purpose of the Transactions is reasonable (including whether the Transactions is beneficial in enhancing the Target Company's corporate value), (ii) whether the fairness of procedures concerning the Transactions is ensured, (iii) whether the terms of the Transactions (including the Tender Offer Price) is appropriate, (iv) whether the Transactions are disadvantageous to the minority shareholders of the Target Company in consideration of (i) to (iii) above, and (v) whether the Target Company's board of directors meeting should resolve to support the Tender Offer and to recommend the Target Company's shareholders to tender their shares (collectively, "**Consulted Matters**"). Furthermore, the Target Company's board of directors resolved that upon establishing the Special Committee, the Target Company's board of directors will fully observe the Special Committee's judgement in the decision-making process of the Target Company's board of directors regarding the Transactions. In particular, the Target Company's board of directors resolved that it will not support the Transactions if the Special Committee judges that the terms of the Transactions are inappropriate, and if the Special Committee deems necessary, the Special Committee shall be given (i) authority to appoint its advisors such as financial advisor and legal advisor (and reasonable expenses for such appointment to be borne by the Target Company) or to approve the Target Company's advisors, (ii) authority to receive necessary information to review and decide on the Transaction from officers and employees of the Target Company and other persons whom the Special Committee considers necessary, and (iii) authority to discuss and negotiate on the terms of the Transaction with the Offeror if the Special Committee considers necessary. (Please see "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below on how this resolution was made at this board of directors meeting.) As indicated in “(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below, the Special Committee exercised its authority above and appointed Yamada Consulting Group Co., Ltd.(“**Yamada Consulting**”) as its own financial advisor and third-party evaluator on October 29, 2021.

As indicated in “(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below, the Special Committee has approved the Target Company’s appointment of Nomura Securities as the Target Company’s financial advisor and third-party evaluator and AM&T as the Target Company’s legal advisor, confirming they are independent and professionally qualified.

As indicated in “(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below, the Target Company established a framework within the Target Company for evaluation, negotiation and judgement of the Transactions (including the range of the Target Company’s officers and employers who are partial to the evaluation, negotiation and judgement of the Transactions, and the scope of their duties) from a position independent from the Tender Offeror, and the Special Committee has approved this evaluation framework with regard to its independence and fairness.

(ii) Contents of Judgement

According to the Target Company’s Press Release, from the end of October 2021 to the end of November 2021, the Target Company has carefully discussed and reviewed whether the Transactions including the Tender Offer are beneficial in enhancing the Target Company’s corporate value and whether the terms of the Transactions including the Tender Offer Price are appropriate, based on guidance and legal advice from AM&T regarding the Target Company’s response to ensure the fairness of procedures of the Transactions, and based on the report from Nomura Securities concerning the results of the share valuation of the Target Company Shares, its advice concerning the Target Company’s policy for negotiating with the Tender Offeror and its other advice from a financial perspective.

In the process of discussing and reviewing inside the Target Company and negotiations with the Tender Offeror, the Special Committee has confirmed and stated its opinion as appropriately in response to the reports from the Target Company and the Target Company’s advisors. The Target Company’s financial advisor handles its negotiations with the Tender Offeror based on prior discussion inside the Target Company and in accordance with the policy for negotiation that reflects the opinions of the Special Committee, and whenever the Target Company receives a proposal from the Tender Offeror concerning the

Tender Offer Price, immediately reports this to the Special Committee and makes its response, upon discussion within the Target Company and based on the advice received from the Special Committee.

On November 30, 2021, the Target Company has received a report (the "**Report**") from the Special Committee stating that the Special Committee finds that (i) the purpose of the Transactions is reasonable (i.e., that the Tender Offer is beneficial in enhancing the Target Company's corporate value), (ii) the fairness of the procedures of the Transactions is ensured, (iii) the terms of the Transactions (including the Tender Offer Price) are appropriate, (iv) in view of (i) to (iii) above, the Transactions are not disadvantageous to minority shareholders, and (v) in view of (i) to (iv) above, it is appropriate, as of now, for the Target Company's board of directors to make a resolution state its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares (i.e., in favor of), and that the Transactions are not disadvantageous to the Target Company's minority shareholders. (For a summary of the Report, please see "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.)

As such, the Target Company concluded as follows that synergic effects can be expected by the Target Company becoming a wholly-owned subsidiary of the Tender Offeror, and that the effect should be beneficial in enhancing the Target Company's corporate value.

The market environment surrounding the Target Company is undergoing various transitions in both the Target Company's port business and plant and logistics businesses, which are the Target Company's primary area of business.

In particular, in the Target Company's port business, the Target Company must consider the global trend towards a sustainable society as represented by the SDGs which requires a combination of both consideration for the environment and provision of high quality services, and in response must flexibly cope with environmental changes surrounding the business such as the increasing size of vessels by proactively investing in equipment and facilities. With respect to the Target Company's distribution business, the Target Company considers that it will become necessary to progress an environment-friendly modal shift (Note 1) to transportation methods, enhance cost-competitiveness to increase profitability, and invest management resources in technological developments and increase equipment.

Note 1: Modal shift means to shift from the use of cargo transportation by means of automobiles such as trucks to cargo transportation by means of small and environment-friendly railways and vessels.

As such, unpredictable conditions at the phase of various transitions is expected to continue, and the Target Company considers it necessary to make proactive investments in order to fundamentally enhance the Target Company's management base. Although such investment anticipates a mid-term merit that would lead to enhancement of the Target Company's corporate value, in the short-term, initial cost and investment that precede such investment could affect the Target Company's financial position and business performance in a way that the capital market may react negatively towards the Target Company. As there is a limit to the extent on which proactive investments can be made by simultaneously taking into account the interests of the general shareholders of the Target Company, the Target Company has concluded that making the Target Company a wholly-owned subsidiary of the Tender Offeror by executing the Transactions, eliminating potential conflict of interests arising from parent-subsidiary listing, and establishing a system to enable flexible and quick decision-making, while sharing management resources between the two groups to fundamentally enhance the Target Company's business and management base would be beneficial in enhancing the Target Company's corporate value.

The Target Company considers that the following synergic effects can be achieved from the Transactions.

1) Expedite decision-making to share management resources and to implement management strategies with the Tender Offeror Group

The Target Company has, as a listed company, considered the interests of the Target Company's minority shareholders and endeavored to ensure the Target Company's independence. For this reason, there were concerns in sharing management resources of the Tender Offeror Group that this might give rise to conflicts of interests between the Tender Offeror Group and the minority shareholders, and much effort has been required to ensure the Target Company's independence. By becoming a wholly-owned subsidiary of the Tender Offeror after the Transactions, such conflict of interests between the Tender Offeror Group and the minority shareholders, and the limitations on ensuring independence may be avoided, and through necessary cooperation with the Tender Offeror Group and the efficient use of management resources, and by making proactive investments quickly and smoothly from a middle to long-term perspective, the corporate value of the Tender Offeror Group including the Target Company may be enhance over the middle to long-term.

2) Establish human resource foundation through reinforced personnel training

The Target Company Group has endeavored to train and secure diverse and capable personnel for the development of its business, but in this age of aging society and shrinking population, widely-changing values regarding work-style, it is becoming increasingly important to secure and train personnel who are specialized in necessary areas and capable of responding to newly implemented technology and overseas expansion. Becoming a wholly-owned subsidiary of the Tender Offeror after the Transactions under such circumstances not only allows the Target Company to make further investments concerning personnel training, but also allows the Target Company to promote interaction of personnel between the Tender Offeror Group and the Target Company, thereby increasing the opportunity for personnel from different lines of work and areas to gain practical work experience. This will allow the Target Company to secure personnel who work at the core of the Target Company and reinforce its human resource foundation.

3) Mitigate cost to maintain listing and relevant operational burdens

The delisting of the Target Company is expected to mitigate burdens such as immediate operational burdens for maintaining the listing including responses to the corporate governance code, as well as costs for continuous disclosure of information through securities reports, audits, operation of general meeting of shareholders, and commissions to the shareholder registry administrator, which are also required for maintaining the listing. As such, the Transactions may allow the Target Company to utilize and focus its management resources for further developing its business.

Furthermore, concerning the circumstances of the negotiation regarding the Tender Offer Price, the Target Company has, ever since receiving the Tender Offeror's initial proposal to make the Tender Offer Price of 680 yen per share on October 29, 2021, continued to discuss and negotiate with the Tender Offeror on the terms of the Transactions including the Tender Offer Price. In particular, the Tender Offeror has proposed a Tender Offer Price of 700 yen per share on November 5, 2021, 710 yen per share on November 12, 2021, and 715 yen per share on November 17, 2021. In response to each of these proposals, the Target Company has requested the Tender Offeror, upon consideration of opinions received from the Special Committee (the Special Committee formed its opinion based on advice from its advisor Yamada Consulting), Nomura Securities and AM&T, to reconsider the Tender Offer Price on the grounds that the price is not appropriate. The Target Company continued to discuss and negotiate with the Tender Offeror with the mediation of the Target Company's financial advisor and consequently agreed to the Tender Offeror's final proposal for the Tender Offer Price at 725 yen per share received on November 25, 2021. Thereafter, on November 29, 2021, the Target Company responded to the Tender Offeror that it will accept the proposal of a Tender Offer Price of 725 yen per share on condition that the final decision will be made by the Target Company's board of directors based on the report from the Special Committee.

The Target Company concluded based on the following points that the Tender Offer Price of 725 yen per share is an appropriate price that ensures the benefits of minority shareholders, and that the Tender Offer provides a reasonable opportunity for the Target Company's minority shareholders to tender the Target Company Shares at a premium price.

a) The Tender Offer Price was agreed through multiple and sufficient negotiations with the Tender Offeror, with the substantial involvement of the Special Committee, and with sufficient measures being taken to ensure the fairness of the terms of the Transactions including the Tender Offer Price as indicated in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

b) Of the valuation results of the Target Company Shares in the share valuation report submitted by Nomura Securities on November 30, 2021 (the "**Nomura Securities Valuation Report**"), the Tender Offer Price exceeds the range of valuation of the Target Company Shares calculated by the average market price method and comparable company analysis method by Nomura Securities, as described in "(v) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Financial Advisor and Third-Party Appraiser"in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below, and falls within the range of valuation of the Company's Shares calculated by the DCF Method.

c) Of the valuation results of the Target Company Shares in the share valuation report submitted by Yamada Consulting on November 29, 2021 (the "**Yamada Consulting Valuation Report**"), the Tender Offer Price exceeds the range of valuation of the Target Company Shares calculated by the market price method by Yamada Consulting as indicated in "(v) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Financial Advisor and Third-Party Appraiser"in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below, and exceeds the median of the Target Company Shares calculated by the comparable company analysis method as well as the median of the Target Company Shares calculated by the DCF Method. Furthermore, a fairness opinion (the "**Fairness Opinion**") has been issued by Yamada Consulting which contains Yamada Consulting's judgment that the Tender Offer Price of 725 yen per share is fair to the Target Company's shareholders (excluding the Tender Offeror and its affiliates) from a financial perspective, as indicated in "(v) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Financial Advisor and Third-Party Appraiser"in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

d) The Tender Offer Price has a premium added thereto at a rate of 40.50% (rounded to the second decimal place, hereinafter the same for the calculation of the premium rates) of the closing price of 516 yen of the Target Company Shares on the First Section of the TSE for November 29, 2021, which is the business day preceding the announcement date of the Tender Offer, 37.57% of the simple average of the closing price of 527 yen (figures less than decimal rounded to whole number; hereinafter the same for the calculation of simple average of the closing price) for the recent one month counted from November 29, 2021, 33.76% of the simple average of the closing price of 542 yen for the recent three (3) months counted from November 29, 2021, and 35.77% of the simple average of the closing price 534 yen for the recent six (6) months counted from November 29, 2021. Therefore, the level of premium equivalent to approximately 40.50% added on the closing price of 516 yen of the Target Company Shares on the business day preceding the date of announcement is not particularly different compared to premiums paid (in average from around 39% to around 43% and the median from around 39% to around 41%) in 40 other examples of tender offers conducted beyond (and including) January 1, 2018 for the purpose of making a listed subsidiary company a wholly-owned subsidiary of its parent company. Furthermore, the level of premium equivalent to 33.76% to 37.57% of the simple average closing price of the Target Company Shares for the recent one month, three (3) months, and six (6) months counted from November 29, 2021 could be evaluated to respectively fall within reasonable levels because in the above 40 examples of premiums paid, there are eight (8) cases where the premium was less than 30% towards the simple average closing price for the recent one month from the business day preceding announcement, 14 cases where the premium was 30% or more to less than 40%, six (6) cases where the premium was less than 30% towards the simple average closing price for the recent three (3) months from the business day preceding the announcement, 15 cases where the premium was 30% or more to less than 40%, nine (9) cases where the premium was less than 30% towards the simple average closing price for the recent six (6) months from the business day preceding the announcement, and nine (9) cases where the premium was 30% or more to less than 40%.

e) The Special Committee judged that the Tender Offer Price is appropriate as stated in its Report, as indicated in "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

Based on the above, the Target Company concluded that the Transactions is beneficial in enhancing the Target Company's corporate value and the terms of the Transactions including the Tender Offer Price are appropriate, and has therefore resolved at its board of directors meeting held today to express an opinion in support of the Tender Offer and to recommend its shareholders to tender in the Tender Offer.

For details on the methods of making the resolution at the Target Company's board of directors meeting, please see "(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below.

The Tender Offer Price falls below the net asset value per share of 813 yen (figures less than decimal rounded to whole number) calculated from the net book value as of September 30, 2021. However, considering the massive cost and loss that may be incurred such as the cost of and loss incurred from early collection of the Target Company's claims and the cost of closing the Target Company's warehouse, the net book value will not be cashed in the stated amount even in the event of the Target Company's liquidation, where this value is anticipated to significantly deteriorate. As such, the Target Company considers that the Tender Offer Price exceeds the substantial liquidation value per share.

(B) Management Policy After the Tender Offer

After the Transactions, the Tender Offeror will work to speed up decision-making and coordination within the Tender Offeror Group, including the Target Company, and to optimize allocation and sharing of management resources including customer bases, business bases, and financial bases in order to respond to future changes in the business environment, strengthen the Tender Offeror Group's business, and achieve sustainable earnings growth while fully utilizing the unique strengths of the Target Company Group. In addition, by improving competitiveness from a medium- to long-term perspective and implementing flexible management measures, the Tender Offeror will work to accelerate earnings growth and enhance corporate value within the Tender Offeror Group, including the Target Company Group.

The current management structure of the Target Company will be respected after the Transactions, but the Tender Offeror will promptly determine the necessary measures to be taken and how to implement them through discussions with the Target Company, with the aim of achieving the greater competitiveness and growth of the Target Company Group expected following the Transactions and the medium- to long-term growth of the Group as rapidly as possible.

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

In light of the fact that the Target Company is a consolidated subsidiary of the Tender Offeror, the fact that the Transactions (including the Tender Offer) constitute a material transaction, etc. with a controlling shareholder, and the fact that there are structural conflicts of interest between the Tender Offeror and the shareholders of the Target Company other than the Tender Offeror, the Tender Offeror and the Target Company have taken the following measures to ensure fairness in the Tender Offer, to exclude arbitrariness of decision-making regarding the Transactions, to ensure fairness, transparency, and objectivity in the decision-making process of the Target Company, and to avoid conflicts of interest.

Since the Tender Offeror holds 28,919,526 Target Company Shares (ownership ratio: 66.87%) as of today as set out in "(1) Outline of the Tender Offer" above, the Tender Offeror believes that, if the minimum number of Share Certificates, Etc. to be purchased is set to the so-called "majority of minority" in the Tender Offer, it would increase the uncertainty as to whether the Tender Offer will be completed and, on the contrary, it would not contribute to the interests of general shareholders who wish to tender their shares in response to the Tender Offer. For this reason, in the Tender Offer, the Tender Offeror does not set the minimum number of Share Certificates, Etc. to be purchased to the so called "majority of minority" and has not set the minimum number of Share Certificates, Etc. to be purchased for the same reason. However, the Tender Offeror and the Target Company have implemented the measures described in the items (i) through (ix) below, and thus the Tender Offeror believes that the interests of general shareholders of the Target Company have been adequately taken into account.

The following statements on measures that have been taken by the Target Company are based on the Target Company's Press Release and explanations from the Target Company.

(i) Procurement by the Tender Offeror of the financial analysis report from independent financial advisor.

(ii) Procurement by the Target Company of a share valuation report from an independent financial advisor and third-party appraiser.

(iii) Procurement by the Target Company of advice from an independent legal advisor.

(iv) Establishment by the Target Company of an independent special committee and procurement by the Target Company of the report from the special committee.

(v) Procurement by the special committee of a share valuation report and fairness opinion from an independent financial adviser and third-party appraiser.

(vi) Establishment of an independent structure for review at the Target Company.

(vii) Approval of all disinterested directors of the Target Company and opinion of all disinterested corporate auditors that they had no objection at the Target Company.

(viii) No transaction protection clause

(ix) Measures to ensure that the Target Company's shareholders have the opportunity to make appropriate judgments as to whether or not to tender in the Tender Offer.

For the details of the matters described above, please refer to "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." under "2. Overview of the Tender Offer" below.

(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition")

The Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror as set out in "(1) Outline of the Tender Offer" above, and if the Tender Offeror is unable to acquire all of the Target Company Shares under the Tender Offer, the Tender Offeror intends, after the successful completion of the Tender Offer, to carry out procedures for the purpose of acquiring all of the Target Company Shares by the following methods. While the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror as stated in "(1) Outline of the Tender Offer" above, since the Tender Offeror holds 28,919,526 shares (ownership ratio: 66.87%) of the Target Company Shares, the Tender Offeror believes that it would be possible for the Tender Offeror to make the Target Company a wholly-owned subsidiary by other means without implementing the Tender Offer, such as by requesting that the Target Company implement the Share Consolidation. However, the Tender Offeror intends to ensure that the shareholders of the Target Company have an appropriate opportunity to make decisions regarding the Transactions and accordingly ensure the fairness of the Transactions by first implementing the Tender Offer to properly disclose information about the Transactions. In case of unsuccessful completion of the Tender Offer, including the case where the Tender Offer is withdrawn (for the conditions of withdrawal, etc., please see "(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of Purchase" in "2. Overview of the Tender Offer") or where no shares are tendered in the Tender Offer, the Tender Offeror contemplates that the Tender Offeror will consult with the Target Company about the implementation of the Squeeze-Out Procedures by the Tender Offeror based on analysis of the reasons and backgrounds, etc. of the unsuccessful completion of the Tender Offer, however, the Tender Offeror has not decided whether or not to implement the Squeeze-Out Procedures in case of the unsuccessful completion of the Tender Offer as of today.

(A) Demand for Shares Cash-Out

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

Company (excluding the Tender Offeror and the Target Company; the same applies to item (A)) to sell all of the Target Company Shares they hold (the "**Demand for Shares Cash-Out**") under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act.

Money equal to the amount of the Tender Offer Price is to be delivered to the shareholders of the Target Company in the Demand for Shares Cash-Out as consideration for each share of the Target Company Shares. In that case, the Tender Offeror will notify the Target Company to that effect and request approval from the Target Company for the Demand for Shares Cash-Out. If the Target Company approves the Demand for Shares Cash-Out by a resolution of its board of directors meeting, the Tender Offeror will acquire all of the Target Company Shares held by all of the shareholders of the Target Company as of the acquisition date stated in the Demand for Shares Cash-Out without requiring any individual approval of the shareholders of the Target Company in accordance with procedures prescribed in applicable laws and regulations. The Tender Offeror will deliver an amount of cash consideration per share equal to the Tender Offer Price to each of the shareholders in exchange for one share of the Target Company Shares held by each of the shareholders. According to the Target Company's Press Release, the Target Company's board of directors intends to approve the Demand for Shares Cash-Out received by the Target Company from the Tender Offeror. If the Demand for Shares Cash-Out is made, any of the shareholders of the Target Company may file a petition with a court for determination of the purchase price of its Target Company Shares in accordance with the provisions of Article 179-8 of the Companies Act and other applicable laws and regulations.

(B) Share Consolidation

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Target Company owned by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Target Company, the Tender Offeror will request the Target Company to schedule to hold an extraordinary shareholders' meeting (the "**Extraordinary Shareholders' Meeting**") around March 2022 at which the Share Consolidation and an amendment to the Target Company's Articles of Incorporation that would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be proposed. According to the Target Company's Press Release, the Target Company intends to accept the Tender Offeror's request after the successful completion of the Tender Offer. The Tender Offeror intends to approve 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 Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the number of shares each shareholder of the company receives includes a fraction less than one share, such shareholder will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total sum of the fractions less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. The purchase price for the number of shares equivalent to the total sum of the fractions less than one share in the Target Company Shares will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. The Tender Offeror intends to request the Target Company to file a petition to the court for permission to sell such Target Company Shares on this basis. Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of today, it is intended that shareholders (excluding the Tender Offeror) who hold shares in the Target Company and do not tender in the Tender Offer will have a fraction of less than one share in order for the Tender Offeror to become the only owners of all of the Target Company Shares (excluding treasury shares held by the Target Company).

The Companies Act provides that if the Share Consolidation occurs and there is a fraction less than one share as a result thereof, each shareholder may request that the Target Company purchase all such shares that will be a fraction less than one share at a fair price, and such shareholders may file a petition to the court to determine the price of the Target Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations. As stated above, because the number of the Target Company Shares held by the shareholders who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be less than one, the shareholders of the Target Company objecting to the Share Consolidation may file a petition described above.

It is further noted that shareholders of the Target Company will not be solicited to agree to the Tender Offer at the Extraordinary Shareholders' Meeting.

If the Squeeze-Out Procedures are not completed by March 31, 2022, the Tender Offeror plans to request the Target Company to partially amend the Articles of Incorporation to abolish the provisions with respect to the record date for voting rights at the annual general meeting of shareholders, such that the shareholders after the completion of the Squeeze-Out Procedures (i.e. the Tender Offerors) are the shareholders entitled to exercise their rights at the annual general meeting of the Target Company to be held in late June 2022 pertaining to the fiscal year ended March 31, 2022 (the "**Annual General Meeting**"), subject to the successful completion of the Squeeze-Out Procedures. Therefore, the shareholders stated or recorded in the shareholder register of the Target Company as of March 31, 2022 may not be able to exercise their rights at the Annual General Meeting.

With regard to each of the above procedures described in items (A) and (B), it is possible that, depending on amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, it will require time to implement the procedure or the methods of implementation may be altered. However, even in such a case, upon completion of the Tender Offer, it is intended that a method will be used whereby the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholder of the Target Company multiplied by the Tender Offer Price in exchange for their shares. If a petition for determination of the sale price regarding the Demand for Shares Cash-Out or determination of a price regarding a share purchase demand in relation to the Share Consolidation is filed, the court will finally determine the sale price of the Target Company Shares held by shareholders of the Target Company who file the petition or a price regarding the share purchase demand.

The specific details and expected timing for the procedures described above will be determined through consultation with the Target Company and then promptly announced by the Target Company. All shareholders of the Target Company are solely responsible for seeking their own specialist tax advice with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

(5) Prospects and Reasons for Delisting

The Target Company Shares are currently listed on the First Section of the TSE as of today. However, since the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria set out by the TSE, depending on the results of the Tender Offer. Also, even in the case that the delisting criteria are not met upon completion of the Tender Offer, the Tender Offeror plans to carry out the procedures stated in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition")" above upon the successful completion of the Tender Offer, in which case the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After delisting, the Target Company Shares will be unable to be traded on the First Section of the TSE. In case of unsuccessful completion of the Tender Offer, including the case where the Tender Offer is withdrawn (for the conditions of withdrawal, etc., please see "(2) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of Purchase" in "2. Overview of the Tender Offer") or where no shares are tendered in the Tender Offer, the Tender Offeror contemplates that the Tender Offeror will consult with the Target Company about the implementation of the Squeeze-Out Procedures by the Tender Offeror based on analysis of the reasons and backgrounds, etc. of the unsuccessful completion of the Tender Offer, however, the Tender Offeror has not decided whether or not to implement the Squeeze-Out Procedures in case of the unsuccessful completion of the Tender Offer as of today.

(6) Matters relating to Material Agreements regarding the Tender Offer

N/A

2. Overview of the Tender Offer

(1) Outline of the Target Company

(i) Name	Utoc Corporation
(ii) Location	6-85, Bentendori, Naka-ku, Yokohama
(iii) Title and name of representative	Masahiro Tanabe, Representative Director and President
(iv) Type of business	Port transport business, maritime transport business, automated transport of general cargo, cargo transport consignment business, warehouse business, customs business, construction business, real-estate business
(v) Stated capital	2,155 million yen

(vi)	Date of incorporation	December 8, 1915
(vii)	Principal shareholders and shareholding ratios (As of September 30, 2021)	Mitsui O.S.K. Lines, Ltd. 66.87% Hikari Tsushin K.K. 5.74% The Master Trust Bank of Japan, Ltd. (Trust Account) 3.89% BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND (Standing proxy: MUFG Bank, Ltd.) 3.70% Sumitomo Mitsui Trust Bank, Limited (Standing proxy: Custody Bank of Japan, Ltd.) 1.33% BNYM AS AGT / CLTS 10 PERCENT (Standing proxy: MUFG Bank, Ltd.) 1.15% Custody Bank of Japan, Ltd. (Trust Account) 0.98% Mitsui Sumitomo Insurance Company, Limited 0.77% STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 (Standing proxy: Mizuho Bank, Ltd.) 0.64% Sumitomo Mitsui Banking Corporation 0.63%
(viii)	Relationship between the listed company and the Target Company	
	Capital relationship	As of the date hereof, the Tender Offeror owns 28,919,526 shares (ownership ratio: 66.87%) of the Target Company Shares.
	Personnel relationship	As of the date hereof, of the 13 directors of the Target Company, one director (Mr. Yasunori Takamatsu) concurrently serves as an employee of the Tender Offeror and three directors (Mr. Masahiro Tanabe, Mr. Hiroshi Ogawa, and Mr. Taku Kadooka) formerly worked for the Tender Offeror. Of the four audit and supervisory board members of the Target Company, one member (Mr. Mr. Toshiaki Takeda) concurrently serves as an officer of the Tender Offeror and one member (Mr. Masaaki Tsuda) formerly worked for the Tender Offeror. In addition to the foregoing, as of the date hereof, two employees of the Tender Offeror have been seconded to the Target Company, and no employees of the Target Company have been seconded to the Tender Offeror.

	Business relationship	The Tender Offeror receives from the Target Company provision of the operation of terminals run by the Tender Offeror and the port cargo handling services, including main ship cargo handling, at the Ports of Keihin and other locations, at which the ships operated or chartered by the Tender Offeror Group call, and other services.
	Status as a related party	The Target Company is a consolidated subsidiary of the Tender Offeror; therefore, the Tender Offeror and the Target Company constitute related parties with respect to each other.

(2) Schedule, Etc.

(A) Schedule

Resolution by the board of directors	November 30, 2021 (Tuesday)
Date of public notice for commencement of the Tender Offer	December 1, 2021 (Wednesday) An electronic public notice will be conducted, and a notice to that effect will be published in the Nikkei. (URL of the electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Filing date of the Tender Offer Registration Statement	December 1, 2021 (Wednesday)

(B) Initial Period of the Tender Offer as of Registration

December 1, 2021 (Wednesday) to January 18, 2022 (Tuesday (30 Business Days)

(C) Possibility of Extension by Request of the Target Company

N/A

(3) Price of Tender Offer

725 yen per common stock

(4) Basis of Valuation of the Tender Offer Price, Etc.

(A) Basis of Valuation

In determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, its financial advisor, to perform financial analyses of the value of the Target Company Shares, and subsequently received the Analysis Report (GS) prepared by Goldman Sachs. Goldman Sachs is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer.

Further, the Tender Offeror has not obtained from Goldman Sachs, and Goldman Sachs has not expressed, any opinion concerning the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion).

Goldman Sachs, in the Analysis Report (GS) referred to above, performed a market price analysis, a DCF analysis, a present value of future stock value analysis and a premia analysis. The DCF analysis and the present value of future stock value analysis were based on the Forecasts (Tender Offeror) (as defined below). The respective analyses resulted in a range of implied values per share of the Target Company Shares shown below.

1. Market Price Analysis: 454 yen – 603 yen

In performing the market price analysis, Goldman Sachs used November 29, 2021 as the base date and reviewed the closing prices of the Target Company Shares for the 52-week period ending on such date. Based on this review, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 454 yen to 603 yen.

2. DCF Analysis: 605 yen – 769 yen

In performing the DCF analysis, Goldman Sachs analyzed the value of the Target Company Shares by discounting the Target Company's future free cash flow estimates reflected in the Forecasts (Tender Offeror) to present value using a range of discount rates from 7.75% to 10.75%, reflecting an estimate of the Target Company's weighted average of cost of capital. Goldman Sachs calculated illustrative terminal values by applying a range of perpetuity growth rates of 0.25% to 0.75%. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 605 yen to 769 yen. The Forecasts (Tender Offeror), which consist of six fiscal years (fiscal years ending from March 2022 to March 2027), were used by Goldman Sachs for the DCF analysis. The Forecasts (Tender Offeror), which cover the fiscal years ending March 2022 to March 2027 and were used by Goldman Sachs for the DCF analysis, include fiscal years during which a significant increase or decrease in profit are expected. Specifically, operating income for the fiscal year ending March 2025 is forecasted to significantly increase due to an increase in orders received by its plant business, mainly for heavy load transportation. In addition, the Forecasts (Tender Offeror) were prepared on a stand-alone basis and do not reflect synergies because it is difficult to specifically estimate the synergies expected to be realized upon consummation of the Transaction.

3. Present Value of Future Stock Value Analysis: 649 yen – 879 yen

In performing the present value of future stock value analysis, Goldman Sachs derived implied stock values of the Target Company Shares as of March 31 for each year from 2022 to 2025, by applying a range of one-year forward EV/EBITDA multiples of 4.0x to 6.0x to future EBITDA of the Target Company for each of the fiscal years ending March 2023 to March 2026 estimated in the Forecasts (Tender Offeror) and discounted each stock value back to its present value using a discount rate of 3.75%, reflecting the Target Company's estimated cost of equity. To derive stock values as of March 31 for each year from 2022 to 2025, Goldman Sachs added the amount of the Target Company's projected net cash as of March 31 for each year, as provided in the Forecasts (Tender Offeror). Goldman Sachs then added the cumulative present values of dividends expected to be paid by the Target Company in each of the fiscal years ending March 2022 to March 2025 in the Forecasts (Tender Offeror) and derived a range of implied values per share for the Target Company Shares of 649 yen to 879 yen.

4. Premia Analysis: 660 yen – 782 yen

In performing the premia analysis, Goldman Sachs reviewed and analyzed, using publicly available information, the acquisition premia for tender offer transactions in Japan with the aim of acquiring the remaining minority stake of a listed subsidiary by its parent company announced during the referenced period. For the entire period, Goldman Sachs calculated the 25th percentile and 75th percentile premia of the price paid in the tender offers relative to the target's last undisturbed closing stock price prior to announcement of the tender offer. This analysis indicated a 25th percentile premium of 27.9% and 75th percentile premium of 51.5% across the period. Goldman Sachs then applied a range of the premia of 27.9% to 51.5% to the closing price of the Target Company Shares as of November 29, 2021. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 660 yen to 782 yen.

The Tender Offer Price of 725 yen per share represents 40.50% of the closing price of 516 yen of the Target Company Shares on the First Section of the TSE on November 29, 2021, the business day immediately preceding the announcement of the Tender Offer by the Tender Offeror, 37.57% of the simple average closing price of 527 yen of the Target Company Shares for the most recent one month (from November 1, 2021 to November 29, 2021), and 37.57% of the simple average closing price of 527 yen of the Target Company shares for the most recent three months (from August 30, 2021 to November 29, 2021), 33.76% of the simple average closing price of 542 yen for the most recent three months (August 30, 2021 to November 29 This represents a premium of 33.76% over the simple average closing price of 534 yen for the most recent three months (August 30, 2021 to November 29, 2021) and a premium of 35.77% over the simple average closing price of 534 yen for the most recent six months (May 31, 2021 to November 29, 2021).

(B) Background of Valuation

(Background of the Decisions on the Tender Offer Price)

As stated in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" of "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, after appointing Goldman Sachs as its financial advisor and Mori Hamada & Matsumoto as its legal advisor independent of the

Tender Offeror Group and the Target Company Group in early August 2021, the Tender Offeror began deliberating the Transactions in earnest. The Tender Offeror, having concluded that it would be appropriate to offer the minority shareholders of the Target Company a reasonable opportunity to sell their shares by acquiring the Target Company Shares through a tender offer as part of the Transactions, initially approached the Target Company on September 30, 2021 indicating that the Transactions would be conducted through a tender offer and requesting to begin discussions between the Tender Offeror and the Target Company with respect to the possibility and conditions of the Transactions, and the two companies agreed to begin discussions. Following that, the Tender Offeror received the Target Company's Business Plan from the Target Company on October 22, 2021 and received an explanation from the Target Company regarding the Target Company's Business Plan on October 28, 2021. On October 29, 2021, following comprehensive consideration of the inherent corporate value of the Target Company based on analyses including the market share price analysis of the Target Company Shares and financial forecast model analysis based on the Target Company's Business Plan, and the possibility of endorsement of the Tender Offer by the Target Company and the prospect of successful completion of the Tender Offer, the Tender Offeror made a formal proposal to the Target Company regarding the Transactions, including deciding on the Tender Offer Price of 680 yen per share. However, on November 4, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price because 680 yen per share could not be considered to represent a reasonable premium on the market share price in comparison to other tender offer buyouts of a subsidiary by a parent company with the assumption of taking the target company private, and did not sufficiently reflect the corporate value of the Target Company in light of the theoretical range of share prices calculated by DCF analysis, and it was therefore not sufficient from the perspective of the Target Company's minority shareholders. Based on the request to reconsider the Tender Offer Price, the Tender Offeror proposed on November 5 to increase the Tender Offer Price to 700 yen per share, but on November 8, the Target Company requested that the Tender Offeror once again consider raising the Tender Offer Price for the same reasons as above. On November 12, the Tender Offeror proposed a Tender Offer Price of 710 yen per share, but the Target Company responded that it had concluded that the price of 710 yen per share was still not adequate for its minority shareholders for the same reasons as above, and requested on November 16 that the Tender Offeror again reconsider the Tender Offer Price. On November 17, the Tender Offeror proposed a Tender Offer Price of 715 yen per share. On November 22, the Target Company responded that 715 yen per share was still not adequate for its minority shareholders for the same reasons as above, and requested that the Tender Offeror reconsider. On November 25, the Tender Offeror made a final offer with a Tender Offer Price of 725 yen per share, and the Tender Offeror received a response from the Target Company regarding the final decision, to the effect that it is appropriate to accept the proposal to set the Tender Offer Price at 725 yen on the basis that the final decision will be made through a resolution of the board of directors taking into account the report from the Special Committee.

As described above, at the board of directors' meeting held on November 30, 2021, the Tender Offeror resolved to implement the Tender Offer for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, considering legal advice from Mori Hamada & Matsumoto,and advice from a financial point of view from Goldman Sachs, and the Analysis Report (GS) received from Goldman Sachs

For details on the process of the Tender Offeror making the decision to conduct the Tender Offer, please refer to "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above.

(i) Name of the Financial Advisor from which financial analysis report is obtained and its relationship between the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, its financial advisor, to perform financial analyses of the value of the Target Company Shares, and subsequently received the Analysis Report (GS) relating thereto dated November 30, 2021. Goldman Sachs is a financial advisor independent from the Tender Offeror or the Target Company, not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Although Goldman Sachs held shares as of September 30, 2021 representing 1.04% of the common stock of the Tender Offeror based on the shareholders' register of the Tender Offeror as of such date, according to Goldman Sachs, Goldman Sachs has internally taken appropriate measures to prevent conflicts of interest, such as information walls between the department in charge of financial advisory services and financial analysis services relating to the value of the Target Company Shares and the department in charge of trading including equity securities. Further, the department in charge of financial advisory services and financial analysis services relating to the value of the Target Company Shares conducted its financial analysis of the value of the Target Company Shares independently from the department in charge of trading including equity securities. The Tender Offeror selected Goldman Sachs as a financial advisor independent from the Tender Offeror or the Target Company based on the following factors: (i) appropriate measures to prevent conflicts of interest, such as information walls, have been put in place internally at Goldman Sachs as described above; (ii) the Tender Offeror and Goldman Sachs conducted transactions on arm's-length terms; and (iii) Goldman Sachs has a track record as a financial advisor in similar transactions the past. Additionally, the Tender Offeror has not obtained from Goldman Sachs, and Goldman Sachs has not expressed, any opinion concerning the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion).

(ii) Overview of the Financial Analysis Report

Goldman Sachs, in the Analysis Report (GS) referred to above, performed a market price analysis, a DCF analysis, a present value of future stock value analysis and a premia analysis. The DCF analysis and the present value of future stock value analysis were based on the Forecasts (Tender Offeror) (as defined below). The respective analyses resulted in a range of implied values per share of the Target Company Shares shown below.

1. Market Price Analysis: 454 yen – 603 yen
2. DCF Analysis: 605 yen – 769 yen
3. Present Value of Future Stock Value Analysis: 649 yen – 879 yen
4. Premia Analysis: 660 yen – 782 yen

For details, please refer to "(A) Basis of Valuation" above.

(iii) Background Leading to the Determination of the Tender Offer Price Based on the Analysis Report (GS)

Given the results of negotiations and discussions with the Target Company, after comprehensively considering that the Tender Offer is expected to be supported at the meeting of the Target Company's board of directors, the contents of the Analysis Report (GS), trends of the market price of the Target Company Shares and the prospects that shareholders would tender their shares in the Tender Offer, the Tender Offeror determined by resolution at the meeting of its board of directors held on November 30, 2021 that the Tender Offer Price shall be JPY 725 per share. The Tender Offer Price is above the range of implied values per share of the Target Company Shares derived by the market price analysis and within the range of implied values per share of the Target Company Shares derived by the DCF analysis, the present value of future stock value analysis and the premia analysis in the Analysis Report (GS). For details, please refer to "Basis for the Valuation" above. For details, please refer to "(A) Basis of Valuation" above.

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

In order to ensure the fairness of the Tender Offer, eliminate arbitrary decision-making regarding the Transactions, ensure the fairness, transparency, and objectivity of the decision-making process of the Target Company, and avoid conflicts of interest—and in light of the fact that the Target Company is a consolidated subsidiary of the Tender Offeror, the Transactions (including the Tender Offer) constitute a material transaction, etc. with a controlling shareholder, and that there are structural conflicts of interest between the Tender Offeror and the shareholders of the Target Company other than the Tender Offeror—the Tender Offeror and the Target Company have implemented the following measures.

As stated in "(1) Outline of the Tender Offer" of "1. Purpose of the Tender Offer" above, since the Tender Offeror owns 28,919,526 Target Company Shares (ownership ratio: 66.87%) as of today, the Tender Offeror believes that, if the minimum number of Share Certificates, Etc. to be purchased is set to the so-called "majority of minority" in the Tender Offer, it would increase the uncertainty as to whether the Tender Offer will be completed and, on the contrary, it would not contribute to the interests of general shareholders who wish to tender their shares in response to the Tender Offer. For this reason, in the Tender Offer, the Tender Offeror does not set the minimum number of Share Certificates, Etc. to be purchased to be the so-called "majority of minority" and has not set the minimum number of Share Certificates, Etc. to be purchased for the same reason. However, the Tender Offeror and the Target Company have implemented the measures described in (i) through (ix) below, and thus the Tender Offeror believes that the interests of general shareholders of the Target Company have been adequately taken into account.

Among the statements below, matters relating to the measures implemented by the Target Company are based on the explanations given by the Target Company.

(i) Procurement by the Tender Offeror of the Financial Analysis Report from Independent Financial Advisor

In order to ensure the fairness of the Tender Offer Price, the Tender Offeror, in determining the Tender Offer Price, requested Goldman Sachs, its financial advisor who is independent from the Tender Offeror and the Target Company, to provide the Analysis Report (GS). Goldman Sachs is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Further, the Tender Offeror has not obtained from Goldman Sachs, and Goldman Sachs has not expressed, any opinion concerning the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion).

For details, please refer to "(A) Basis of Valuation" above.

(ii) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser

(a) Name of third-party valuator and its relationship with the Target Company and the Tender Offeror

According to the Target Company, the Target Company, in stating its opinion concerning the Tender Offer Price, requested Nomura Securities, a financial advisor and third-party valuator independent from the Tender Offeror and the Target Company, to calculate the value of the Target Company Shares to ensure fairness of decision-making towards the Tender Offer Price proposed from the Tender Offeror. The Target Company obtained Nomura Securities Valuation Report from Nomura Securities on November 30, 2021. Nomura Securities does not fall under a related party of the Target Company or the Tender Offeror, and it has no material interest in the Transactions including the Tender Offer. The Special Committee, at its first meeting, approved Nomura Securities as the Target Company's financial advisor and third-party valuator by confirming that Nomura Securities is independent and professionally qualified. However, the Target Company has not obtained from Nomura Securities an opinion concerning the fairness of the Tender Offer Price (Fairness Opinion).

According to the Target Company, the fees to be paid to Nomura Securities for the Transactions include performance fee payable on condition that the Transactions are completed. The Target Company decided that, by taking into account general practices in the same kind of transactions and the pros and cons of the fee arrangement whereby the Target Company would be required to pay a corresponding amount if the Transactions are not completed, the independence of Nomura Securities would not become doubtful even if its fees include performance fee payable on condition that the Transactions are completed, and the Target Company therefore appointed Nomura Securities as its financial advisor and third-party valuator based on the above fee arrangement.

(b) Description of calculation of the Target Company Shares

According to the Target Company, Nomura Securities considered multiple calculation methods to apply in calculating the share value of the Target Company Shares for the Tender Offer. On the assumption that the Target Company is a going concern, and that multifaceted valuation of the Target Company Shares is appropriate, Nomura Securities applied: (i) the average market price method given that the Target Company Shares are listed on the First Section of the TSE and thus the market price thereof is available; (ii) the comparable company analysis method given that there are multiple listed companies that are engaged in business relatively similar to the Target Company's business, and the availability of an analogy of the share value thereof by comparison with companies that are determined to be engaged in business similar to the business of the Targeet Company; and (iii) the discounted cash flow method (“**DCF Method**”) to reflect the future business activities of the Target Company in calculating the per share value of the Target Company Shares. The Target Company has obtained from Nomura Securities the Nomura Valuation Report dated November 30, 2021.

In the Nomura Securities Valuation Report, the share price range per share of the Target Company Shares as calculated by each of the above methods is as follows.

Average market price method: From 516 yen to 542 yen

Comparable company analysis method: From 322 yen to 636 yen

DCF Method: From 630 yen to 1,239 yen

Pursuant to the average market price method, as of the reference date of calculation on November 29, 2021, the share value range per share of the Target Company Shares was calculated to be 516 yen to 542 yen, based on the closing price of 516 yen of the Target Company Shares on the reference date on the First Section of the TSE, the simple average closing price of 527 yen for the recent five (5) business days, the simple average closing price of 527 yen for the recent one (1) month, the simple average closing price of 542 yen for the most recent three (3) months, and the simple average closing price of 534 yen for the most recent six (6) months.

Pursuant to the comparable company analysis method, Kamigumi Co., Ltd., Meiko Trans Co., Ltd., and Isewan Terminal Service Co., Ltd. were chosen as the listed companies that are judged to be engaged in business similar although not identical to the business of the Target Company and therefore comparable with the Target Company were chosen for comparison, and the share value of the Target Company Shares was calculated by using the ratios towards the corporate value of (a) the operating income ratio, and (b) operating income before amortization ("**EBITDA multiple**"), price earning ratio, and price book-value ratio, and, furthermore by making certain adjustments to the financial position by adding the value of all cash equivalents, etc. held by the Target Company. As a result, the share value range per share of the Target Company Shares was calculated to be 322 yen to 636 yen.

Pursuant to the DCF Method, the Target Company enterprise value and share value were calculated by using various elements such as its earnings forecast and investment plans in its business outlook for six fiscal years from Fiscal Year ending March 2022 to its Fiscal Year ending March 2027 based on its business plan prepared by the Target Company and information disclosed by it to the public, and by discounting by a certain rate to the present value the free cash flow projected to be generated by the Target Company on and after the third quarter of its Fiscal Year ending in March 2022. As a result, the share value range per share of the Target Company Shares was calculated to be 630 yen to 1,239 yen. At this time, the discount rate of 4.50% to 5.00% was applied. In calculating the going-concern value, perpetual growth rate model and EBITDA multiple rate model were used. The perpetual growth rate of -0.25% to 0.25% was applied, and EBITDA multiple rate of 3.5 times to 5.5 times was applied.

The Target Company's financial forecast based on its business plan that Nomura Securities used as the basis for the calculation pursuant to the DCF Method includes a fiscal year in which Nomura Securities projected that there would be a significant increase in operating income for such fiscal year. Specifically, Nomura Securities projects that operating income for the fiscal year ending March 2025 would significantly increase by approximately 30% compared to the previous fiscal year which is attributable to increase in orders received for plant business mainly for transporting heavy weight and oversized cargo. Also, because the synergistic effects that could be expected from conducting the Transactions were difficult to concretely estimate as of the time of making the calculation, Nomura Securities did not take these into account in its financial forecasts.

The financial forecast used for the calculation pursuant to the DCF Method is as follows.

(Unit: million yen)

	March 2022 (6 months)	March 2023	March 2024	March 2025	March 2026	March 2027
Operating revenue	24,237	49,939	52,749	54,950	55,417	55,437
Operating income	606	2,067	2,255	2,923	2,952	2,962
EBITDA	1,437	3,829	4,088	4,881	4,880	4,883
Free cash flow	(454)	(705)	(1,240)	1,715	2,063	2,103

Note: Nomura Securities calculated the share value of the Target Company Shares on the assumption that the information publicly disclosed and all information received from the Target Company are accurate and complete and did not independently verify their accuracy and completeness. Furthermore, Nomura Securities did not independently evaluate, appraise, and assess, or retain a third party firm to appraise or assess, the Target Company and its affiliates' assets and liabilities (including financial derivative products, off-book assets and liabilities, and other contingent liabilities). With respect to the Target Company's business plan, it was assumed that this was reasonably prepared based on the best and sincere estimate and judgment that could be made by the Target Company management as of the time of preparing this. The calculation of Nomura Securities is said to reflect the information and economic conditions through November 29, 2021. Furthermore, the calculation of Nomura Securities is solely for the purpose of reference for the Target Company's board of directors in reviewing the share value of Target Company Shares.

(iii) Procurement by the Target Company of Advice from an Independent Legal Advisor

According to the Target Company, as indicated in "(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" below, the Target Company retained AM&T as its legal advisor independent from the

Target Company and the Tender Offeror. The Target Company is receiving necessary legal advice from the firm concerning the measures to be assumed to ensure fairness of the procedures of the Transactions, various procedures for the Transactions, and method and process of decision making by the Target Company concerning the Transactions.

AM&T is not a related party of the Tender Offeror and the Target Company and has no material interests in the Transactions, including the Tender Offer. The Special Committee confirmed that AM&T is independent professionally qualified, and approved this firm as the Target Company's legal advisor.

(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee

(a) Circumstances of establishing the Special Committee

According to the Target Company, as indicated in "(c) Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "Purpose of the Tender Offer" above, the Target Company established the Special Committee by resolution of its board of directors at its meeting held on October 18, 2021. The Target Company obtained advice from AM&T and confirmed the independence and eligibility of the Target Company's independent outside directors who are the candidates for the members of the Special Committee. The Target Company confirmed that the candidates are independent (The Target Company confirmed that Mr. Hajime Nakai, Ms. Chihiro Kawai, and Mr. Akito Takahashi have no material interest with the Tender Offeror or the Target Company.) and that they have no material interest that is different from minority shareholders on whether the Transactions completes or not. After confirming the above and with the advice from AM&T, the Target Company appointed Mr. Hajime Nakai (the Target Company's independent outside director) who has rich experience and knowledge in finance, Ms. Chihiro Kawai (the Target Company's independent outside corporate auditor, representative of Bayside Partners (accounting firm) who has extensive knowledge in finance and accounting through her career as certified public accountant, and committee member of Yokohama City University Evaluation Committee), and Mr. Akito Takahashi (lawyer of Takahashi & Katayama (law firm)) who has long years of legal experience mainly in corporate law and is serving as an outside expert based on his rich experience and knowledge gained through his legal career, as members of the Special Committee. These three members have not changed since this committee was established. Each member of the Special Committee shall be paid a fixed remuneration for his/her services regardless of the contents of the response presented by this committee.

As indicated in "(c) Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "Purpose of the Tender Offer" above, the Target Company established the Special Committee by resolution of its board of directors at its meeting held on October 18, 2021 and presented matters on which the Target Company wishes to consult the Special Committee ("**Consulted Matters**"). The Target Company's board of directors resolved upon establishing the Special Committee that the decision of the board of directors shall take into account to the fullest extent the contents of decisions made by the Special Committee, particularly if the Special Committee decided that the terms of the Transactions are not fair, then the board of directors shall not support the Transactions based on those terms, and if the Special Committee deems necessary, the Special Committee shall be given (i) authority to appoint its advisors such as financial advisor and legal advisor (and reasonable expenses for such appointment to be borne by the Target Company) or to approve the Target Company's advisors, (ii) authority to receive necessary information to review and decide on the Transactions from officers and employees of the Target Company and other persons whom the Special Committee considers necessary, and (iii) authority to discuss and negotiate on the terms of the Transactions with the Tender Offeror if the Special Committee considers necessary.

As indicated in "(c) Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "Purpose of the Tender Offer" above, in order to eliminate the effects of structural conflicts of interest in the Transactions on the discussion and resolution and to ensure fairness of the Transactions, discussions were held by and unanimous resolution was made at the above board of directors meeting by nine (9) directors out of 13 directors of the Target Company by excluding the following four (4) directors: Messrs. Masahiro Tanabe, Hiroshi Ogawa, and Taku Kadooka because they served as officers and employees of the Tender Offeror Group in the recent ten years, and Mr. Yasunori Takamatsu because he concurrently serves as officer and employee of the Tender Offeror. At the above board of directors meeting, two (2) out of four (4) auditors of the Target Company were present and the two auditors present stated their opinions that they have no objection to the above resolution. However, because Mr. Masaaki Tsuda was an officer and employee of the Tender

Offeror Group within the recent 10 years and Mr. Toshiaki Takeda concurrently serves as officer and employee of the Tender Offeror, these two persons were not present at the above board of directors meeting and refrained from stating their opinions to prevent the discussion and resolution at the board of directors meeting from being affected by the issues of structural conflicts of interest and asymmetry of information.

(b) Review by the Special Committee

According to the Target Company, the Special Committee held a total of 11 meetings from October 22, 2021 until November 29, 2021 for a total of approximately 15 hours. Other than the above meetings, the Special Committee gave reports, shared information, discussed, and made decisions through emails and discussed and reviewed on the Consulted Matters.

Specifically, at the first meeting of the Special Committee held on October 22, 2021, the Special Committee confirmed that Nomura Securities retained by the Company as its financial advisor and third-party valuator, and AM&T retained by the Target Company as its legal advisor are both independent and professionally qualified and independent and approved the appointment of both, and that the Special Committee will also seek professional advice from them whenever necessary.

The Special Committee also reviewed the independence, expertise, and experience of the candidates for its financial advisor and third-party valuator, and on October 29, 2021, the Special Committee appointed Yamada Consulting as its financial advisor and third-party valuator independent from the Tender Offeror and the Target Company. The Special Committee confirmed that Yamada Consulting does not fall under a related party of the Tender Offeror and the Target Company, it has no material interests in the Transactions including the Tender Offer, and that it is otherwise independent from the Transactions.

Furthermore, as indicated in "(ii) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser" above and "(vi) Establishment of an Independent Structure for Review at the Target Company" below, the Special Committee confirmed that there is no problem from the view of independence and fairness in the reviewing structure for the Transactions established by the Target Company (including the scope of and duties of the officers and employees who review, negotiate and decide on the Transactions), and approved this reviewing structure. On these premises, and with the opinion received from AM&T, the Special Committee reviewed on the necessary measures to ensure fairness of the procedures of these Transactions. The Special Committee also received explanation from the Target Company concerning the contents, material preconditions, and methods of planning the Target Company's business plan, and confirmed and approved that these matters are reasonable.

The Special Committee questioned the Tender Offeror on the purpose and reason for conducting the Transactions, the circumstances and purpose of choosing to conduct the Transactions at this time, managing policies and governance of the Target Company after the Transactions, and procedures and terms of the Transactions, to which the Tender Offeror directly explained to the Special Committee.

Furthermore, as indicated in "(ii) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser" above and "(v) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Financial Advisor and Third-Party Appraiser" below, Nomura Securities and Yamada Consulting calculated the value of the Company's Shares based on the Company's business plan. The Special Committee received explanation respectively from Nomura Securities and Yamada Consulting on their methods of calculating the value of the Company's Shares, the reason why they chose those methods, the details of calculation based on each calculation method, and material preconditions, held a Q&A session, discussed and reviewed, and confirmed that these matters are reasonable. In addition, as indicated in above "(3) Matters concerning calculation," "(ii) Procurement by the Special Committee of a share valuation report and Fairness Opinion from an independent financial advisor and third-party valuator," the Special Committee received the Fairness Opinion dated November 29, 2021 from Yamada Consulting where it received explanation on the contents of this Fairness Opinion and material preconditions for its opinion as of such time, held a Q&A session, discussed and reviewed, and confirmed that these matters are reasonable.

The Special Committee and the Target Company discussed and reviewed on the Target Company's policies for negotiating with the Tender Offeror by receiving from time to time reports from the Target Company and Nomura Securities, and advice from Yamada Consulting from financial perspectives, and stated its necessary opinion on the Target Company's policies for negotiation. Specifically, the Special Committee, after receiving a report from the Target Company that the Tender Offeror presented its initial proposal on October 29, 2021 for the Tender Offer Price of 680 yen per share, further received respective reports that the Tender Offeror proposed a Tender Offer Price of700 yen per share on November 5, 2021, a Tender Offer Price of 710 yen per share on November 12, 2021 and a Tender Offer Price of 715 yen per share on November 17, 2021 and having heard opinions from Nomura Securities on how to deal with those proposals and on policies on negotiating with the Tender Offeror, reviewed these offers by receiving advice from a financial perspective from Yamada Consulting and advice from legal perspective from AM&T. Based on the foregoing, the Special

Committee stated its opinion that it has no objections to the Target Company's intention that it wishes to request the Tender Offeror to reconsider the Tender Offer Price towards all of the above proposed Tender Offer Price, stated its opinion on the matters that need to be discussed with the Tender Offeror to achieve the significance and objectives of the Transactions from the standpoint of the Target Company, and was involved throughout the entire course of discussions and negotiations between the Target Company and the Tender Offeror on the terms of the Transactions including the Tender Offer Price. As a result, the Target Company, on November 25, 2021 received a proposal of a Tender Offer Price of 725yen per share from the Tender Offeror, and, through 4 negotiations, succeeded in raising the Tender Offer Price by 6.62% (rounded to the second decimal place) from the initially offered price.

Furthermore, the Special Committee received explanation from AM&T multiple times on the contents of the draft of this Press Release concerning the Tender Offer that the Target Company will announce or submit and confirmed that the detailed disclosure of information will be made.

(c) Judgement of the Special Committee

Based on the above circumstances, advice received from Yamada Consulting from a financial perspective, and the Yamada Consulting Valuation Report and the Fairness Opinion received on November 29, 2021, the Special Committee repeatedly held careful discussions and reviews on the Consulted Matters, and submitted to the Company's board of directors on November 30, 2021 the Report basically in the below summary by unanimous agreement of all members.

a) Summary of the Reoport

1) The purpose of the Transactions is reasonable (including whether the Transactions are beneficial in enhancing the Company's corporate value).

2) The procedures for the Transactions are fair.

3) The terms of the Transactions (including the Tender Offer Price) are appropriate.

4) In view of above 1) to 3), the Transactions are not disadvantageous to minority shareholders.

5) In view of above 1) to 4), as of present, it is fair for the Target Company's board of directors to make a resolution to state its opinion in support of the Tender Offer and to recommend the Target Company's shareholders to tender in the Tender Offer, and that the Transactions are not disadvantageous to minority shareholders.

b) Reasons for the response

1) Concerning "The purpose of the Transactions is reasonable (including whether the Transactions are beneficial in enhancing the Target Company's corporate value)":

- Concerning "(a) The purpose of the Transactions, and the necessity, and background circumstances" and "(b) The advantages of the Transactions to be conducted through the Tender Offer" which were explained from the Target Company and the Tender Offeror (the "**Tender Offer Parties**"), the Transactions are concrete based on the Target Company's current business and management situation. In particular, the market environment of the Target Company is undergoing various transitions both in port business and in plant and logistics business that are the major business areas of the Target Company. In particular, in the port business, it is necessary to flexibly deal with the changing environment of the port as the vessels are becoming larger where active investments must be made in facilities to accommodate these changes. In the plant and logistics business, it is necessary to introduce managerial resources to strengthen competitive power, technology development, and to increase equipment. As the Target Company's managing environment is expected to continue to undergo various transitions with an uncertain outlook, making necessary investment would be beneficial over the middle to long term, and this would enhance the Target Company's corporate value. While expenses and investment would be initially required over the short term, these may affect the Target Company's financial position and performance, to which the market might react negatively. However, the Target Company recognizes that there is a limit on making active investments by simultaneously protecting the interests of general shareholders of the Target Company. Accordingly, to execute the Transactions to make the Target Company a wholly-owned subsidiary of the Tender Offeror is a reasonable management decision because this would eliminate potential conflicts of interest from parent and subsidiary's listing, establish a flexible and quick decision-making system by sharing management resources, and the Target Company's business and managerial base will be fundamentally strengthened which would be beneficial in enhancing the Target Company's corporate value.
- Above (a) and (b) agree with the contents explained to the public to describe the industry and market environment to which the Target Company belongs.
- Above (a) and (b) are realistic from the view of strengthening the Company's future competitive power. Specifically, the Target Company's idea of "(1) Sharing management resources with the Tender Offeror Group, expediting decision-making to execute management strategies," "(2) Establishing personnel foundation by

reinforcing personnel training," and "(3) Mitigate cost to maintain listing and mitigate administrative work," etc., and the Tender Offeror's anticipation that (A) strategic alliance through the Tender Offeror Group's network in the port business and promotion of new investment to achieve competitiveness by using the Tender Offeror Group's capital would strengthen this business and (B) promotion of further expansion of business in the plant and logistics business, and to further expand in overseas business by utilizing the Tender Offeror Group's global business foundation, would not require the Target Company to take into account the effects on shareholders from the short-term fall in performance from tentative increase in investments, but instead would allow quick and bold decision, and is a reasonable measure to promote growth from a middle to long-term view.

- The future outlook of the Target Company's business and development and measures considered after conducting the Tender Offer as explained from the Tender Offer Parties take into account the Tender Offeror's management policies based on the Target Company's business contents and managerial situation, and they are reasonable. In this regard, because the Target Company is a listed company and there is thus a certain limit from the perspective of independence to mutually use and maximize both group's managerial resources such as their customer base, business base, and financial base, it is difficult to implement various policies that the Tender Offeror intends to implement after the Tender Offer if the Target Company Group remains listed. Furthermore, while it is not expected that the Target Company's management strategies such as active investment would be beneficial for the Target Company's current general shareholders' interests, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, and the Tender Offeror becomes its sole shareholder, then the Transactions to achieve this would be the best and reasonable choice to achieve unified operation and various synergy effects between the Target Company Group and the Tender Offeror Group, and to enhance the corporate value of both groups.

2) Concerning "Fairness of procedures for the Transactions":

- To deal with the Transactions, the Target Company has established the Special Committee that is independent from both the Target Company and the Tender Offeror to eliminate the Tender Offeror's influence in the reviewing and decision-making process at the Target Company.
- Majority of the members of the Special Committee (two out of three members) are outside director and outside auditor of the Target

Company and remaining one member is a lawyer, an external professional.

- The Special Committee retained its own advisor serving as financial advisor and third-party valuator separately from those advisors retained by the Target Company for the Target Company. Furthermore, the Special Committee confirmed that such financial advisor and third-party valuator retained by the committee is independent from the Target Company and the Tender Offeror after receiving necessary explanation.
- In appointing the financial advisor and third-party valuator to advise exclusively to the Special Committee, the committee chose candidates by itself, and, after being presented the scope of operations and fee estimate, the Special Committee reviewed and discussed, and the committee ultimately chose its own such financial advisor and third-party valuator.
- The Special Committee appointed Yamada Consulting as its financial advisor and third-party valuator, received a share valuation report for the Target Company Shares from Yamada Consulting and referred this report, and also obtained the Fairness Opinion with respect to the Tender Offer Price referred to this opinion.
- The Target Company, in dealing with the Transactions, engaged Nomura Securities which is a third-party valuator that is independent from both the Target Company and the Tender Offeror to calculate the value of the Target Company Shares and obtained a share valuation report prepared by Nomura Securities. The Special Committee also confirmed the independence of Nomura Securities after receiving necessary explanation.
- The Target Company, in order to obtain legal advice on the Transactions (including advice on measures to ensure fairness and measures to avoid conflicts of interest), appointed AM&T that is independent from both the Target Company and the Tender Offeror. The Special Committee also confirmed the independence of AM&T after receiving necessary explanation.
- Because the Transactions including the Tender Offer are transactions conducted with the Tender Offeror which is a so-referred controlling shareholder (parent company), this may give rise to structural conflicts of interest. In view of this possibility, the Target Company carefully acknowledged the need to ensure appropriateness and fairness of the terms of the Transactions, and the Target Company has requested to the Tender Offeror to present terms that give due consideration to the interests of minority shareholders from the early stages of discussion.

- With respect to the discussion between the Target Company and the Tender Offeror and the Target Company's policies for negotiation, the Special Committee received explanation from the Target Company and Nomura Securities in its position as financial advisor to the Target Company on the policies for negotiation. The Target Company negotiated with the Tender Offeror in accordance with such policies for negotiation that were confirmed by the Special Committee.
- The specific situation on the discussions and negotiations between the Target Company and the Tender Offeror were timely reported to the Special Committee, and in particular, in the important stages of negotiation concerning the Tender Offer Price, the Special Committee stated its opinion to the Target Company and the Target Company's financial advisor based on the matters reported, and requested them to negotiate on matters that it deemed necessary. Therefore, a system to enable the Special Committee to substantially be involved in the negotiation of the terms of the Transactions, in particular the Tender Offer Price, was sufficiently ensured.
- On the basis of the above, the Target Company comprehensively and repeatedly reviewed the appropriateness, fairness, and feasibility of the terms, and discussed with the Tender Offeror several times to make final adjustments on the Tender Offer Price which was scheduled to be resolved at the current board of directors meeting.
- The Tender Offer Parties reached a final agreement on the terms of the Transactions including the Tender Offer Price and such price agreed was to be approved by the Target Company's board of directors as the Tender Offer Price.
- With respect to the two-step acquisition, a detailed disclosure is scheduled to be made at an early stage, and efforts are made to allow the Target Company's shareholders to have sufficient opportunity to make their decision. Furthermore, the Tender Offeror and the Target Company are scheduled to disclose information in each of the disclosure documents that are scheduled to be prepared and disclosed by them that is deemed to be necessary and appropriate to enable the Target Company's shareholders (in particular, minority shareholders) to decide whether the each terms of the Transactions including the Tender Offer Price are fair.
- The Target Company's directors and the Target Company's auditors who are interested persons are not involved in reviewing the Transactions at the Target Company and they will not participate in discussions and resolution concerning the Transactions at the board of directors meeting to be held in the future and the Target Company is making efforts to eliminate arbitrariness in the decision-making process.

- In the Tender Offer, a minimum number of shares to be purchased is not set as indicated in the latest Press Release. This could be viewed that the Tender Offeror is securing the opportunity for the Target Company's shareholders who wish to sell the Target Company Shares through the Tender Offer to absolutely sell their shares and thus due consideration is being given to the interests of the Target Company's minority shareholders.
- In the Tender Offer, while conditions are not set for the so-called majority of minority, the Tender Offeror is a controlling shareholders (parent company) of the Target Company and already holds a certain number of the Target Company Shares, the so-called majority of minority may instead destabilize the completion of the Tender Offer. In other words, as long as the Tender Offeror announced its intention to make the Target Company its wholly-owned subsidiary, even if the current Tender Offer is not completed, a similar transaction may be conducted again at some point in the future, and minority shareholders may be placed in an unstable position. In addition, the so-called majority of minority might not be beneficial to minority shareholders who wish to tender in the Tender Offer (i.e., the shareholders who wish to sell their Target Company Shares). As such, as due consideration is deemed to be given in other measures to ensure fairness, it is not important to particularly focus on the fact that the so-called majority of minority is not set as a formality.
- In the Tender Offer, the Tender Offer Period is to be set at 30 business days which is longer than the statutory required minimum period of 20 business days, and because the Target Company did not agree with the Tender Offeror on the so-called terms to protect the transaction such as to prohibit the Target Company from contacting competitive offerors or otherwise to limit contact with such competitive offerors, and, therefore, there are no particularly unreasonable situation from the view of the so-called passive market check. In this regard, the so-called active market check to search and review whether there are any potential offerors in the market is not easy to conduct in practice from the view of managing information. Therefore, it cannot be said that the Transactions are unreasonable due only to the fact that such so-called active check was not conducted in this case.
- For the Transactions, a so-called two-step acquisition procedures (Demand for Shares Cash-out or Share Consolidation are currently scheduled as such procedures.) is scheduled to be conducted to make the Target Company Shares non-public. In this regard, the provisions of the Companies Act concerning protection of the rights of minority shareholders who are subject to Demand for Shares Cash-out stipulate that such minority shareholders may file a petition with the court to claim for decision of the sales price. The provisions of the

Companies Act concerning protection of the rights of minority shareholders who are subject to Share Consolidation stipulate that such minority shareholders may, under certain circumstances, claim to the Target Company to purchase all fractional shares of the common shares held by them at a fair price and to file a petition with the court to claim for decision of the price of the Target Company Shares. If such petition is filed, the price will ultimately be decided by the court and the Target Company's minority shareholders would be able to gain economic profit through these procedures.

- From the above, specific measures are assumed from an objective perspective to ensure fairness of the terms of the Transactions and due consideration is being given to the interests of the Target Company's shareholders through fair procedures.

- The Tender Offer Price agreed between the Target Company and the Tender Offeror based on the share valuation report obtained by the Target Company from a third-party valuator falls within the range of such calculation. In particular in the calculation by the DCF method, the price exceeds the central value of the calculated range. In addition, the price falls within the range calculated by the third-party valuator appointed by the Special Committee to advise exclusively to the committee, and exceeds the central value calculated thereby under the DCF method.

- The Tender Offer Price is a price added thereon a premium of approximately 33.76% to approximately 40.50% on the share price level on average for six months including the closing price (516 yen) of the Target Company's Shares on the day before the date of submission of the Report (the reference date for calculating in the average market price method in each of the above share value calculation. Based on premiums actually paid in past similar examples, the level of premium on the Tender Offer Price is not significantly different and this is assumed to be quite reasonable.

- The Special Committee also appointed its own financial advisor and third-party valuator, obtained a share valuation report for the Target Company Shares from such third-party valuator and referred to this, and furthermore obtained a fairness opinion concerning the Tender Offer Price to receive opinion on the appropriateness of the Tender Offer Price.

- The Company ensured the fairness and appropriateness of the terms of the Transactions including the Tender Offer and in particular the Tender Offer Price through its foregoing efforts, and its methods to eliminate arbitrariness in the foregoing process are reasonable and appropriate.

3) Concerning "Appropriateness of the terms of the Transactions (including the Tender Offer Price)":

- The Target Company, in order to ensure fairness and appropriateness of the terms of the Transactions, in particular the price for the Target Company Shares in the Tender Offer (i.e., the Tender Offer Price), appointed an independent third party to calculate the value of the Target Company Shares to review and decide on such price, and obtained a share valuation report from such third party and referred to such report.

- The process of calculation used by such third-party valuator in preparing its share valuation report is a common and reasonable method in light of current practices for such calculation.

- The contents of the above calculation are appropriate in light of current practices for such calculation. Furthermore, the Special Committee gained understanding of the circumstances of how the Target Company's business plan was prepared and the current situation of the Target Company by receiving explanation from the Target Company and the third party valuator concerning the contents of the Target Company's business plan that is the basis for such calculation, has confirmed that the business plan is reasonable from the view of whether there are any shortcomings in the Target Company's drafting of the business plan, and concluded that such business plan is reasonable.

- Based on the foregoing, the share valuation report prepared by such third-party valuator is reliable and has no particular flaws.

- Based on such share valuation report, the Target Company reviewed the Tender Offer Price by comprehensively taking into account the circumstances such as the necessity and advantages of the Transactions and their effects on the Target Company's future business.

- The Target Company engaged a financial advisor (concurrently serving as third-party valuator) with rich experience and conducted negotiations on the overall terms of the Transactions including the Tender Offer Price.

- The Tender Offer Price agreed between the Target Company and the Tender Offeror based on the share valuation report obtained by the Target Company from a third-party valuator falls within the range of such calculation. In particular in the calculation by the DCF method, the price exceeds the central value of the calculated range. In addition, the price falls within the range calculated by the third-party valuator appointed by the Special Committee to advise exclusively to the committee, and exceeds the central value calculated thereby under the DCF method.

- The Tender Offer Price is a price added thereon a premium of approximately 33.76% to approximately 40.50% on the share price level on average for six months including the closing price (516 yen) of the Target Company's Shares on the day before the date of submission of the Report (the reference date for calculating in the average market price method in each of the above share value calculation. Based on premiums actually paid in past similar examples, the level of premium on the Tender Offer Price is not significantly different and this is assumed to be quite reasonable.

- The Special Committee also appointed its own financial advisor and third-party valuator, obtained a share valuation report for the Target Company Shares from such third-party valuator and referred to this, and furthermore obtained a fairness opinion concerning the Tender Offer Price to receive opinion on the appropriateness of the Tender Offer Price.

- The Target Company ensured the fairness and appropriateness of the terms of the Transactions including the Tender Offer and in particular the Tender Offer Price through its foregoing efforts, and its methods to eliminate arbitrariness in the foregoing process are reasonable and appropriate.

- Furthermore, per explanation from the Target Company, the terms for the Squeeze-Out Procedures will be calculated and determined based on the same price as the Tender Offer Price unless there are any special circumstances.

  In this regard, the Squeeze-Out Procedures is scheduled to be implemented after the Tender Offer as successive procedures to the Tender Offer (the so-called two-step acquisition), and it is reasonable that the terms of transaction in both procedures to be conducted on a close timing to be set to be the same.

4) Concerning whether the Transactions are disadvantageous to the Target Company's minority shareholders based on above 1) to 3):

- As of present, the Special Committee finds no circumstances other than the points reviewed in above 1) to 3) for it to consider that the Transactions including the Tender Offer are disadvantageous to the Target Company's minority shareholders.

5) Concerning "it is fair for the Target Company's board of directors to make a resolution to state its opinion in support of the Tender Offer and to recommend the Target Company's shareholders to tender in the Tender Offer"

- As stated above, the Special Committee finds that (i) the purpose of the Transactions is reasonable (this is beneficial in enhancing the Target Company's corporate value), (ii) the fairness of the procedures for the Transactions is ensured, (iii) the terms of the Transactions are appropriate, and (iv) based on above (i) to (iii), the Transactions are not disadvantageous to the Company's minority shareholders. The Special Committee therefore considers that it is appropriate (i.e., the Special Committee supports) for the Target Company's board of directors to make a resolution to state its opinion in support of the Tender Offer and to recommend to the Company's shareholders to tender in the Tender Offer, and the Transactions are not disadvantageous to the Company's minority shareholders, and there are no particular circumstances to the contrary as of present.

(v) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Financial Advisor and Third-Party Appraiser

(a) Name of third-party valuator and its relationship with the Company and the Tender Offeror

According to the Target Company, the Special Committee, upon reviewing the Consulted Matters, engaged Yamada Consulting, a financial advisor and independent third-party valuator that is independent from the Tender Offeror and the Target Company, as its advisor to calculate the value of the Target Company Shares and conduct incidental financial analysis, and to issue its fairness opinion ("Fairness Opinion (Yamada Consulting)") concerning fairness of the Tender Offer Price. The Special Committee obtained Yamada Consulting Valuation Report and Fairness Opinion (Yamada Consulting) on November 29, 2021.

As indicated in "(C) Decision-Making Process and Reasoning of the Target Company" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" "1. Purpose of the Tebner Offer" above, when the Target Company's board of directors received the Report from the Special Committee, it also received the Yamada Consulting Valuation Report and Fairness Report (Yamada Consulting) on November 30, 2021, and by taking the contents thereof into account, made the resolution as indicated in "(6) Measures to ensure fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests," "(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company" below.

Yamada Consulting does not fall under a related party of the Target Company and the Tender Offeror nor has any material interest in the Transactions including the Tender Offer. As indicated in below “(6) Measures to ensure fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests,” “(ii) Establishment of the Special Committee and procurement of the Report from the Special Committee,” the Special Committee appointed Yamada Consulting to act as the committee’s financial advisor and third party-valuator after considering the independence, expertise, and experience of the candidates for financial advisor and third-party valuator. Yamada Consulting will receive only a fixed fee for the Transactions regardless of whether the Transactions are completed and no performance fee will be paid thereto on condition of completion of the Transactions including the Tender Offer.

(b) Description of calculation of the Target Company Shares

Yamada Consulting considered multiple calculation methods to apply in calculating the share value of the Company's Shares for the Tender Offer. On the assumption that the Target Company is a going concern, and that multifaceted valuation of the Target Company Shares is appropriate, Yamada Consulting applied: (i) the average market price method given that the Target Company Shares are listed on the First Section of the TSE and thus the market price thereof is available; (ii) the comparable company analysis method given that there are multiple listed companies that are engaged in business relatively similar to the Target Company's business, and the availability of an analogy of the share value thereof by comparison with companies that are determined to be engaged in business similar to the business of the Target Company; and (iii) the DCF Method to reflect the future business activities of the Target Company in calculating the per share value of the Target Company's Shares. The Special Committee has obtained from Yamada Consulting the Yamada Consulting Valuation Report dated November 29, 2021.

In the Yamada Consulting Valuation Report, the share price range per share of the Target Company Shares as calculated by each of the above methods is as follows.

Average market price method: From 516 yen to 542 yen

Comparable company analysis method: From 575 yen to 740 yen

DCF Method: From 540 yen to 877 yen

Pursuant to the average market price method, as of the reference date of calculation on November 29, 2021, the share value range per share of the

Target Company Shares was calculated to be 516 yen to 542 yen, based on the closing price of 516 yen of the Company's Shares on the reference date on the First Section of the TSE, the simple average closing price of 527 yen for the recent one (1) month, the simple average closing price of 542 yen for the most recent three (3) months, and the simple average closing price of 534 yen for the most recent six (6) months.

Pursuant to the comparable company analysis method, Maruzen Showa Unyu Co., Ltd., Kamigumi Co., Ltd., Meiko Trans Co., Ltd., Isewan Terminal Service Co., Ltd., and Azuma Shipping Co., Ltd. were chosen as the listed companies that are judged to be engaged in business similar although not identical to the business of the Company and therefore comparable with the Target Company were chosen for comparison, and the Target Company's market price of the share and profit earning ratio were compared with those of the above companies. As a result, the share value range per share of the Target Company Shares was calculated to be 575 yen to 740 yen.

Pursuant to the DCF Method, the Target Company's enterprise value and share value were calculated by using various elements such as its earnings forecast and investment plans in its business outlook for six fiscal years from Fiscal Year ending March 2022 to its Fiscal Year ending March 2027 based on its business plan prepared by the Target Company and information disclosed by it to the public, and by discounting by a certain rate to the present value the free cash flow projected to be generated by the Target Company on and after the third quarter of its Fiscal Year ending in March 2022. As a result, the share value range per share of the Target Company Shares was calculated to be 540 yen to 877 yen. At this time, the discount rate of 6.69% to 8.17% was applied. In calculating the going-concern value, perpetual growth rate model and EBITDA multiple rate model were used. The perpetual growth rate of -0.50% to 0.50% was applied, and EBITDA multiple rate of 3.38 times to 4.38 times was applied.

The Target Company's financial forecast based on its business plan that Yamada Consulting used as the basis for the calculation pursuant to the DCF Method includes a fiscal year in which Yamada Consulting projected that there would be a significant increase in operating income for such fiscal year. Specifically, Yamada Consulting projects that operating income for the fiscal year ending March 2025 would significantly increase by approximately 30% compared to the previous fiscal year which is attributable to increase in orders received for plant business mainly for transporting heavy weight and oversized cargo. Also, because the synergistic effects that could be expected from conducting the Transactions were difficult to concretely estimate as of the time of making the calculation, Yamada did not take these into account in its financial forecasts. Those financial forecasts are based on the business plan prepared by the Target Company, analysis conducted by Yamada

Consulting of this business plan through multiple Q&A sessions held between Yamada Consulting and the Target Company, and as indicated in "

(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" the Special Committee confirmed the contents and the reasonableness of the process this was prepared.

The financial forecast used for the calculation pursuant to the DCF Method is as follows.

(Unit: million yen)

	March 2022 (6 months)	March 2023	March 2024	March 2025	March 2026	March 2027
Operating revenue	24,236	49,939	52,749	54,950	55,417	55,437
Operating income	606	2,067	2,255	2,923	2,952	2,962
EBITDA	1,484	3,987	4,247	5,040	5,039	5,043
Free cash flow	226	(975)	(1,279)	1,579	2,042	2,092

(c) Description of the Fairness Opinion

The Special Committee obtained from Yamada Consulting its Fairness Opinion dated November 29, 2021 which indicates that the Tender Offer Price of 725 yen per share is fair to the Target Company's shareholders (excluding the Tender Offeror and its affiliates) from a financial perspective (Note). The Fairness Opinion is a statement of opinion that the Tender Offer Price of 725 yen per share is fair to the Tender Company's shareholders from a financial perspective based on the results of calculation of the Tender Company's Shares based on the business plan prepared by the Tender Company. The Fairness Opinion (Yamada Consulting) was issued through the process of Yamada Consulting referring to results of calculation of the value of the Taget Company Shares that it calculated based on disclosure and explanation from the Target Company on the current situation and outlook of business of the Target Company's group, and, furthermore, holding Q&A sessions with the Target Special Committee, reviewing the Company group's business environment, economy, market, and financial situation to the extent deemed necessary by Yamada Consulting, and review of the Fairness Opinion by persons of Yamada Consulting who are independent from the engagement team.

(vi) Establishment of an Independent Structure for Review at the Target Company

According to the Target Company, as indicated in "(ii) Establishment of the Special Committee and procurement of The Report from the Special Committee" above, the Company retained AM&T as its legal advisor independent from the Company and the Tender Offeror. The Company is receiving necessary legal advice from the firm concerning the measures to be assumed to ensure fairness of the procedures of the Transactions, various procedures for the Transactions, and method and process of decision making by the Company concerning the Transactions.

(vi) Establishment of an Independent Structure for Review at the Target Company

According to the Target Company, as indicated in "Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company established inside the Target Company a system to review, negotiate and decide on the Transactions independent from the Tender Offeror. Specifically, the Targete Company, on September 30, 2021, promptly after receiving initial contact from the Tender Offeror that it wishes to commence discussions for the Transactions, established inside the Target Company a system to review, negotiate, and decide on the Transactions independent from the Tender Offeror. A team comprising one Senior Managing Director of the Target Company independent from the Tender Offeror, and one employee from the Corporate Planning Department assumed this task, and together with the Special Committee, have been continuously working exclusively until the date of this Press Release by involving themselves in the process of negotiating between the Target Company and the Tender Offeror on the terms of the Transactions including the Tender Offer Price, and preparing the Target Company's business plan to become the basis for assessing the value of the Target Company's Shares. Since September 30, 2021, after the Target Company received initial contact from the Offer that they wish to commence discussion on the Transactions, the Target Company has not permitted any officers and employees of the Target Company who concurrently service as officers or employees of the Tender Offeror Group companies other than the Target Company to become involved in the process of negotiation between the Target Company and the Tender Offeror on the Transactions including the Tender Offer Price, and preparing the Target Company's business plan to become the basis for assessing the value of the Target Company Shares for the purpose of eliminating the issue of structural conflicts of interest.

(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company

According to the Target Company, as indicated in "Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company, based on legal advice from AM&T, advice from Nomura Securities from a financial perspective, the contents of the Nomura Securities Valuation Report, and the Yamada Consulting Valuation Report and the Fairness Opinion received via the Special Committee, and by observing to the maximum extent the Special Committee's decision rendered in the Report, carefully discussed and reviewed whether the Transactions including the Tender Offer will be beneficial in enhancing the Target Company's corporate value, and whether the terms of the Transactions including the Tender Offer Price are appropriate.

As a result, as indicated in "Decision-Making Process and Reasoning of the Target Company" in "(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company decided that the Transactions would be beneficial in enhancing the Target Company's corporate value because various synergistic effects ((i) expedite decision-making to share management resources and to implement management strategies with the Tender Offeror Group, (ii) establish human resource foundation through reinforced personnel training, and (iii) mitigate cost to maintain listing and relevant operational burdens) could be expected by the Target Company becoming a wholly-owned subsidiary of the Tender Offeror, and that the terms of the Transactions including the Tender Offer Price are appropriate because the Tender Offer Price of 725 yen per share is an appropriate price that ensures benefits for the Target Company's minority shareholders and the Tender Offer provides a reasonable opportunity for the Target Company's minority shareholder to sell their Target Company Shares at a price with an appropriate premium, and the directors who participated in the discussion and resolution at the Target Company board of directors meeting held today (nine (9) out of 13 directors who participated in the discussion and resolution) unanimously resolved to express an opinion in support of the Tender Offer and to recommend the Target Company's shareholders to tender in the Tender Offer. Also, at the above board of directors meeting, all auditors excluding Messrs. Masaaki Tsuda and Toshiaki Takeda stated their opinion that they have no objections to the above resolution.

In order to eliminate the effects of structural conflicts of interest in the Transactions on the discussion and resolution and to ensure fairness of the Transactions, discussions were held by and unanimous resolution was made at the above board of directors meeting by nine (9) directors out of 13 directors of the Target Company by excluding the following four (4) directors: Messrs. Masahiro Tanabe, Hiroshi Ogawa, and Taku Kadooka because they served as officers and employees of the Tender Offeror Group in the recent ten years, and Mr. Yasunori Takamatsu because he concurrently serves as officer and employee of the Tender Offeror. At the above board of directors meeting, two (2) out of four (4) auditors of the Target Company were present and the two auditors present stated their opinions that they have no objection to the above resolution. However, because Mr. Masaaki Tsuda was an officer and employee of the Tender Offeror Group within the recent 10 years and Mr. Toshiaki Takeda concurrently serves as officer and employee of the Tender Offeror, these two persons were not present at the above board of directors meeting and refrained from stating their opinions to prevent the discussion and resolution at the board of directors meeting from being affected by the issues of structural conflicts of interest and asymmetry of information.

Messrs. Masahiro Tanabe, Hiroshi Ogawa, Taku Kadooka, Yasunori Takamatsu, Masaaki Tsuda, and Toshiaki Takeda have not participated in any discussion and resolution in all items for resolution for the Transactions at the meetings of the board of directors including above meeting held today nor participated in any discussion and negotiation with the Tender Offeror from the Target Company's side to eliminate the effects of the issue of structural conflicts of interest in the Transactions and to ensure fairness of the Transactions.

(viii) No Transaction Protection Clause

The Tender Offeror and the Target Company have not agreed to any transaction protection clause that prohibits the Target Company from contacting competing acquisition offerors or made any other agreement on any matter that would restrict competing acquisition offerors from contacting the Target Company, and have been mindful of ensuring fairness in the Tender Offer by not preventing any opportunity for a competing offer.

(ix) Measures to Ensure that the Target Company's Shareholders have the Opportunity to make Appropriate Judgments as to Whether or Not to Tender in the Tender Offer

As stated in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating the "Two-Step Acquisition")" in "1. Purpose of the Tender Offer" above, the Tender Offeror ensures an opportunity for the Target Company's shareholders (excluding the Tender Offeror and the Target Company) to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Target Company's shareholders (excluding the Tender Offeror and the Target Company) by (i) employing methods ensuring the right of the Target Company's shareholders (excluding the Tender Offeror) to request purchase of shares or to petition for a determination of the price of shares, wherein depending on the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, either will make the Demand for Shares Cash-Out for all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and treasury shares owned by the Target Company) or will make a demand to the Target Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for the Share Consolidation and a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, and (ii) clarifying that the amount of money to be delivered to the Target Company's shareholders (excluding the Tender Offeror and the Target Company) as consideration for each Target Company Share in the Demand for Shares Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by those shareholders (excluding the Tender Offeror and the Target Company).

In addition, although the shortest tender offer period under laws and ordinances is 20 business days, the Tender Offeror has set the tender offer period of the Tender Offer (the "**Tender Offer Period**") to be 30 business days. The Tender Offeror has set a comparatively long tender offer period to ensure an appropriate opportunity for the shareholders of the Target Company to make a decision about the tendering of shares in response to the Tender Offer while ensuring an opportunity for competing offers by parties other than the Tender Offeror as a means to guarantee the fairness of the Tender Offer Price.

Note 1: The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with performing Goldman

Sachs' financial analyses of the Target Company Shares and preparing the Analysis Report (GS).

Goldman Sachs and its affiliates (collectively, "Goldman Sachs Group") are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs Group and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Tender Offeror, the Target Company and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the Tender Offer. Goldman Sachs has acted as financial advisor to the Tender Offeror in connection with, and has participated in certain of the negotiations leading to, the Tender Offer. Goldman Sachs expects to receive fees for its services in connection with the Tender Offer, the principal portion of which is contingent upon consummation of the Tender Offer, and the Tender Offeror has agreed to reimburse certain of Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. Goldman Sachs has provided from time to time, and is concurrently providing, certain financial advisory and/or underwriting services to the Tender Offeror and/or its affiliates for which its Investment Banking Division has received, and may receive, compensation, including acting as co-manager with respect to a public offering by the Tender Offeror of its 1.60% hybrid corporate bonds due 2056 (aggregate principal amount ¥50,000,000,000) in April 2021. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to the Tender Offeror, the Target Company and their respective affiliates for which Goldman Sachs' Investment Banking Division may receive compensation.

In connection with preparing the Analysis Report (GS), Goldman Sachs has reviewed, among other things, the Annual Securities Reports (Yuka Shoken Hokoku-sho) of the Target Company for the five fiscal years ended March 31, 2021; the Quarterly Report (Shihanki Hokoku-sho) of the Target Company for the fiscal quarter ended September 30, 2021; certain other communications from the Target Company to its stockholders; and certain internal financial analyses and forecasts for the Target Company, as prepared by management of the Target Company and adjusted by the Tender Offeror and approved for Goldman Sachs' use by the Tender Offeror (the "Forecasts (Tender Offeror)"). Goldman Sachs has also held discussions with members of the senior managements of the Tender Offeror and the Target Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Target Company and with members of senior management of the Tender Offeror regarding their assessment of the past and current business operations, financial condition and future prospects of the Tender Offeror and the strategic rationale for, and the potential benefits of, the Tender Offer; reviewed the reported price and trading activity for the Target Company Shares; reviewed the financial terms of certain recent tender offers for listed subsidiaries in Japan; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate. For purposes of performing its financial analyses and preparing the Analysis Report (GS), Goldman Sachs has, with the Tender Offeror's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with the Tender Offeror's consent that the Forecasts (Tender Offeror) have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of management of the Tender Offeror. Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Target Company or any of its subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal.

The Analysis Report (GS) does not address the underlying business decision of the Tender Offeror to engage in the Tender Offer, or the relative merits of the Tender Offer as compared to any strategic alternatives that may be available to the Tender Offeror; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs does not express any view on any term or aspect of the Tender Offer or any term or aspect of any other agreement or instrument contemplated by the Tender Offer or entered into or amended in connection with the Tender Offer, including, the fairness of the Tender Offer to, or any consideration received in connection therewith by, the Tender Offeror, the holders of any class of securities, creditors, or other constituencies of the Target Company; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Target Company, or any class of such persons in connection with the Tender Offer. Goldman Sachs is not expressing any opinion as to the prices at which the Target Company Shares will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Target Company or the Tender Offer, or as to the impact of the Tender Offer on the solvency or viability of the Tender Offeror or the Target Company or the ability of the Tender Offeror or the Target Company to pay their respective obligations when they come due. The Analysis Report (GS) is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date thereof and Goldman Sachs assumes no responsibility for updating, revising or reaffirming the Analysis Report (GS) based on circumstances, developments or events occurring after the date thereof. Goldman Sachs' advisory services and the Analysis Report (GS) expressed herein are provided solely for the information and assistance of the Board of Directors of the Tender Offeror in connection with its consideration of the Tender Offer. Goldman Sachs did not recommend any specific offer prices to the Tender Offeror, or that any specific offer prices constituted the only appropriate offer price. The Analysis Report (GS) is not necessarily susceptible to partial analysis or summary description. Selecting portions of the Analysis Report (GS) or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the Analysis Report (GS). Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

Note 2: In calculating the value of the Target Company Shares, Nomura Securities assumed the accuracy and completeness of the publicly-available information and all the information provided by the Target Company and did not independently verify the accuracy or completeness of such information. Nomura Securities did not conduct an independent assessment, valuation or appraisal of any assets or liabilities (including derivatives, off-balance sheet assets and liabilities and other contingent liabilities) of the Target Company or its affiliates, including any analysis or evaluation of individual assets and liabilities, nor did Nomura Securities make any request to a third-party valuation agency for any such valuation or appraisal. Nomura Securities assumed that the Target Company's Business Plan was reasonably considered or prepared based on the best projections and judgement made in good faith that were then available to the management of the Target Company. The calculation by Nomura Securities reflects the information available to it and the economic conditions as of November 29, 2021. The sole purpose of the calculation by Nomura is for the board of directors of the Target Company to use the calculation results as a reference for considering the value of the Target Company Shares.

Note 3: In preparing and submitting the Fairness Opinion and evaluating the share value underlying it, YAMADA Consulting relied on publicly-available information and the information available to it that was provided by the Target Company, on the assumption that they were accurate and complete, and that there were no facts that had not been disclosed to YAMADA Consulting that could materially affect the analysis and evaluation of the share value of the Target Company, and YAMADA Consulting has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

YAMADA Consulting did not conduct an independent assessment or valuation of any assets or liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Target Company, including any analysis or evaluation of individual assets and liabilities, nor did YAMADA Consulting assess the creditworthiness of the Target Company under applicable laws relating to bankruptcy, suspension of payments, or similar matters. In addition, YAMADA Consulting did not receive any assessment report or valuation report relating to the foregoing matters.

YAMADA Consulting has assumed that the Target Company's Business Plan and other materials used as the basis for the Fairness Opinion have been reasonably prepared by the Target Company's management based on the best projections and judgements as of the date of preparation, and YAMADA Consulting does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or premises on which they are based.

The Fairness Opinion expresses YAMADA Consulting's opinion as of the date of preparation as to whether the Tender Offer Price is fair from a financial point of view to the Target Company's shareholders (excluding the Tender Offeror and its affiliates), based on financial and capital markets, economic, conditions, and other circumstance as of the date of preparation, and information available to YAMADA Consulting up to the date of preparation, and while the content of the Fairness Opinion may be affected by subsequent changes in conditions, YAMADA Consulting has no obligation to amend, change or supplement the content of the Fairness Opinion even in such cases. The Fairness Opinion does not infer or indicate any opinion, other than that expressly stated in the Fairness Opinion, or with respect to any matter after the date of submission of the Fairness Opinion.

The Fairness Opinion only expresses the opinion that the Tender Offer Price is fair to the Target Company's shareholders (excluding the Tender Offeror and its affiliates) from a financial point of view and is not disadvantageous to them, and does not express opinions or make recommendations concerning the propriety of implementing the Tender Offer, nor the tendering, or other actions with respect to the Tender Offer, and does not express any opinion to the holders of securities issued by the Target Company, creditors, or other related parties.

(C) Relationship with the Appraiser

Goldman Sachs, which is the Tender Offeror's financial advisor, is not a party affiliated with the Tender Offeror or the Target Company and does not have a material interest in the Tender Offer.

(5) Number of Share Certificates, Etc. to be Purchased

Class of Share Certificates, Etc.	Number of Share Certificates, Etc. to be purchased	Minimum number of Share Certificates, Etc. to be purchased	Maximum number of Share Certificates, Etc. to be purchased
Common stock	14,327,663 shares	– shares	– shares
Total	14,327,663 shares	– shares	– shares

(Note 1): In the Tender Offer, the Tender Offeror has not set a maximum or minimum number of Share Certificates, Etc. to be purchased, and thus the Tender Offeror will purchase all of the Tendered Share Certificates, Etc. The number of Share Certificates, Etc. to be purchased is stated as the maximum number of Target Company Shares to be purchased by the Tender Offeror in the Tender Offer (14,327,663 shares). The maximum number of Share Certificates, Etc. to be purchased in the Tender Offer is the number of shares (14,327,663 shares) representing (i) the total number of issued shares (43,448,099 shares) of the Target Company as of September 30, 2021), as stated in the Target Company's Financial Results Release, minus (ii) the 200,910 treasury shares held by the Target Company as of September 30, 2021 and the number of Target Company Shares (28,919,526 shares) held by the Tender Offeror.

(Note 2): Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own treasury shares during the Tender Offer Period in accordance with procedures under laws and regulations.

(Note 3): The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(6) Changes in Ownership Ratio of Share Certificates, Etc. due to the Tender Offer

Number of voting rights represented by the Share Certificates, Etc. held by the Tender Offeror before the Tender Offer	289,195 voting rights	(Ownership ratio of Share Certificates, Etc. before the Tender Offer: 66.87%)
Number of voting rights represented by the Share Certificates, Etc. held by specially related parties before the Tender Offer	2,854 voting rights	(Ownership ratio of Share Certificates, Etc. before the Tender Offer: 0.65%)
Number of voting rights represented by the Share Certificates, Etc. held by the Tender Offeror after the Tender Offer	432,471 voting rights	(Ownership ratio of Share Certificates, Etc. after the Tender Offer: 100.00%)
Number of voting rights represented by the Share Certificates, Etc. held by specially related parties after the Tender Offer	0 voting rights	(Ownership ratio of Share Certificates, Etc. after the Tender Offer: -%)
Total number of voting rights of all shareholders, etc. of the Target Company	432,359 voting rights	

Note 1: "Number of voting rights represented by the Share Certificates, Etc. held by specially related parties before the Tender Offer" states the total number of voting rights represented by Share Certificates, Etc. held by each specially related party (except for persons excluded from specially related parties under Article 3(2)(i) of the Cabinet Ordinance with respect to Disclosure of a Tender Offer for Share Certificates, Etc. by an Offeror other than the Issuing Company (Ministry of Finance Ordinance No. 38 of 1990, as amended, the "**Cabinet Ordinance**") for the purpose of calculating the ownership ratio of Share Certificates, Etc. under each item of Article 27-2(1)). Since the Share Certificates, Etc. held by specially related parties (excluding treasury shares held by the Target Company) are subject to the Tender Offer, the "Number of voting rights represented by the Share Certificates, Etc. held by specially related parties after the Tender Offer" is 0. If it is necessary for the Tender Offeror to revise this press release upon confirming the Share Certificates, Etc. of the Target Company held by specially

related parties after the date hereof, the Tender Offeror will disclose the amendment details.

Note 2: "Total number of voting rights of all shareholders, etc. of the Target Company" is the number of voting rights of all shareholders, etc. of the Target Company as of September 30, 2021 stated in the Q2 Report for the 155th fiscal year submitted by the Target Company on November 12, 2021. However, since the shares less than one unit are subject to the Tender Offer, when calculating "Ownership ratio of Share Certificates, Etc. before the Tender Offer" and "Ownership ratio of Share Certificates, Etc. after the Tender Offer," the number of voting rights (432,471) represented by 43,247,189 shares, which is the total number of issued shares (43,448,099 shares) of the Target Company as of September 30, 2021 stated in the Target Company's Financial Results Release less the number of treasury shares held by the Target Company (200,910 shares) as of September 30, 2021, is used as "Total number of voting rights of all shareholders, etc. of the Target Company."

Note 3: "Ownership ratio of Share Certificates, Etc. before the Tender Offer" and "Ownership ratio of Share Certificates, Etc. after the Tender Offer" have been rounded to two decimal places.

(7) Purchase Price 10,387 million yen

Note: Purchase price shows the amount obtained by multiplying the number of shares to be purchased (14,327,663 shares) by the Tender Offer Price (725 yen).

(8) Method of Settlement

(A) Name and Address of Head Office of Financial Instruments Business Operator, Bank, Etc. in Charge of Settlement of Tender Offer

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(B) Commencement Date of Settlement

January 25, 2022 ([Tuesday])

(C) Method of Settlement

A notice regarding the purchase under the Tender Offer will be mailed to the address or location of the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Non-Resident Shareholders, Etc.) without delay after the expiration of the Tender Offer Period. If Tendering Shareholders, Etc. tendered their Share Certificates, Etc. online (https://trade.smbcnikko.co.jp/) ("**Nikko Easy Trade**"), the notice will be delivered by electromagnetic means.

The purchase will be settled in cash. The tender offer agent will remit the sales proceeds of the Share Certificates, Etc. purchased to the address designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Non-Resident Shareholders, Etc.) in accordance with the instructions given by the Tendering Shareholders, Etc. (or the

Standing Proxy in the case of Non-Resident Shareholders, Etc.) and without delay after the commencement date of the settlement.

(D) Method of Return of Share Certificates, Etc.

In the event that all of the Tendered Share Certificates, Etc. will not be purchased under the terms set forth in "(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof" or "(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc." in "(9) Other Conditions and Methods of Purchase" below, the tender offer agent will revert the Share Certificates, Etc. that are required to be returned to their original condition at the time of the tender ("the original condition at the time of the tender" means the condition where the execution of the order to tender in the Tender Offer has been cancelled) on the Tendering Shareholder, Etc.'s account opened with the tender offer agent by the Tendering Shareholder, Etc. on the date two business days after the last day of the Tender Offer Period (or the day of withdrawal, etc. if the Tender Offeror withdraws the Tender Offer).

(9) Other Conditions and Methods of Purchase

(A) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and the Details Thereof

The Tender Offeror has not set a maximum or minimum number of Share Certificates, Etc. to be purchased. Therefore, the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(B) Conditions of Withdrawal, Etc. of the Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, Etc.

If any event listed in Article 14, Paragraph 1, Items (1)1 through (1)10 and Items (1)13 through (1)19, and Items (3)1 through (3)8 and (3)10, as well as Article 14, Paragraph 2, Items (3) through (6) of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**") occurs, the Tender Offeror may withdraw the Tender Offer. The "events which are equivalent to those listed in Items (3)1 through (3)9" set out in Article 14, Paragraph 1, Item (3)10 of the Enforcement Order refers to either (i) the case where any of the statutory disclosure documents submitted by the Target Company in the past is found to contain a false statement on a material fact, or omit a statement on a material fact that should have been stated but the Tender Offeror was not aware of the existence of such false statement, etc. nor could the Tender Offeror have been aware of such false statement, etc. even with reasonable care, or (ii) the case where any of the facts listed in Article 14, Paragraph 1, Items (3)1 through (3)7 of the Enforcement Order occurs in respect of a significant subsidiary of the Target Company.

If the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement.

(C) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

Under Article 27-6, Paragraph 1, Item (1) of the Act, if the Target Company conducts any act set out in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price in accordance with the standards set out in the provision of Article 19, Paragraph 1 of the Cabinet Ordinance.

If the Tender Offeror intends to reduce the purchase price, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method set out in Article 20 of the Cabinet Ordinance and give public notice immediately after the announcement. If the purchase price is reduced, the Tender Offeror will also purchase the Share Certificates, Etc. tendered on or before the date of the public notice at the reduced purchase price.

(D) Matters Concerning Right of Tendering Shareholders, Etc. to Cancel the Agreement

The Tendering Shareholders, Etc. may, at any time during the Tender Offer Period, cancel their agreements for the Tender Offer.

A Tendering Shareholder, Etc. who wishes to cancel an agreement must deliver or send a notice stating the intention to cancel the agreement for the Tender Offer (a "**Cancellation Document**") to the person designated below by 3:30 p.m. on the last day of the Tender Offer Period (subject to the business hours of the sales office; Tendering Shareholders, Etc. should contact their sales office in advance to confirm). However, if a Cancellation Document is sent by mail, the cancellation is conditional on the Cancellation Document reaching the designated recipient below by no later than 3:30 p.m. on the last day of the Tender Offer Period (subject to the business hours of the sales office; Tendering Shareholders, Etc. should contact their sales office in advance to confirm).

Tenders and agreements made through Nikko Easy Trade may be cancelled by logging into Nikko Easy Trade and following the onscreen instructions by 3:30 p.m. on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Document:

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(or any other domestic sales office of SMBC Nikko Securities Inc.)

The Tender Offeror will not make any claim for damages or a penalty payment due to the Tendering Shareholders, Etc.'s cancellation of their agreements. Further, the cost of returning Tendered Share Certificates, Etc. to the Tendering Shareholders, Etc. will be borne by the Tender Offeror.

(E) Method of Disclosure if the Conditions of the Tender Offer are Changed

The Tender Offeror may change the conditions, etc. of the Tender Offer during the Tender Offer Period unless such change is prohibited under Article 27-6, Paragraph 1 of the Act or

Article 13, Paragraph 2 of the Enforcement Order. If the Tender Offeror intends to change any conditions, etc. of the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement. If the conditions, etc. of the Tender Offer are changed, the Tender Offeror will also purchase the Share Certificates, Etc. tendered on or before the date of the public notice in accordance with the changed conditions, etc. of the Tender Offer.

(F) Method of Disclosure if Amendment Statement is Filed

If an amendment statement is submitted to the Director-General of the Kanto Local Finance Bureau (unless otherwise provided for in the proviso in Article 27-8, Paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement of the content of that amendment statement that is relevant to the content of the public notice of the commencement of the Tender Offer in the manner set out in Article 20 of the Cabinet Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement to the Tendering Shareholders, Etc. who have already received the previous explanatory statement. However, if the amendments are limited in scope, the Tender Offeror may instead prepare and deliver to Tendering Shareholders, Etc. a document stating the reason for the amendments, the matters amended, and the details thereof.

(G) Method of Disclosure of Results of the Tender Offer

Tender Offer will be made public on the day following the last day of the Tender Offer Period in the manner set out in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance.

(10) Date of Public Notice

December 1, 2021 (Wednesday)

(11) Tender Offer Agent

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Policy After the Tender Offer and Future Prospects

(1) Policy After the Tender Offer

Please refer to "(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer," "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest," "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition," and "(5) Prospects and Reasons for Delisting" in "1. Purpose of the Tender

Offer” above.

(2) Future Prospects

The Tender Offeror is currently investigating the effects of the Tender Offer on the performance of Tender Offeror. The Tender Offeror will promptly disclose amendments to prospects for the future performance and any other matters to be announced (if any).

4. Other

(1) Agreements between the Tender Offeror and the Target Company or its Directors or Officers, and the Contents Thereof

(A) Agreements between the Tender Offeror and the Target Company

According to the Target Company’s Press Release, the Target Company resolved at its board of directors meeting held today to express its opinion endorsing the Tender Offer and to recommend to the shareholders of the Target Company to tender shares in the Tender Offer.

For the details of the decision-making of the Target Company, please refer to the Target Company’s Press Release and “(viii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” above.

(B) Agreements between the Tender Offeror and Directors or Officers of the Target Company

[N/A]

(C) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer

Please refer to “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” in “1. Purpose of the Tender Offer” above.

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

Please refer to “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” above.

(2) Other Information Necessary for Investors’ Decision on Tender

(A) No Distribution of Dividends from Surplus for the Y.E. March 2022

It has been announced that the Target Company resolved at its board of directors meeting held today to revise its dividend forecast for the Y.E. March 2022 and not to declare a year-end dividend for the Y.E. March 2022, subject to the successful completion of the Tender Offer.　For details, see “Notice Regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2022” released by the Target Company as of November 30, 2021.

End

Restrictions on Solicitation

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

Future Prospects

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

US Regulations

The Tender Offer will be implemented in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not necesarrily the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “**U.S. Securities Exchange Act of 1934**”) or the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not implemented in accordance with those procedures or standards. Financial information contained in this press release and in its reference documents may not be comparable to that of a U.S. company. It may be difficult to exercise any rights or claims claimable under U.S. securities laws because the Tender Offeror and the Target Company are incorporated outside the United States and all or some of their officers are non-U.S. residents. It may not be possible to commence legal proceedings against any non-U.S. corporation or individuals in a non-U.S. court for violations of the U.S. securities laws. In addition, it may not be possible for a U.S. court to subject any non-U.S corporation or individuals or such corporations’s subsidiaries or affliates (the “**Affiliates**”) to its jursisdiction.

Unless otherwise specified, all procedures relating to the Tender Offer are to be implemented entirely in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English. However, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail.

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

This press release and its reference documents include “forward-looking statements” as defined in Article 27A of the U.S. Securities Act of 1933 (as amended) and Article 21E of the U.S. Securities Exchange Act of 1934. Actual results might be substantially different from the predictions expressed or implied as “forward-looking statements” herein due to known or unknown risks, uncertainties, or any other factors. Neither the Tender Offeror nor any of their Affiliates guarantees that the results expressed or implied as “forward-looking statements” will be ultimately achieved. The “forward-looking statements” contained in this press release or its reference documents have been prepared based on the information possessed by the Tender Offeror as of the date hereof, and, unless otherwise required under applicable laws and regulations, neither the Tender Offeror nor any of their Affiliates assumes any obligation to update or revise such statements to reflect any future events or circumstances.

Other Countries

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