

[Translation]
October 14, 2022

For Immediate Release

Company Name Plenus Company Limited
Name of Representative Tatsuo Shioi, President and Representative Director
(Stock code: 9945)
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Notice Regarding Implementation of the MBO and Recommendation of the Tender Offer

Plenus Company Limited (the “Company”) hereby announces that it has resolved as stated below at its board of directors’ meeting held today to issue an opinion in support of the tender offer for the Company’s common shares (the “Company Shares”) and the Stock Acquisition Rights (as defined in “(2) Stock Acquisition Rights” under “2. Tender Offer Price” below) by SHIOI KOSAN LLC. (the “Tender Offeror”) (the “Tender Offer”) to be carried out as part of a management buyout (MBO) (Note) and recommend that its shareholders tender the Company Shares in the Tender Offer, but to leave the decision on whether the stock acquisition rights holders (the “Stock Acquisition Rights Holders”) tender the Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Rights Holders.

The resolution of the board of directors was made on the assumption that the Company Shares will be delisted through the Tender Offer and a series of subsequent procedures.

Note: A “management buyout (MBO)” generally refers to a transaction where the management team of a company being acquired (“target company”) contributes all or part of the acquisition costs and acquires the target company’s shares on the assumption that the business of the target company will continue.

1. Outline of the Tender Offeror

(1) Name	SHIOI KOSAN LLC.
(2) Location	1473-19, Kikazecho, Sasebo-shi, Nagasaki
(3) Name and title of representative	Reframing LLC. (“Reframing”), Representative Member Tatsuo Shioi, Operating Officer

(4)	Description of business	Sale and purchase, holding, management and investment of securities
(5)	Capital	100,000,000 yen
(6)	Date of incorporation	November 30, 1987
(7)	Major shareholders and share holding ratios	Reframing, 100.00%
(8)	Relationship between the Company and the Tender Offeror	
	Capital relationship	As of today, the Tender Offeror holds 15,847,686 shares (ownership ratio (Note 1): 41.14%) of the Company Shares. As of today, the Tender Offeror does not hold any Stock Acquisition Rights. In addition, Mr. Tatsuo Shioi, the Company's President and Representative Director who also serves as the operating officer of Reframing, which performs the businesses of the Tender Offeror, holds 8,500 shares (Note 2) of the Company Shares (ownership ratio: 0.02%) and 769 units of the Stock Acquisition Rights (ownership ratio: 0.20 %).
	Personnel relationship	Mr. Tatsuo Shioi, who serves as the operating officer of Reframing, which performs the businesses of the Tender Offeror, concurrently serves as the Company's President and Representative Director.
	Business relationship	The Company leased an office building from Reframing until March 2022, but there is no business relationship as of today.
	Status as related party	Since Reframing, which serves as the representative member of the Tender Offeror and 53.77% of whose voting rights are directly held by Mr. Tatsuo Shioi, the Company's President and Representative Director, owns all of the Tender Offeror's equity, Reframing constitutes a related party of the Company.

Note 1: "Ownership ratio" means the percentage of the number of shares held by a relevant shareholder out of the number of shares (i.e., 38,522,206 shares; the "Total Number of Company Shares After Accounting Diluted Shares") that is calculated by the following formula (rounded to two decimal places; hereinafter the same applies to the calculation of the ownership ratio): (i) the total issued shares of the Company as of August 31, 2022 (i.e., 44,392,680 shares), as set forth in the "Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2023 (Based on Japanese GAAP)" disclosed by the Company on October 14, 2022 (the "Company's Summary of Second Quarterly Financial Results"); minus (ii) the number of treasury shares held by the Company as of August 31, 2022 (i.e., 6,012,874 shares), as set forth

in the Company's Summary of Second Quarterly Financial Results (the sum results in 38,379,806 shares); plus (iii) the number of shares (142,400 shares) to be acquired upon exercise of all of the Stock Acquisition Rights outstanding as of August 31, 2022 (1,424 units). With respect to the Stock Acquisition Rights, the number of shares to be acquired upon exercise of the Stock Acquisition Rights has been added to the numerator.

Note 2: As of today, Mr. Tatsuo Shioi indirectly holds his equity in the officers' shareholding association of the Company, equivalent to 17 shares of the Company Shares (the number of shares held as equity is rounded down to the nearest whole number; ownership ratio: 0.00 %). The number of shares held by Mr. Tatsuo Shioi stated above (8,500 shares) does not include 17 shares of the Company Shares indirectly held by Mr. Tatsuo Shioi as his equity in the officers' shareholding association of the Company.

2. Tender Offer Price

- (1) 2,640 yen per share of common stock (the "Tender Offer Price")
- (2) Stock acquisition rights (each of the stock acquisition rights listed below; collectively, "Stock Acquisition Rights")
 - (a) 1 yen per unit of FY2010 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 14, 2010 (the "FY2010 Stock Acquisition Rights") (The exercise period is from July 13, 2010 to July 12, 2050.)
 - (b) 1 yen per unit of FY2011 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 20, 2011 (the "FY2011 Stock Acquisition Rights") (The exercise period is from July 13, 2011 to July 12, 2051.)
 - (c) 1 yen per unit of FY2012 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 18, 2012 (the "FY2012 Stock Acquisition Rights") (The exercise period is from July 11, 2012 to July 10, 2052.)
 - (d) 1 yen per unit of FY2013 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 17, 2013 (the "FY2013 Stock Acquisition Rights") (The exercise period is from July 11, 2013 to July 10, 2053.)
 - (e) 1 yen per unit of FY2014 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 16, 2014 (the "FY2014 Stock Acquisition Rights") (The exercise period is from July 12, 2014 to July 11, 2054.)
 - (f) 1 yen per unit of FY2015 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 10, 2015 (the "FY2015 Stock Acquisition Rights") (The exercise period is from July 14, 2015 to July 13, 2055.)
 - (g) 1 yen per unit of FY2016 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 10, 2016 (the

“FY2016 Stock Acquisition Rights”) (The exercise period is from July 12, 2016 to July 11, 2056.)

- (h) 1 yen per unit of FY2017 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 9, 2017 (the “FY2017 Stock Acquisition Rights”) (The exercise period is from July 12, 2017 to July 11, 2057.)
- (i) 1 yen per unit of FY2018 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 11, 2018 (the “FY2018 Stock Acquisition Rights”) (The exercise period is from July 12, 2018 to July 11, 2058.)
- (j) 1 yen per unit of FY2019 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 11, 2019 (the “FY2019 Stock Acquisition Rights”) (The exercise period is from July 12, 2019 to July 11, 2059.)
- (k) 1 yen per unit of FY2020 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 9, 2020 (the “FY2020 Stock Acquisition Rights”) (The exercise period is from July 14, 2020 to July 13, 2060.)
- (l) 1 yen per unit of FY2021 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 9, 2021 (the “FY2021 Stock Acquisition Rights”) (The exercise period is from July 13, 2021 to July 12, 2061.)
- (m) 1 yen per unit of FY2022 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Company held on June 14, 2022 (the “FY2022 Stock Acquisition Rights”) (The exercise period is from July 15, 2022 to July 14, 2062.)

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

(1) Details of the Opinion on the Tender Offer

The Company has resolved at its board of directors’ meeting held today to issue an opinion in support of the Tender Offer and to recommend that its shareholders tender the Company Shares in the Tender Offer, but to leave the decision on whether the Stock Acquisition Rights Holders tender the Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Rights Holders, based on the grounds and reasons stated in “(2) Grounds and Reasons for the Opinion” below.

The resolution of the board of directors stated above was made in the manner set out in “(E) Unanimous Approval by All of the Non-Interested Directors (including Audit & Supervisory Committee members) of the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price to Avoid a Conflict of Interest” below.

(2) Grounds and Reasons for the Opinion

The descriptions in these “(2) Grounds and Reasons for the Opinion” that relate to the Tender Offeror are based on explanations given by the Tender Offeror.

(A) Overview of the Tender Offer

According to the Tender Offeror, the Tender Offeror, a *godo kaisha* established on November 30, 1987 (Note), is an asset management company, whose main business purposes are the sale and purchase, holding, management and investment of securities. The Tender Offeror's principal activity is to hold the Company Shares. As of today, Reframing, the asset management company of the founder of the Company, owns all of the Tender Offeror's equity and serves as the representative member of the Tender Offeror, and Mr. Tatsuo Shioi, the President and Representative Director of the Company, serves as the operating officer of Reframing, which performs the businesses of the Tender Offeror. Mr. Tatsuo Shioi and his relatives within the first degree directly or indirectly own all of Reframing's equity, and Mr. Tatsuo Shioi's direct stake in Reframing is 53.77%. In addition, Mr. Tatsuo Shioi serves as the representative member of Reframing.

According to the Tender Offeror, as of today, the Tender Offeror holds 15,847,686 shares (ownership ratio: 41.14%) of the common stock issued by the Company that is listed on the Prime Market of the Tokyo Stock Exchange Inc. (the "TSE") and is the largest shareholder among the major shareholders of the Company. As of today, the Tender Offeror does not hold any Stock Acquisition Rights. As of today, Mr. Tatsuo Shioi holds 8,500 shares of the Company Shares (ownership ratio: 0.02%) and 769 units of the Stock Acquisition Rights (ownership ratio: 0.20%).

Note: According to the Tender Offeror, the Tender Offeror, which was established as a limited liability company (*yugen kaisha*), implemented several entity conversions and is currently a *godo kaisha*. The history of the Tender Offeror is set out below.

Month / Year	Matters
November 1987	Established as a limited liability company (<i>yugen kaisha</i>) with a trade name of Yugen Kaisha Shioi Kosan and head office in Sasebo-shi, Nagasaki.
May 2017	Changed the trade name to SHIOI KOSAN LLC. by entity conversion from a special <i>yugen kaisha</i> to a <i>godo kaisha</i> .
August 2017	Changed the trade name to Shioi Kosan K.K. by entity conversion from a <i>godo kaisha</i> to a <i>kabushiki kaisha</i> .
December 2017	Changed the trade name to SHIOI KOSAN LLC. by entity conversion from a <i>kabushiki kaisha</i> to a <i>godo kaisha</i> .

According to the Tender Offeror, the Tender Offeror has decided to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror and the treasury shares held by the Company) and all of the Stock Acquisition Rights and privatizing the Company Shares (the "Transaction").

According to the Tender Offeror, the Transaction falls under the category of a so-called “management buyout (MBO)” and Mr. Tatsuo Shioi will continue engaging in the management of the Company as the Company’s President and Representative Director after the Transaction. As of today, there is no agreement between the Tender Offeror and other directors of the Company regarding their assumption of office or treatment after the Tender Offer. The management structure, including the composition of officers of the Company after the completion of the Tender Offer, will be determined in consultation with the Company after the completion of the Tender Offer. Mr. Tatsuo Shioi is not expected to make any re-investments in the Company.

According to the Tender Offeror, the Tender Offeror sets the minimum number of shares to be purchased in the Tender Offer at 9,738,914 shares (ownership ratio: 25.28%). The Tender Offeror will not purchase any of the shares, etc., tendered in the Tender Offer (the “Tendered Shares, Etc.”) if the aggregate number of the Tendered Shares, Etc. is less than the minimum number of shares to be purchased (i.e., 9,738,914 shares). On the other hand, it is the purpose of the Tender Offeror to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and the treasury shares held by the Company) and all of the Stock Acquisition Rights, and privatize the Company Shares. Therefore, the maximum number of shares to be purchased is not set in the Tender Offer, and if the aggregate number of the Tendered Shares, Etc. is equal to or greater than the minimum number of shares to be purchased (i.e., 9,738,914 shares), the Tender Offeror will purchase all of the Tendered Shares, Etc. The minimum number of shares to be purchased (i.e., 9,738,914 shares) is calculated by deducting the Company Shares held by the Tender Offeror (i.e., 15,847,686 shares) from the total number of shares (25,586,600 shares), which is obtained by multiplying the number of voting rights (255,866 voting rights) by 100 shares. Such number of voting rights (255,866 voting rights) is the product (rounded up to the nearest whole number) of multiplying the total number of voting rights (383,798 voting rights) pertaining to the number of shares (38,379,806 shares) by two-thirds($2/3$). Such number of shares (38,379,806 shares) is in turn (i) the total issued shares of the Company as of August 31, 2022 (i.e., 44,392,680 shares), as set forth in the Company’s Summary of Second Quarterly Financial Results, less (ii) the number of treasury shares held by the Company as of August 31, 2022 (i.e., 6,012,874 shares), as set forth in the Company’s Summary of Second Quarterly Financial Results. The minimum number of shares to be purchased has been set so that the Tender Offeror will hold two-thirds ($2/3$) or more of the number of voting rights of all shareholders of the Company after the Tender Offer in order for the Transaction to be steadily implemented, given that (i) it is the purpose of the Tender Offeror to acquire all of the Company Shares and all of the Stock Acquisition Rights, and take the Company private, and (ii) a special resolution of a shareholders’ meeting, as provided for in Article 309, Paragraph 2 of the Companies Act (Law No. 86 of 2005, as amended; the “Companies Act”), is required for conducting proceedings for the Share Consolidation (as defined in “(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)” below). There were 1,424 units of the Stock Acquisition Rights outstanding as of August 31, 2022, and the number of shares to be acquired upon exercise of the Stock Acquisition Rights is 142,400 shares. It is provided that, in principle, the holders of the Stock Acquisition Rights may only exercise their Stock Acquisition Rights within a 10-day period commencing on the day following the date on which the relevant Stock Acquisition Rights Holders lose their position as a director of the Company. However,

the only Stock Acquisition Rights Holders are the three incumbent directors (including Mr. Tatsuo Shioi), and, currently, such condition to exercise the Stock Acquisition Rights has not yet been fulfilled, and each Stock Acquisition Rights Holder's term of office as a director of the Company is until the conclusion of the annual shareholders' meeting of the Company for the fiscal year ending February 2023, and therefore, no Company Shares are expected to be issued or transferred to any Stock Acquisition Rights Holders upon the exercise of the Stock Acquisition Rights during the Tender Offer Period. In addition, as stated in "(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)" below, if the Tender Offer is completed, the Tender Offeror plans to request the Company to implement, or plans to implement by itself, procedures reasonably necessary for the execution of the Transaction, such as acquisition and cancellation of the Stock Acquisition Rights or recommendation to the Stock Acquisition Rights Holders to abandon the Stock Acquisition Rights, and the Company intends to cooperate with such a request upon the receipt thereof. Therefore, the Tender Offeror has not taken into account the number of shares to be acquired upon the exercise of the Stock Acquisition Rights in setting the minimum number of shares to be purchased.

According to the Tender Offeror, upon commencement of the Tender Offer, the Tender Offeror confirmed with Mr. Tatsuo Shioi that he intends to tender in the Tender Offer all of the Company Shares he holds (number of shares held: 8,500; ownership ratio: 0.02%) and that he does not intend to tender in the Tender Offer all of the Stock Acquisition Rights held by him (number of the Stock Acquisition Rights: 769; ownership ratio: 0.20%). In addition, the Tender Offeror has confirmed that Mr. Tatsuo Shioi does not plan to tender in the Tender Offer the Company Shares he holds indirectly as his equity in the officers' shareholding association by withdrawing such shares from the officers' shareholding association.

According to the Tender Offeror, if the Tender Offeror cannot acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and the treasury shares held by the Company) and all of the Stock Acquisition Rights through the Tender Offer, after the successful completion of the Tender Offer, the Tender Offeror will carry out a series of proceedings (the "Squeeze-Out Procedures," please refer to "(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" below for details) in order to make the Tender Offeror the only shareholder of the Company.

According to the Tender Offeror, as described in "c. Funds to be borrowed after the submission date of the Registration Statement" in "(2) Deposits or Loans Available as Funds for Tender Offer" under "8. Funds Required for Tender Offer, etc." in the Tender Offer Registration Statement to be submitted by the Tender Offeror to the Director-General of the Kanto Local Finance Bureau as of October 17, 2022 (the "Tender Offer Registration Statement"), the Tender Offeror intends to finance the funds required for settlement of the Tender Offer by borrowing (the "Loan") from the Bank of Fukuoka, Ltd. ("Fukuoka Bank") and, subject to the completion of the Tender Offer, etc., will undertake the Loan no later than the business day immediately preceding the commencement date of the settlement of the Tender Offer. Under the Loan, among other things, the Company Shares currently held, or to be acquired through the Tender Offer, by the Tender Offeror and certain assets, etc., of the Tender Offeror will be collateralized,

and, after the completion of the Squeeze-Out Procedures, certain assets, etc., of the Company will be collateralized and the Company will become a joint guarantor of the Tender Offeror. The details of the financing terms pertaining to the Loan are to be set out in the loan agreement pertaining to the Loan after separate discussions with Fukuoka Bank. It is expected that the loan agreement pertaining to the Loan will provide for the contractual terms normally stipulated in similar loan agreements, such as conditions precedent to loan drawdown and certain financial covenants, as set forth in the loan certificate attached to the Tender Offer Registration Statement.

(B) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer

(i) Background, Purpose, and Decision-making Process of the Tender Offer

The Company was established in November 1976 as Kabushiki Kaisha Taiyo Jimuki for the purpose of selling and repairing office machinery and cash registers, with its predecessor, Yugen Kaisha Taiyo Jimuki, having been established in March 1960. The Company subsequently changed its name twice and then, in December 1990, changed its name to its current name, PLENUS Co., Ltd. The over the counter stock of the Company was registered with the Japanese Securities Dealers Association in July 1993, and the Company was listed on the TSE, 1st Division in December 2002. In addition, due to the total restructuring of the TSE, from April 4, 2022, the Company has been listed on the Prime Market of the TSE.

In June 1987, the Company entered into the food-service business Kabushiki Kaisha, taking the opportunity of the absorption-type merger with Kyushu Regional Headquarters of Hokka Hokka Tei (which had expanded the take-away lunch box chain “Hokka Hokka Tei” into the Kyushu region and Yamaguchi prefecture), and in 1989 also opened the fixed-type meal (*teishoku*) chain “Meshiya Don” (currently “Yayoi Ken”). Subsequently, Kabushiki Kaisha Hokka Hokka Tei, which had extended “Hokka Hokka Tei” into the eastern Japan region and Kabushiki Kaisha Rise underwent an absorption-type merger to expand the business. In May 2008, the take-away lunch box business was rebranded from the previously used “Hokka Hokka Tei” brand to the newly established “Hotto Motto” brand, and the business continues to expand.

As of today, the Company Group consists of, in addition to the Company, 10 subsidiaries (9 of which are consolidated subsidiaries) and 4 affiliated companies (3 of which are affiliates accounted for by equity method), making a total of 15 companies (the “Company Group”). The business of the Company Group has expanded to include (i) the “Hotto Motto Business,” which is the selling of take-away lunch boxes using the franchise chain system (“franchise” is below referred to as “FC”), (ii) the “Yayoi Ken Business,” which is the provision of fixed-type meals (*teishoku*) in sit down restaurants using the FC chain system, (iii) the “MK Restaurant Business,” which is the provision of shabu-shabu style meals (thinly sliced meat boiled quickly at the table) and quality dim sum etc. in directly managed stores, (iv) “Overseas Business,” as well as (v) “Other,” which is the production of flavorings and spices and processed foods by OEMs. An outline of each of these businesses is provided below.

(a) Hotto Motto Business

“Hotto Motto” stores sell freshly made, hot take-away lunch boxes by using the FC chain system and have expanded throughout Japan and, in addition to sales by

directly managed stores, together with sales of food ingredients, packaging materials etc., and office machinery (including maintenance and repair) to affiliated stores etc., the Hotto Motto Business also has other revenue streams such as royalties, and as of the end of August 2022, has expanded to 2,472 stores throughout the 47 prefectures of Japan.

The Hotto Motto Business continues to promote the opening of new stores and is aiming for a structure comprising of 4,000 stores and, in relation to expanding the business in the future, through the development of a highly productive store model and expansion of dominant store openings (Note 1) that adopt an area marketing strategy, and at the same time, through a review of the FC system, it is positively expanding the number of stores owned by each owner. Further, it is pursuing a policy of increasing customer convenience through, in addition to engaging in sales promotion advertising and product development based on data obtained through the membership service, “My Hotto Motto,” which can be accessed via smartphones, expanding the number of stores which provide delivery services, promoting the making of orders via the internet and enabling cashless payments, as well as improving the shift towards a non-touch operation model.

Note 1: “Dominant store openings” refers to store openings that are strategically concentrated in a certain area.

(b) Yayoi Ken Business

“Yayoi Ken” stores provide fixed-type meals (*teishoku*) in sit down restaurants using the FC chain system and have expanded throughout Japan and, in addition to sales by directly managed stores, together with sales of food ingredients, packaging materials etc., and office machinery (including maintenance and repair) to affiliated stores etc., the Yayoi Ken Business also has other revenue streams such as royalties, and as of the end of August 2022, has expanded to 366 stores throughout 39 prefectures of Japan.

The Yayoi Ken Business continues to promote the opening of new stores, including in areas in which it does not yet have any stores, and is aiming for a structure comprising of 800 stores and, in relation to expanding the business in the future, through the development of a highly productive store model and usage of the Unit FC System (Note 2), it is making efforts to increase new owners and pursue a policy of moving from directly managed stores to affiliated stores. Further, in addition to expanding the number of stores which provide delivery services, by expanding the take-away menu and continuing to introduce “rice refilling robots,” it is promoting an environment where customers can safely and comfortably enjoy their meals. In addition, the Yayoi Ken Business is pursuing a policy of increasing customer convenience through means such as enabling cashless payments by introduction of new payment ticket machines and the transmission of QR coupons from its renewed and publicly available app.

Note 2: The “unit FC system” is a franchise system which reduces the amount of capital etc. required to commence the business by lending the assets of the store, etc.

(c) MK Restaurant Business

“MK Restaurant” stores which provide shabu-shabu style meals (thinly sliced meat boiled quickly at the table) with quality dim sum etc. in sit down restaurants have grown by using directly managed stores that have, up to the present, been centered in the Kyushu region, and as of the end of August 2022, the number of stores has expanded to 25.

MK Restaurants will continue to aim to attract customers by, in addition to continuing to provide limited-time items such as nabe-style soups and meals with specially selected ingredients as well as dim sum menus, also continue to regularly implement sales promotions which target families, and is aiming to increase the number of stores to a store structure of 50 stores.

(d) Overseas Business

As of the end of August 2022, the “Overseas Business” has expanded to 252 stores in 9 foreign countries outside Japan. Hotto Motto has 7 stores in China and South Korea with the expansion of FC being progressed, and in relation to other countries, efforts are being made to increase the local knowhow so that FC can be expanded to those countries in the future. In relation to Yayoi Ken, the number of stores in foreign countries has expanded to 245 stores spread across Thailand, Singapore, Australia, Taiwan, the United States, the Philippines, Malaysia and China and the policy is to continue to take positive steps to open new stores.

(e) Other

The consolidated subsidiary Kabushiki Kaisha MSF engages in the production of flavorings and spices as well as processed foods as an OEM (Note 3).

Note 3: OEM is an abbreviation of “Original Equipment Manufacturer” and means the manufacture of products of another company’s brand.

Since entering the food-service business in 1987, based on the founding principle that the “Customer First,” in order to satisfy customers in the field of dining, the Company has developed and provided freshly-made, reliable products with good quality and high value. Into the future, while seeking to increase customer satisfaction by always viewing operations from the perspective of the customer, the Company will continue striving to contribute to local communities by actively opening stores and aims to increase corporate value securely and for the long term.

On the other hand, in the business environment that surrounds the Company and the domestic food service industry, in addition to the market shrinking due to the declining birth rate and aging of society, large reforms are being sought from industry because of the tremendous changes that are occurring to lifestyles and consumer behaviors caused by such matters as the rise in remote working arrangements and acceleration of digitalization, and the Company is aware that competition between businesses, including between those in different fields, is becoming much more severe. More specifically, in addition to lifestyle changes such as consumer preferences towards food becoming more refined and detailed, the home-meal replacement industry (Note 4) is increasingly robust due to a rise in demand for take-away and food deliveries caused by the influence of COVID-19, and competition exceeding the bounds of the industry is becoming fierce due to entry into the field by not only food supermarkets and convenience stores but also by take-away chains and sit-down restaurants providing take-away and food delivery services. Further, the Company expects that this severe

business environment can continue as matters such as the global increase in the price of supply of raw materials, rise in demand and increased costs for distribution, rising costs in the labor market, and heightened geopolitical risks may potentially have a large impact on economic activities. In addition, although the situation seems to be improving in relation to the spread of infection of COVID-19 as a result of progress in vaccinations and the lifting of the states of emergency and priority measures to prevent the spread of infection, the future remains unclear due to the appearance of new variants of the virus, and the Company is aware that it is expected to become increasingly necessary in business operations to promote digital transformation relating to the strengthening of non-touch forms of operations such as ordering over the internet, delivery services, and cashless payments.

Note 4: “home-meal replacement industry” refers to the industry that provides meals prepared out-of-home that can thus be taken away and eaten at home or at the workplace (such as through the purchase of ready-cooked food or usage of take-away and delivery services for lunch boxes and precooked food).

Although, up to the present, the Company Group has increased sales revenue in its existing stores, centering on directly managed stores, through the provision of products that satisfy its customers and by improving the productivity of its stores while at the same time appearing to have increased the scale of its business through accelerating the opening of new stores (mainly directly managed stores), given the increasingly difficult business environment, in 2019 the conventional store policy was revised and the structures for further improving productivity and increasing competitiveness were strengthened. Specifically, since increasing the number of directly managed stores and store operation by directly managed stores would require more of the Company Group’s resources compared to operation by FCs (especially for store operation) and thus would be not efficient from the perspective of maximizing the interest of the Company Group as a whole including its FCs, the Company Group has entrusted store operation to franchise stores and has continued to promote franchising when increasing its scale of business in order to concentrate its managerial resources on providing marketing and operation know-how. When promoting franchising, it is anticipated that FC owners will require stores to be attractive and profitable. Therefore, in the Hotto Motto business, 190 directly managed stores that, due to increases in running costs (labor costs etc.) of the stores, had no prospect of being transferred into affiliate stores even if sales were increased were closed, and measures such as progressing with the planned move to internal production for the shift to a manufacturing retail chain, strengthening production capacity through investing in full range food factories and distribution centers, seeking through Hotto Motto Grill to gain market share in new markets, opening new Yayoi Ken stores in urban areas and investing in strengthening products were all implemented. The Company Group is currently continuing to build internal structures for the purpose of opening new stores, develop productive new stores model, unify the supply chain from the purchase of raw materials to the delivery at stores as well as build a business model that makes possible both cost reduction and risk management at an optimal level throughout the supply chain, etc.

According to the Tender Offeror, while continuing to build the solid growth base for the above-mentioned initiatives, the Representative Director of the Company, Mr. Tatsuo Shioi, has since May 2021 to April 2022, at management meetings and board meetings, etc., repeatedly held discussions with officers and employees of the Company regarding

the business environment of the Company Group and management topics, etc., as well as the future business strategies based on these discussions. Based on these discussions, and for the purpose of realizing an increase in mid- to long-term corporate value, Mr. Tatsuo Shioi's belief has been reinforced that in order for the Company Group to win by consolidating the advantages of the Company Group against its competition in the eat-out and eat-in industry which is expected to be a growth market in the future, it is necessary to aim for continuous growth through further business expansion. In order to achieve this goal, it is imperative to further build a strong business base that is responsive to the changing business environment, strengthen the competitiveness of stores, and develop human resources which include the employees of the Company as well as FC owners, etc., and Mr. Tatsuo Shioi believes it necessary to further accelerate each of these strategies. Furthermore, in this environment where the Company Group's competitors are uniformly seeking to change after considering the post-COVID situation, Mr. Tatsuo Shioi has come to strongly realize that implementation of these initiatives is not something that can be delayed and that their swift implementation is an urgent duty.

According to the Tender Offeror, Mr. Tatsuo Shioi also considers that increasing the mid- to long-term corporate value of the Company Group means evolving it into a "circulation type multi-purpose business" that supports local dining and communities and thereby supports the food consumption of local regions, and also means contributing to the vitality of local societies through food and eating. Specifically, Mr. Tatsuo Shioi has come to believe in harnessing the full power of the Company Group and achieving growth based on the following five management principles: (i) all personnel and the organization create together; (ii) expand and enrich the necessary functions of the Company Group to increase value; (iii) deepen relationships with those who encircle and have a relationship with the Company Group as partners to create a growth cycle; (iv) increase the value provided to customers and the profitability of stores by expanding, enriching and vitalizing the relationships and functions that exist both internally and externally to the Company Group; and (v) contribute to realizing a sustainable society and the vitalization of local regions through implementing the above.

Since late August 2021, Mr. Tatsuo Shioi has been considering the policies described in (A) through (C) below for increasing mid-to long-term corporate value.

(A) Promotion of Store Expansion Strategy

(i) Promotion of Area Development Strategy

According to the Tender Offeror, the Company Group had previously adopted a "mass (wholly-unitary)" approach whereby store development and expansion were conducted in a uniform manner; however, as noted above, in recent times, the business environment has changed and under these circumstances, Mr. Tatsuo Shioi believes it necessary to review target groups, shift to a marketing model which balances mass and localized approaches, develop and strengthen diverse selling styles, and alter the structure of store revenue and expenditure. In response to these challenges, Mr. Tatsuo Shioi believes it necessary to shift from a "mass (wholly-unitary)" to an "area (localized) scale" store development and expansion strategy and aim to improve store profitability and gain market share on a local level through a localized marketing, store development and dominant store openings.

According to the Tender Offeror, more specifically, the Company Group is examining as primary policies store reform in which the store equipment and operation systems are revised, customer analysis and competition policy at the store and area level, marketing strategies which include matters such as promotional policies for products and sales, and dominant store openings strategies including area re-distributions through renovation and closure of existing stores and development, etc. of new store formats that are responsive to local conditions.

(ii) Reform of FC Chain Structure

According to the Tender Offeror, Mr. Tatsuo Shioi believes that by achieving the strengthening of store profitability and competitiveness through promotion of the above-described area development strategy, it will become possible to advance the FC model (i.e., franchising model) through structural reform of the FC chain, which is another pillar of the store expansion strategy.

By providing FC owners with various choices including the introduction of a new FC system which, even from the perspective of FC owner asset structuring, provides increased incentives, the Company aims to expand the number of stores and grow the entire FC chain based on the two wheels of development of high-profitability stores by the Company and continuous growth of FC owners.

The Company is also contemplating a new training system aimed at its employees, FC owners and store crews so that they may learn in a systematic way about matters from store operation management to area management, etc. For the purpose of further advancing the FC model, the Company is considering as a business strategy pillar aiming for the continuous growth of each FC owner and the Company, which is the FC headquarters, through the FC owners themselves acquiring the necessary skills to operate and manage their stores, in addition to increasing the number of employees who can provide high-quality support to the FC owners.

(B) Improving Efficiency of Supply Chain Management (Note 5)

According to the Tender Offeror, with competition to procure food materials increasing on a global scale, procuring a stable supply of high quality raw materials and securing a structure that enables supply of products at stores at low prices has become an important task for the Company Group. In addition, with the severe shortage of drivers due to the long working hours and low wages labor conditions and the increasing demand in the distribution industry, the rise in driver remuneration, and the high fuel costs caused by increased oil prices, being able to respond to the changed environment surrounding distribution is another important task.

According to the Tender Offeror, since October 2018, the Company Group has operated a full-range food factory adjacent to a distribution center, and by proceeding to move production of its main products from a number of external factories to internal production, has been able to work towards lowering distribution costs through productivity gains obtained by increasing the scale of production and through distribution efficiencies. In addition, through working to lower prices of materials from external suppliers by consolidating the number

of external suppliers and similar products as well as improving utilization rates of the factories of external suppliers, the Company Group has worked to increase gross profit margins and product quality.

According to the Tender Offeror, however, Mr. Tatsuo Shioi believes that in pursuing the above-described strategy to increase the number of stores, it is imperative to further strengthen and increase the efficiency of production and procurement functions as well as distribution functions, etc. As for production and procurement functions, he believes there is a need to pursue secure supply and suppress supply costs by working on (i) strengthening the supply system (supply amount and location of supply), including increasing the equipment used for internal production, and inventory control; (ii) maximizing the merits of scale by increasing supply; and (iii) using and developing sustainable materials and ingredients etc. As for distribution functions, he believes it possible to suppress distribution costs through a restructuring of the efficient distribution system by establishing satellite distribution hubs close to store locations and restructuring distribution deliveries between distribution warehouses and stores (optimization of deliveries to stores for each product or material) etc. In addition, he believes it desirable to pursue cost optimization throughout the supply chain by strengthening structures to enable appropriate sharing of information relating to procurement, production, distribution and sales between each division of the Company Group and the factories and stores.

Note 5: “Supply chain management” means management of the production and distribution process covering from the procurement of raw materials until they reach the consumer.

(C) Management Administration and Reform of Work Processes

According to the Tender Offeror, Mr. Tatsuo Shioi believes that in order to nimbly implement (A) and (B) above, reform of work processes is necessary with a focus on strengthening the management administration system and restructuring back office functions, etc.

In relation to the management administration system, business judgments and product administration with greater precision and certainty can be achieved through creating visibility over the contributions and problems of each activity by dividing into smaller units the profit management sectors relating to each activity segment. In addition, by controlling and making visible on a daily basis not only the base price of products but also the profitability of each product taking into account the food preparation burden, the Company aims to develop products based not only on the viewpoint of which products are popular amongst customers but also from the viewpoint of their level of profitability and contribution to profit.

Further, in relation to work processes, the Company has built internal structures enabling visibility of work content, made judgments such as whether each work process is necessary and/or should be outsourced and whether standard work should be automated through use of IT, etc., and, in relation to non-standard work with a high level of importance, is reviewing whether to categorize such non-standard work separately and hire expert personnel so that it may be performed within the Company Group. By increasing productivity through reforming these

work processes, the back office costs per store can be reduced even during future growth, and in this way the Company is planning to increase store profitability.

According to the Tender Offeror, meanwhile, since late August 2021, in the course of practical consideration of policies (A) through (C) above, Mr. Tatsuo Shioi has come to believe that by promoting policies (A) through (C) above, from a mid- to long-term perspective, large growth and an increase in corporate value of the Company Group can be expected; however, these policies also require large changes to business structures and the incorporation of new methods, so they will not immediately contribute to the business results of the Company Group and will require various types of advance investment including an appropriate time to take effect and strategic investing. In particular, he has come to believe that for the policies under “(A)(i) Promotion of Area Development Strategy” such as gaining market share on a local level, reforming the operating systems related to increasing store profitability, sales promotion measures and developing new format stores, their success will involve a period of trial and error, and these policies will require appropriate time to take effect as well as strategic investment. As for “(A)(ii) Reform of FC Chain Structure,” Mr. Tatsuo Shioi has come to believe that the time required to instill measures in employees and FC owners needs to be considered and, in addition, advance investment is required for re-fitting and renewing existing stores as well as developing new stores with high profitability that will be attractive to FC owners. Furthermore, in promoting “(B) Improving Efficiency of Supply Chain Management” which is to occur in parallel with the promotion of “(A) Promotion of Store Expansion Strategy,” Mr. Tatsuo Shioi has come to believe that advance investment in increasing the number of production factories, etc., is required. Mr. Tatsuo Shioi has come to believe that, as a result, profit levels may temporarily decrease, cashflows may be adversely affected, and there is a risk of there being a large impact on the short-term financial status of the Company Group and, in addition, as a result of this, he has to come to believe that the possibility of not being able to generate the expected profit cannot be denied.

Further, being a publicly listed company, the Company is required to give commitments regarding its short term results, and as a result of making management decisions that do not concern short term results in the process of implementing various policies, the possibility cannot be denied that sufficient appraisal from the share market might not be obtained, a decrease in the share price of the Company may occur and a loss of profit to existing shareholders might occur. For this reason, Mr. Tatsuo Shioi believes that it may be difficult to implement all of the above stated policies if the Company remains publicly listed. On the other hand, as noted above, when observing the direction of competitors who have considered the post-COVID environment, it is clear that the entire food service industry is faced with the situation post-COVID of having many issues thrust upon them to which they must respond, and, in mid-April 2022, Mr. Tatsuo Shioi became highly conscious of the need to implement the above stated policies as quickly as possible in order for the Company Group to win in competition against its competitors.

According to the Tender Offeror, for these reasons, in relation to the implementation of each of the above stated policies in (A) through (C), Mr. Tatsuo Shioi believes it necessary to build a structure that can swiftly and flexibly make decisions consistent with a mid- to long-term view without being concerned about short-term results. Further, in relation to the implementation of each of these policies, for all of the non-shareholding stakeholders such as customers, business counterparties, FC owners and

employees, Mr. Tatsuo Shioi believes that being able to flexibly return profits to them based on the circumstances as they change contributes to the continuous growth and increased mid- to long-term corporate value of the Company Group, which aims to achieve co-creation and co-prosperity with these stakeholders. On the other hand, if the Company continues being publicly listed, there will be certain limitations on flexibly returning profits to such stakeholders.

In addition, although the shares of the Company were listed on the TSE in 2002, no capital injection into the Company from the capital market has occurred for more than 16 years, in part, to the Company continuing to have good financial health, and the benefits of being publicly listed are small. On the other hand, due to revision of the Corporate Governance Code in recent years and a strengthening of the regulations on capital markets, etc., in addition to the fees required to make continual disclosures, such as Securities Reports under the Financial Instruments and Exchange Act, each year the costs required to maintain public listing, such as auditor fees and security agent fees, are rising. For these reasons, Mr. Tatsuo Shioi has to come to believe that maintaining the public listing of the Company Shares will place an even greater burden on managing the Company. Furthermore, Mr. Tatsuo Shioi believes that considering the current low interest environment in indirect financing, it is reasonable to believe that for the foreseeable future, sufficient financing can be obtained through indirect financing, and the need to procure large-scale financing through using equity markets is not high and, in addition, considering the customer confidence in the Company that has arisen due to the brand power and wide-spread awareness of the Company and the level of trust in the Company from high-quality personnel and business counterparties that has already been achieved through the long period of time until now that the Company Group has conducted business and engaged in social activity, the situation is one where the need to continue to maintain public listing of the Company Shares is low.

According to the Tender Offeror, since May 2021, in the process of contemplating business strategies for the Company Group, from the late August 2021, Mr. Tatsuo Shioi started reviewing the potential to privatize the Company Shares as one of the options for a method to execute the business strategies described above. As explained above, after repeatedly and carefully reviewing the point that it was highly likely that a certain amount of time would be required for the future business strategies and future implementation of each policy of the Company Group, the point that swift implementation of each policy was necessary due to the intensifying competition from other competing companies, the feasibility of realizing privatization, and the impact on the business, the finances and all the stakeholders of the Company that accompanies privatization, in mid-June 2022, he came to the conclusion that in order to continuously increase the corporate value of the Company Group in the mid- to long term without over-focusing on short-term profits, privatizing the shares of the Company as soon as possible was the most effective method of, from a mid- to long-term perspective, implementing each of the above-described policies in a unified yet nimble and radical way while at the same time avoiding the risks to all shareholders of the Company that can arise in conjunction with implementing the above-described policies, and, in addition, to make it possible to provide a reasonable opportunity to all shareholders of the Company to sell their shares at a price that contained a certain premium over the market value. Further, because Mr. Tatsuo Shioi believed it important that (i) having privatized the shares of the Company, Mr. Tatsuo Shioi, who as the current President and Representative Director and a member of the founding family of the Company most

deeply understands the management of the Company Group, should continue to manage the Company and that (ii) based on his own personal commitment, Mr. Tatsuo Shioi should unite both ownership and management to enable the making of flexible and nimble business decisions, Mr. Tatsuo Shioi believes a management buyout (MBO) to be the most appropriate method to proceed with the above-described policies without over-focusing on short-term profit and also considers that the Transaction should be implemented by the Tender Offeror, for which Mr. Tatsuo Shioi acts as the operating officer of the representative member, and which is the asset management company of the founding family and already owns 41.14% of the Company Shares.

After the privatization, Mr. Tatsuo Shioi aims to contribute to the vitality of local societies through food and eating by evolving the Company Group into a “circulation type multi-purpose business” that supports local dining and communities and thereby supports the food consumption of local regions. In addition, through continuous growth and the development of attractive stores and products based on the above-described management policies, he would also like to give back interests to all the stakeholders, including the customers, business counterparties, and FC owners of the Company Group.

According to the Tender Offeror, on June 14, 2022, Mr. Tatsuo Shioi orally communicated to the Company his desire to execute a management buyout at a meeting in which executives of the Company, including Directors, participated. To examine the Transaction, in early July 2022, the Tender Offeror appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the external financial advisor, and Nagashima Ohno & Tsunematsu as the external legal advisor. Subsequently, on July 6, 2022, the Tender Offeror submitted to the Company a formal written expression of interest.

Thereafter, the Tender Offeror conducted due diligence on the Company from early August 2022 to early September 2022 and examined the terms and conditions of the Transaction, including the purchase price of each share of the Company Shares in the Tender Offer (“Tender Offer Price”). As a result, the Tender Offeror proposed the Tender Offer Price of 2,200 yen as its first proposal on September 12, 2022, after confirming that the Tender Offer Price was a price with each of the following premiums: 15.24% (rounded to the second decimal place; the same shall apply hereinafter in the calculation of the ratio of premium to the share price) premium on 1,909 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on September 9, 2022 (the amount less than one yen has been rounded to the nearest one yen; the same shall apply hereinafter in the calculation of simple average of closing prices); 12.99% premium on 1,947 yen, which was the simple average of the closing prices for the preceding one (1) month period; 11.85% premium on 1,967 yen, which was the simple average of the closing prices for the preceding three (3) month period, and 11.96% premium on 1,965 yen, which was the simple average of the closing prices for the preceding six (6) month period.

The Stock Acquisition Right Purchase Price of 1 yen was proposed on September 12, 2022, with respect to all of the Stock Acquisition Rights outstanding, after consideration of several factors, among other things, such as that of the Stock Acquisition Rights being issued to Directors of the Company (excluding Outside Directors and Directors who are Audit & Supervisory Committee members) as stock-compensation-type stock options, and that of, as a condition to exercise, it being provided that, in principle, the Stock Acquisition Rights Holders may only exercise their Stock Acquisition Rights within a

10-day period commencing on the day following the date on which the relevant Stock Acquisition Rights Holders lose their position as a Director of the Company, and therefore, the Tender Offeror may not exercise the Stock Acquisition Rights even if it acquires the Stock Acquisition Rights. Subsequently, on September 16, 2022, the Tender Offeror received a written request from the Special Committee (as defined in “(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer”) to raise the amount of the Tender Offer Price, on the grounds that the proposed Tender Offer Price of 2,200 yen cannot be said to be at a level that appropriately reflects the intrinsic value that the Company may achieve and from the perspective of giving due consideration to the interests of general shareholders. In response to the request from the Special Committee, the Tender Offeror subsequently proposed the Tender Offer Price of 2,450 yen and the Stock Acquisition Right Purchase Price of 1 yen as its second proposal on September 26, 2022, after confirming that the Tender Offer Price was a price with each of the following premiums: 27.14% premium on 1,927 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on September 22, 2022; 27.60% premium on 1,920 yen, which was the simple average of the closing prices for the preceding one (1) month period; 24.68% premium on 1,965 yen, which was the simple average of the closing prices for the preceding three (3) month period, and 25.06% premium on 1,959 yen, which was the simple average of the closing prices for the preceding six (6) month period.

Subsequently, on September 30, 2022, the Tender Offeror again received a written request from the Special Committee to raise the Tender Offer Price from the viewpoint of giving consideration to the interests of general shareholders of the Company, on the grounds that, among other things, the proposed Tender Offer Price of 2,450 yen did not yet properly reflect the intrinsic value that the Company could realize.

In response to the request from the Special Committee, the Tender Offeror subsequently proposed the Tender Offer Price of 2,550 yen and the Stock Acquisition Right Purchase Price of 1 yen as its third proposal on October 5, 2022, after confirming that the Tender Offer Price was a price with each of the following premiums: 32.26% premium on 1,928 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 4, 2022; 33.37% premium on 1,912 yen, which was the simple average of the closing prices for the preceding one (1) month period; 30.23% premium on 1,958 yen, which was the simple average of the closing prices for the preceding three (3) month period, and 30.57% premium on 1,953 yen, which was the simple average of the closing prices for the preceding six (6) month period.

Subsequently, on October 6, 2022, the Tender Offeror received an email request from the Special Committee to raise the Tender Offer Price again on the grounds that, among other things, the Tender Offer Price in the proposal cannot be said to be at a sufficient level from the perspective of sharing part of the synergies achieved through the Transaction to general shareholders of the Company.

In response to the request from the Special Committee, the Tender Offeror subsequently proposed the Tender Offer Price of 2,600 yen and the Stock Acquisition Right Purchase Price of 1 yen as its fourth proposal on October 11, 2022, after confirming that (i) the Tender Offer Price was in excess of the highest closing price of the Company Shares over the past five years of 2,542 yen, as well as the average acquisition price of almost all shareholders traded in the period since the establishment of the Hotto Motto brand and introduction of the Shareholder Benefit Program in May 2008, when the number of

shareholders of the Company began to increase, and (ii) the Tender Offer Price was a price with each of the following premiums: 36.77% premium on 1,901 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on October 7, 2022; 35.84% premium on 1,914 yen, which was the simple average of the closing prices for the preceding one (1) month period; 33.06% premium on 1,954 yen, which was the simple average of the closing prices for the preceding three (3) month period, and 33.33% premium on 1,950 yen, which was the simple average of the closing prices for the preceding six (6) month period.

Subsequently, on October 11, 2022, the Tender Offeror received a counter-proposal by email from the Special Committee setting the Tender Offer Price at 2,640 yen on the grounds that, among other things, it is still not sufficient to protect the interests of general shareholders of the Company.

In response to the request from the Special Committee, on October 12, 2022, the Tender Offeror accepted the counter-proposal setting the Tender Offer Price at 2,640 yen and proposed the Stock Acquisition Right Purchase Price of 1 yen. On the same day, the Tender Offeror reached substantive agreement with the Company to set the Tender Offer Price at 2,640 yen and the Stock Acquisition Right Purchase Price of 1 yen.

Based on the above discussions and negotiations with the Company and the Special Committee, on October 14, 2022, the Tender Offeror finally decided on the Tender Offer Price of 2,640 yen and the Stock Acquisition Right Purchase Price of 1 yen, and implementation of the Tender Offer as part of the Transaction.

(ii) Management Policy after the Tender Offer

According to the Tender Offeror, the Transaction falls under the category of a so-called “management buyout (MBO),” and Mr. Tatsuo Shioi, President and Representative Director of the Company, will continue engaging in the management of the Company as the President and Representative Director of the Company after the Tender Offer and promote the above-mentioned management policies. The basic policy is to maintain the present management structure of the Company even after the Transaction; however, there is no agreement between the Tender Offeror and other directors of the Company regarding their assumption of office or treatment after the Tender Offer. The management structure, including the composition of officers of the Company after the completion of the Tender Offer, will be determined in consultation with the Company after the completion of the Tender Offer. In addition, with regard to the Stock Acquisition Rights, since (i) the Stock Acquisition Right Purchase Price is 1 yen and (ii), as stated in “(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)” below, the Tender Offeror plans to request the Company to implement, or plans to implement by itself, procedures reasonably necessary for the execution of the Transaction, such as acquisition and cancellation of the Stock Acquisition Rights or recommendation to the Stock Acquisition Rights Holders to abandon the Stock Acquisition Rights, in order not to impair the interests of the Stock Acquisition Rights Holders, after the completion of the Tender Offer, the Tender Offeror will decide on the introduction of a new retirement benefit plan for officers to cover the economic benefits to be enjoyed by the Stock Acquisition Rights Holders, in consultation with the Company and the Stock Acquisition Rights Holders. The Tender Offeror will decide a new retirement benefit plan for officers to cover the economic benefits to be enjoyed by the Stock Acquisition

Rights Holders, in consultation, after the completion of the Tender Offer, with the Company and the Stock Acquisition Rights Holders, not to condition the tender by the Stock Acquisition Rights Holders, and independently from whether or not the Stock Acquisition Rights Holders tender their Stock Acquisition Rights in the Tender Offer, so that the Acquisition Rights Holders could receive economic benefits substantially equivalent to the economic benefits expected to be enjoyed through the Stock Acquisition Rights, in light of the background that the Stock Acquisition Rights have been introduced as remuneration for officers that corresponds to a retirement allowance. Therefore, the Company believes that the new retirement benefit plan for officers will not conflict with the purpose of the regulation on uniformity of tender offer prices (Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act). Further, Mr. Tatsuo Shioi is not expected to make any re-investments to the Company.

(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer

As stated in “(i) Background, Purpose, and Decision-making Process of the Tender Offer,” under “(B) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer” above, in mid-June 2022, the Company was orally notified by Mr. Tatsuo Shioi of his desire to execute the management buyout, and subsequently, on July 6, 2022, the Company received the formal written expression of interest from the Tender Offeror. As stated in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below, in light of the fact that the Tender Offer is implemented as part of the Transaction, which falls under the category of a so-called “management buyout (MBO), which may structurally involve conflict of interest issues, to ensure the fairness of the Transaction, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating any arbitrariness in the decision-making process leading up to the determination to implement the Tender Offer, and avoiding conflicts of interest, in mid-July 2022, the Company appointed Mori Hamada & Matsumoto as its legal advisor, independent from the Tender Offeror and the Company, and YAMADA Consulting Group Co., Ltd. (“Yamada Consulting”) as the third-party valuation institution and financial advisor of the Company, subject to the approval of the Special Committee below. In addition, based on the legal advice given by Mori Hamada & Matsumoto as to the process, method and other important matters regarding the decision-making for the Transaction, the Company started establishing a framework for examining, negotiating and making decisions regarding the Transaction in terms of the enhancement of the Company’s corporate value and securing the interests of general shareholders of the Company from a standpoint independent of the Tender Offeror.

The Company resolved to establish the special committee, consisting of four members, Mr. Koichiro Naganuma (Independent Outside Director of the Company), Mr. Naoyuki Okamoto (Independent Outside Director of the Company), Mr. Hidetaka Nishina (an attorney at law and Partner at Nakamura, Tsunoda & Matsumoto and also an external expert), and Mr. Katsutoshi Hayafune (a certified public accountant and Representative Partner at ykr Accounting Advisory LLC and also an external expert) (the “Special Committee”; for details of the background of the establishment of the Special Committee, its composition and activities, please refer to “(A) The Company’s Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer

such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below) at the extraordinary meeting of the board of directors held on July 13, 2022, and established the Special Committee on the same date. Subsequently, the Company requested that the Special Committee (a) examine whether the board of directors of the Company should be in favor of the Tender Offer and whether the board of directors of the Company should recommend that the shareholders of the Company tender their shares in the Tender Offer, and make recommendations to the board of directors of the Company based on such examinations and (b) examine whether the decisions made at the meeting of the board of directors of the Company concerning the Transaction are not disadvantageous to the minority shareholders (general shareholders) of the Company, and provide an opinion to the board of directors of the Company (collectively, the “Consulted Matters”). (With respect to the examination of the Consulted Matters in (a) above, it was requested that the Special Committee (i) examine and determine the merits of the Transaction from the perspective of whether the Transaction would contribute to the enhancement of the corporate value of the Company and (ii) examine and determine the appropriateness of the transaction terms and conditions and the fairness of the procedures (including the details of the measures to be taken to secure the fairness of the Transaction) from the perspective of protecting the interests of general shareholders of the Company.) Furthermore, with respect to the decision-making of the board of directors of the Company concerning the Transaction, the Company resolved at the extraordinary meeting of the board of directors stated above that the Company must pay the utmost respect to the matters determined by the Special Committee, including whether or not to be in favor of the Tender Offer, and if the Special Committee determines that the implementation or the terms and conditions of the Tender Offer are inappropriate, the board of directors of the Company must resolve not to approve the implementation of the Transaction (including not to be in favor of the Tender Offer). The Company also resolved to grant the Special Committee the authority to: (a) negotiate with the Tender Offeror regarding the transaction terms and conditions, etc. (including the authority to negotiate indirectly through the Company’s officers and employees, and advisors, etc.), (b) retain advisors for its financial or legal matters, as necessary, upon responding to the Consulted Matters (fees for the advisors are to be borne by the Company) or appoint or approve (including post approvals) financial or legal advisors of the Company (if the Special Committee determines that it can trust the Company’s advisors, etc. and seek professional advice from them, the Special Committee may seek professional advice from the Company’s advisors, etc.), (c) request any person whom the Special Committee recognizes as necessary to attend the meeting of the Special Committee to provide an explanation on necessary information, (d) receive necessary information from the Company’s officers and employees for the examination and determination with respect to the Transaction, including the contents of the business plan and information on the assumptions based on which the business plan was prepared, and the authority for any other matter the Special Committee recognizes as necessary for examination and determination relating to the Transaction.

Based on the above authorization, on July 19, 2022, the Special Committee approved the Company’s appointment of Yamada Consulting as the third-party valuation institution and financial advisor and Mori Hamada & Matsumoto as the legal advisor, after confirming that there were no concerns with respect to their independence from the Tender Offeror and the Company.

Further, as described in “(D) Establishment by the Company of an Independent Examination Framework” in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below, the Company has established an internal framework for examining, negotiating and making decisions regarding the Transaction (including the scope of the Company’s officers and employees involved in examining, negotiating and making decisions regarding the Transaction, and their duties (including the duties requiring a high degree of independence, such as the preparation of a business plan based on which a share valuation of the Company is conducted)) from a standpoint independent of the Tender Offeror, and obtained approval from the Special Committee that there is no concern with respect to that examination framework from the standpoint of independence.

Under this framework, the Company received advice from a financial point of view, including a report on the result of the valuation of the Company Shares and advice on the strategy for negotiations with the Tender Offeror, from Yamada Consulting, and received guidance and other legal advice on measures to secure the fairness of the procedures for the Transaction from Mori Hamada & Matsumoto, and, based thereon, has carefully examined the merits of the Transaction and the appropriateness of the transaction terms and conditions.

Considering the proposal of the Transaction made by the Tender Offeror, the Special Committee received an explanation from the Company regarding the business, management environment, management topics and management strategies planned for the aforementioned under the current situation, the details of the business plan and assumptions under the business plan, the Company’s framework for examination of the Transaction, and the background, development, purpose and impact of the Transaction, etc., and examined and discussed the foregoing. Among them, with regard to the business plan that was presented to the Tender Offeror and constitutes the basis for the valuation of the Company Shares by Yamada Consulting, the Special Committee confirmed that the said business plan was prepared by a person independent from the Tender Offeror (as described in “(D) Establishment by the Company of an Independent Examination Framework” in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest,” below, any person who participates or assists in the Tender Offeror’s examination, negotiation and decision-making regarding the Transaction shall not participate in the examination framework) and received an explanation during the preparation process regarding the details, material conditions precedent, and other matters regarding the draft, confirmed the reasonableness of the details, material conditions precedent, preparation process, and other matters of the final business plan, and approved the same. The Special Committee also confirmed, through direct discussion with the Tender Offeror and other means, various issues, including the Company’s management environment, management topics, background of the Transaction (including the background that led to the proposal of the Transaction being made at the time stated above) and development of the Transaction, the necessity, purpose and impact of the privatization, etc., management policy after the Transaction, the scheme of the Transaction, and the various terms and conditions of the Transaction.

Since receiving from the Tender Offeror the proposal of the Tender Offer Price of 2,200 yen per share and the Stock Acquisition Right Purchase Price of one yen on September

12, 2022, the Special Committee has been engaged in ongoing discussions and negotiations with the Tender Offeror through Yamada Consulting, the Company's financial advisor, regarding the terms and conditions of the Transaction, including the Tender Offer Price, taking into account financial opinions obtained from Yamada Consulting, the Company's financial advisor, including the results of the estimated share valuation of the Company Shares and policy for negotiations with the Tender Offeror. Specifically, while the Company received from the Tender Offeror the proposal on the Tender Offer Price of 2,200 yen per share and the Stock Acquisition Right Purchase Price of one yen on September 12, 2022, the Special Committee requested the Tender Offeror to reconsider the proposal, including raising the Tender Offer Price, on the grounds that the price cannot be said to be at a level that appropriately reflects the intrinsic value that the Company may achieve and from the perspective of giving due consideration to the interests of general shareholders. Thereafter, the Special Committee received from the Tender Offeror a revised proposal of the Tender Offer Price of 2,450 yen per share and the Stock Acquisition Right Purchase Price of one yen on September 26, 2022. However, on September 30, 2022, on the grounds that the Tender Offer Price in this proposal cannot yet be said to be at a level that appropriately reflects the intrinsic value that the Company may achieve and from the perspective of giving due consideration to the interests of general shareholders, the Special Committee requested the Tender Offeror to reconsider the proposal, including raising the Tender Offer Price. In response to this, the Tender Offeror proposed the Tender Offer Price of 2,550 yen and the Stock Acquisition Right Purchase Price of 1 yen on October 5, 2022. However, on October 6, 2022, the Special Committee requested the Tender Offeror to reconsider the proposal, including raising the Tender Offer Price, on the grounds that the Tender Offer Price in the proposal cannot be said to be at a sufficient level from the perspective of sharing part of the synergies achieved through the Transaction to general shareholders. In response to this, the Tender Offeror proposed the Tender Offer Price of 2,600 yen and the Stock Acquisition Right Purchase Price of 1 yen on October 11, 2022. However, on October 11, 2022, the Special Committee requested the Tender Offeror to reconsider the proposal, including making the Tender Offer Price 2,640 yen, on the grounds that the Tender Offer Price in the proposal was still not at a sufficient level from the perspective of securing the interests of general shareholders. As a result, the Special Committee received from the Tender Offeror an acceptance of the Tender Offer Price of 2,640 yen per share and a proposal to the Stock Acquisition Right Purchase Price of 1 yen on October 12, 2022, and in response thereto, the Special Committee approved the Tender Offer Price of 2,640 yen per share and the Stock Acquisition Right Purchase Price of 1 yen on October 13, 2022. In the course of the negotiation process stated above, when the Special Committee discussed and negotiated with the Tender Offeror through Yamada Consulting, the Company's financial advisor, Yamada Consulting responded by presenting a proposal of revised price in accordance with the method to propose and the specific revised price as determined in advance by the Special Committee through discussion, and when Yamada Consulting communicated with the Tender Offeror or its advisors, Yamada Consulting followed the negotiation policy in accordance with the matters communicated and, whenever it received a proposal from the Tender Offeror with respect to the Tender Offer Price and the Stock Acquisition Right Purchase Price, immediately reported this to the Special Committee in each case and has taken actions in accordance with the Special Committee's instructions.

As stated above, given that a substantial agreement was reached with the Tender Offeror on the Tender Offer Price of 2,640 yen, 2022, the Special Committee prepared the report dated October 13, 2022 (the “Report”), taking into consideration the share valuation report dated October 13, 2022, concerning the result of the share valuation of the Company Shares prepared and submitted by Yamada Consulting to the Company (the “Company Share Valuation Report”), and the Company received the Report from the Special Committee today (for an outline of the Report, please refer to “(A) The Company’s Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below.)

Based on the legal advice provided by Mori Hamada & Matsumoto as to the process, method and other important matters regarding the decision-making for the Transaction, and the Company Share Valuation Report, and by paying the utmost respect to the Report submitted by the Special Committee, the Company, at the meeting of the board of directors of the Company held today, carefully examined the various terms and conditions of the Transaction from the perspective of the enhancement of corporate value.

As described in “(i) Background, Purpose, and Decision-making Process of the Tender Offer” in “(B) Background, Purpose, and Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer” above, in the business environment that surrounds the Company and the domestic food service industry, in addition to the market contraction due to the declining birth rate and aging of society, large reforms are being sought from the industry because of the tremendous changes that are occurring to lifestyles and consumer behaviors caused by such matters as the rise in remote working arrangements and acceleration of digitalization, and the Company is aware that competition between businesses, including between those in different fields, is becoming much more severe. Further, this severe business environment can be expected to continue as matters such as the global increase in the price of supply of raw materials, rise in demand and increased costs for distribution, rising costs in the labor market, and heightened geopolitical risks may potentially have a large impact on economic activities. In addition, although the situation seems to be improving in relation to the spread of infection of COVID-19 as a result of progress in vaccinations and the lifting of the states of emergency and priority measures to prevent the spread of infection, the future remains unclear due to the emergence of new variants of the virus, and the Company is aware that it will become increasingly necessary in business operations to promote the digital transformation relating to the strengthening of non-physical forms of operations, such as ordering over the internet, delivery services, and cashless payments. In such business environment the Company believes that, in order for the Company Group to prevail over its competition and aim for continuous growth through further business expansion, it is imperative to further build a strong business base that is responsive to the changing business environment, strengthen the competitiveness of stores, and develop human resources, including the employees of the Company as well as the FC owners, etc., and, for achieving such objectives, it is required to implement each policy in a unified yet nimble and radical way from a mid- to long-term perspective and swiftly and boldly execute strategies that involve certain business risks. As described in “(i) Background, Purpose, and Decision-making Process of the Tender Offer” in “(2) Background, Purpose, and Decision-making Process of the Tender

Offer, and Management Policy after the Tender Offer” above, in the process of discussion and negotiation, the Tender Offeror communicated to the Company that the Tender Offeror intended to have specific policies for the Company: (A) Promotion of Store Expansion Strategy; (B) Improving Efficiency of Supply Chain Management; and (C) Management Administration and Reform of Work Processes, and the Company carefully examined the necessity of these policies. As a result, the Company also came to the conclusion that these policies should be actively promoted to enhance the Company’s corporate value over the mid- to long term , given that, with regard to “(A) Promotion of Store Expansion Strategy,” while the Company has commenced certain examinations for measures to further strengthen the store profitability and competitiveness of FCs and commenced implementation of those measures, it believes that it is necessary to proceed with developing new store formats that are responsive to local conditions at an even faster pace, and with regard to “(B) Improving Efficiency of Supply Chain Management” and “(C) Management Administration and Reform of Work Processes,” the Company believes that is necessary to carry out changes in the cost management structure of the overall supply chain and to outsource standard work while anticipating the risk of short-term deterioration in performance, in order to respond to drastic changes in the external environment (including, among others, the global increase in the price of supply of raw materials, rise in demand and increased costs for distribution, rising costs in the labor market, and heightened geopolitical risks). In addition, the Company recognizes that the implementation of these policies requires the establishment of a flexible and nimble decision-making system.

However, in view of the fact that these policies require large changes to business structures and the incorporation of new methods, and that such policies will require an appropriate amount of time and various types of advance investment, including strategic investing, to contribute to the business results of the Company Group, there is a risk that in the short term, the financial condition and operating results of the Company Group will deteriorate, and therefore, the Company believes that, if the Company implements these measures while maintaining the public listing of the Company, a significantly material adverse effect, including a reduction in stock prices and dividends, could be caused for the shareholders of the Company. On the other hand, as stated above, in light of the business environment surrounding the Company Group, the Company believes that it is necessary to implement each policy as quickly as possible in order for the Company Group to prevail over its competitors.

Under these circumstances, the Company has determined that in order to enhance the corporate value of the Company from a mid- to long-term perspective, it is necessary to (i) align the respective viewpoints of ownership and management by way of a management buyout (MBO), to enable Mr. Tatsuo Shioi, who, as the current President and Representative Director and a member of the founding family of the Company, is familiar with the business of the Company Group, to continue to play a central role in the management of the Company, to implement each policy in a unified yet nimble and radical way, and (ii) privatize the Company Shares to avoid the above-mentioned adverse effects that may arise with respect to the Company shareholders and to realize management that is not easily swayed by short-term stock market valuations.

If the Company Shares are privatized, the Company will no longer be able to raise funds through equity financing from the capital markets, and the advantage that the Company has enjoyed as a listed company, including the achievement of credibility and

preservation of name recognition, may be affected. However, as 19 years have passed since its listing on the stock exchange, the Company has achieved a considerable degree of social credibility and increased its name recognition through the listing. The Company has not raised funds from the capital markets for more than 16 years and expects to continue to raise necessary funds by borrowing from financial institutions. The Company Group recognizes that it has the top market share in the take-away lunch box industry and believes that the “Hotto Motto” and “Yayoi Ken” brand names are already highly recognized. While the Company considers that the recognition was due to a certain degree to the listing, it also believes that the Company’s brand has been refined through its ongoing efforts to pursue food safety and delivering products from the perspective of customers. Therefore, under such circumstances where the Company has already gained recognition among many customers, the Company does not believe that it is necessary to continue listing its shares in the future for the purpose of maintaining the “Hotto Motto” and “Yayoi Ken” brand. In addition, costs incurred to continue listing its shares, including auditor fees, expenses for the establishment of an internal system for information disclosure, and security agent fees, place a certain burden on the Company’s performance at present, and the extent of the cost reductions from delisting is expected to contribute to the Company’s financial soundness to a certain extent. The Company’s board of directors has accordingly determined that the merits of the privatization of the Company Shares outweigh the disadvantages. Based on the foregoing, the Company’s board of directors has determined that, as of today, privatization of the Company Shares through the Transaction, including the Tender Offer, will contribute to the enhancement of the Company’s corporate value.

Further, the board of directors of the Company determined that the Tender Offer Price and the other terms and conditions relating to the Tender Offer are reasonable for the shareholders of the Company and that the Tender Offer affords all shareholders of the Company a reasonable opportunity to sell their shares in light of the following facts: (i) the Tender Offer Price of 2,640 yen a) exceeds the upper limit of the ranges of the valuation results under the market price method analysis, b) exceeds the upper limit of the ranges of the valuation results of the Company Shares under the comparable company method, and c) is within the ranges of the valuation results under the discount cash flow method (the “DCF Method”) and exceeds the medians of those ranges (all of the valuation results are included in the valuation results of the Company Shares received from Yamada Consulting and mentioned in “(B) Outline of Calculation” in “(3) Matters Related to the Calculation” below; (ii) the Tender Offer Price is a price with each of the following premiums: a) a 38.66% premium (rounded to two decimal places; the same applies hereinafter in the calculation of the ratio of premium to the stock price) over the closing price of the Company Shares on the Prime Market of the TSE on October 13, 2022 (1,904 yen) (which is the business day immediately preceding the announcement date of the Tender Offer), b) a 37.86% premium over the simple average of the closing prices (rounded to the nearest whole number; the same applies hereinafter in the calculation of simple averages of closing prices) for the one (1) month period ending on October 13, 2022 (1,915 yen), c) a 35.45% premium over the simple average of the closing prices for the three (3) month period ending on October 13, 2022 (1,949 yen), and d) a 35.66% premium on the simple average of the closing prices for the six (6) month period ending on October 13, 2022 (1,946 yen); and while, in comparison to the average levels of premiums in past examples of MBOs for the purpose of taking a company private announced after June 28, 2019, the date the “Fair M&A Guidelines”

formulated by the Ministry of Economy, Trade and Industry was announced (27 examples; however, limited to cases where the tender offer price exceeds the median of the valuation results under the DCF Method obtained by the third-party valuation institution of the company being acquired and that were successfully completed by October 13, 2022) (the average of those premiums is 36.45% on the share price for the business day immediately preceding the announcement date, 37.66% on the simple average of the closing prices for the one-month period ending on the business day immediately preceding the announcement date, 41.76% on the simple average of the closing prices for the three-month period ending on the business day immediately preceding the announcement date, and 43.44% on the simple average of the closing prices for the six-month period ending on the business day immediately preceding the announcement date; rounded to two decimal places), the level of premium in the Tender Offer Price is lower than the average levels of premiums on the simple average of the closing prices for the three-month period ending on the business day immediately preceding the announcement date as well as on the simple average of the closing prices for the six-month period ending on the business day immediately preceding the announcement date, given that the recent share price is considered to represent the latest objective value of the Company Shares and since the level of premium in the Tender Offer Price exceeds the average levels of premiums on the share price for the business day immediately preceding the announcement date as well as on the simple average of the closing prices for the one-month period ending on the business day immediately preceding the announcement date, as a whole, the level of premium in the Tender Offer Price is not inferior compared to similar precedents and the Tender Offer Price can be assessed as including a reasonable premium; (iii) the interests of the minority shareholders have been considered through measures such as those that have been taken to resolve conflict of interest concerns as stated in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below; (iv) the Tender Offer Price was determined after taking measures to resolve conflict of interest concerns as stated above and after holding multiple discussions and negotiations between the Company and the Tender Offeror equivalent to those under an arm’s length transaction; more specifically, the Tender Offer Price represents an increase of 440 yen per share (20%) from the initial offer price (2,200 yen per share) offered (A) based on the valuation results of the Company Shares received from Yamada Consulting and the legal advice regarding the process, methods and other matters to be noted regarding decision-making regarding the Transaction received from Mori Hamada & Matsumoto and (B) as a result of sincere and continued discussions and negotiations between the Special Committee and the Tender Offeror; and, (v) as stated in “(A) The Company’s Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest” below, the Report obtained from the Special Committee also states that the Tender Offer Price has reached a level that would not be disadvantageous for the minority shareholders.

For the reasons stated above, the Company determined that the Transaction contributes to the enhancement of the Company’s corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable. At the board of directors’ meeting of the Company held today, the Company issued an opinion to

support the Tender Offer and resolved to make a recommendation that the shareholders of the Company tender their shares in the Tender Offer. With respect to the Stock Acquisition Rights, since the Stock Acquisition Right Purchase Price is set at 1 yen, the Company resolved to leave the decision on whether to tender rights in the Tender Offer to the Stock Acquisition Rights Holders.

For the details of the board of directors' decision-making process, please refer to "(E) Unanimous Approval by All of the Non-Interested Directors (including Audit & Supervisory Committee members) in "(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest)" below.

(3) Matters Related to the Calculation

(A) Name of Appraiser and its Relationship with the Company and the Tender Offeror

In determining its opinion on the Tender Offer, the Company, upon obtaining the approval of the Special Committee, requested Yamada Consulting, a financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, to evaluate the value of the Company Shares, and obtained the Company Share Valuation Report dated October 13, 2022 in order to ensure the fairness of the decision-making process regarding the tender offer price presented by the Tender Offeror.

Yamada Consulting is not a related party of the Tender Offeror or the Company, and has no material interest in the Transaction including the Tender Offer. The fee to be paid to Yamada Consulting includes a contingent fee subject to the completion of the Transaction including the Tender Offer.

The Company (i) determined, taking into consideration the normal business practice in similar transactions and the appropriateness of matters such as a fee system which would impose considerable financial burden on the Company in the case of the non-completion of the Transaction, that the independence of Yamada Consulting would not be negated due to the inclusion of the contingent fee subject to the completion of the Tender Offer, and (ii) appointed Yamada Consulting as its financial advisor and third-party valuation institution under the above fee system. The Special Committee confirmed that there were no issues with respect to the independence of Yamada Consulting.

(B) Outline of Calculation

The Company requested Yamada Consulting to evaluate the value of the Company Shares, and obtained the Company Share Valuation Report from Yamada Consulting dated October 13, 2022. Upon the request of the Company, Yamada Consulting obtained the disclosure and explanation of the current business status and future business plan, etc., of the Company, and evaluated the value of the Company Shares based on this information. The Company has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Yamada Consulting.

After considering the valuation method used in the Tender Offer, based on the belief that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Yamada Consulting evaluated the value of the Company Shares using the methods of (i) market price analysis, since the Company Shares are listed on the Prime Market of the TSE and market prices exist, (ii) comparable company method, since there are listed companies

for which comparison to the Company is possible, and, accordingly, it is possible to estimate the value of the Company Shares by comparing the Company with those similar companies, and (iii) DCF method, in order to reflect the state of future business operations of the Company in the valuation.

Yamada Consulting's valuation result of the value per share of the Company Shares is as follows:

Market price analysis: From 1,904 yen to 1,949 yen

Comparable company method: From 1,523 yen to 2,012 yen

DCF method: From 2,274 yen to 2,847 yen

The market price analysis, with the calculation reference date of October 13, 2022, resulted in a value per share of the Company Shares ranging from 1,904 yen to 1,949 yen, based on the following prices of the Company Shares on the Prime Market of the Tokyo Stock Exchange: the closing price on the reference date (1,904 yen); the simple average closing price for the latest one-month period (from September 14, 2022 to October 13, 2022) (1,915 yen); the simple average closing price for the latest three-month period (from July 14, 2022 to October 13, 2022) (1,949 yen); and the simple average closing price for the latest six-month period (from April 14, 2022 to October 13, 2022) (1,946 yen).

In the comparable company method, Yamada Consulting selected Rock Field Co., Ltd., Kakiyasu Honten Co., Ltd., and HURXLEY Corporation as comparable listed companies that operate businesses relatively similar to the Company, and calculated the value of the Company Shares, applying EBITDA multiple against business value. As a result, the price range of per share value of the Company Shares was calculated to be 1,523 yen to 2,012 yen.

For the DCF method, the corporate value and share value was analyzed by discounting the amount of free cash flow ("FCF") that the Company is expected to generate after the third quarter of the fiscal year ending February 2023 to the present value at a certain discount rate based on various factors such as the business plans from the fiscal year ending February 2023 until the fiscal year ending February 2027 (the "Business Plans"), which the Company prepared, the Company's performance and public information. This analysis resulted in a value per share of the Company Shares ranging from 2,274 yen to 2,847 yen. The discount rate is the weighted average cost of capital ("WACC") and it ranges from 5.99% to 6.63%. In calculating terminal value, the permanent growth rate model is used. Permanent growth rate is analyzed at -0.5% to 0.5%.

The financial forecast based on the Business Plans, which Yamada Consulting used for the calculation by the DCF method, is as follows. The Business Plans do not include the fiscal years for which a substantial increase or decrease in profits is expected compared to the previous year. FCF for the fiscal year ending February 2023 (six months) is expected to be -495 million yen since capital investment for the opening of new stores is concentrated in the second half of the fiscal year. Further, in the fiscal year ending February 2027, a temporary increase in FCF is expected due to an increase in revenues from conversion to FCs in connection with the acceleration of measures to promote the conversion of high-profitability stores from directly managed stores to FCs. As a result, FCF for the fiscal year ending February 2027 is expected to be 7,223 million yen (an increase of 1,742 million yen from the previous fiscal year). The synergy

effects expected to be realized as a result of the execution of the Transaction have not been taken into account in the financial forecasts because it is difficult to make a specific estimate at this point in time.

(Millions of yen)

	Fiscal year ending February 2023 (six months)	Fiscal year ending February 2024	Fiscal year ending February 2025	Fiscal year ending February 2026	Fiscal year ending February 2027
Net Sales	75,719	155,471	158,909	162,999	167,534
Operating profit	2,091	5,741	6,023	7,454	8,567
EBITDA	4,526	10,078	10,119	11,192	12,174
FCF	-495	6,003	5,376	5,481	7,223

Yamada Consulting evaluated the value of the Company Shares by using the information provided by the Company and existing public information on an as-is basis in principle, and assumed that such materials and information were all accurate and complete, and did not independently verify the accuracy or completeness of such information. Yamada Consulting did not independently conduct evaluation or assessment of the assets and liabilities of the Company (including off-balance-sheet assets and liabilities and other contingent liabilities), nor did it make any request to a third-party institution for appraisal or assessment of such assets and liabilities. In addition, Yamada Consulting assumed that the management of the Company reasonably prepared information regarding the financial forecasts of the Company based on the best forecasts and determinations currently available. Provided, however, that Yamada Consulting conducted question-and-answer sessions with the Company several times regarding the business plan of the Company that served as the background of calculation, and confirmed the rationality of the business plan of the Company from the viewpoint of whether there are any unreasonable points after understanding the process of preparation and the current status of the Company.

The Tender Offer also includes the Stock Acquisition Rights. However, since the Stock Acquisition Right Purchase Price was fixed at 1 yen, the Company has not obtained either a valuation report or an opinion (a fairness opinion) from a third-party valuation institution.

In addition, an acquisition of all the Stock Acquisition Rights by transfer is required to be approved by the board of directors of the Company under the terms and conditions of the Stock Acquisition Rights, and such rights are prohibited from being transferred under the allotment agreement for stock acquisition rights. In order to enable the transfer of the Stock Acquisition Rights, at the board of directors' meeting held today, the Company resolved to comprehensively approve the transfer of the Stock Acquisition Rights owned by the Stock Acquisition Rights Holders to the Tender Offeror by tendering their Stock Acquisition Rights in the Tender Offer, subject to the consummation of the Tender Offer and, with the Stock Acquisition Rights Holders wishing to transfer their rights, the Company resolved to change the content of the allotment agreement for stock acquisition rights in which the Stock Acquisition Rights Holders are entitled to transfer the Stock Acquisition Rights.

(4) Possibility of and Reasons for Delisting

The Company Shares are presently listed on the Prime Market of the TSE as of today, but the Tender Offeror has not set the maximum number of shares to be purchased through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the Company Shares may be delisted after the prescribed procedures are completed, in accordance with the delisting criteria of the TSE. Even if the requirements of the delisting criteria are not met as of the time of completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures stated in “(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)” after the completion of the Tender Offer. If such procedures are implemented, the Company Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE. The Company Shares cannot be traded at the TSE if they are delisted.

(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)

According to the Tender Offeror, as stated in “(A) Overview of the Tender Offer” under “(2) Grounds and Reason for the Opinion above, in the event that all of the Company Shares (excluding the Company Shares held by the Tender Offeror and the treasury shares held by the Company) and all of the Stock Acquisition Rights are not purchased by the Tender Offeror in the Tender Offer, the Tender Offeror plans to undertake the Squeeze-Out Procedures after the completion of the Tender Offer for the purpose of obtaining all of the Company Shares (excluding the Company Shares held by the Tender Offeror and the treasury shares held by the Company) and all of the Stock Acquisition Rights by means of the following measures:

(A) Demand for Sale of Shares

According to the Tender Offeror, if, upon completion of the Tender Offer, the total number of voting rights of the Company held by the Tender Offeror amounts to 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror plans to demand, promptly after the completion of the settlement of the Tender Offer, that all shareholders of the Company (excluding the Tender Offeror and the Company) who do not tender their shares in the Tender Offer (the “Shareholders Subject to Cash-Out”) sell all of their Company Shares in accordance with the provisions of Article 179 of the Companies Act (the “Demand for Sale of Shares”). When exercising the Demand for Sale of Shares, the Tender Offeror will set a cash amount equal to the Tender Offer Price to be paid to the Shareholders Subject to Cash-Out as per-share consideration for the Company Shares. At the same time, the Tender Offeror will notify the Company of such intention and ask the Company to approve the Demand for Sale of Shares. Provided the Company approves the Demand for Sale of Shares through a board of directors’ resolution, the Tender Offeror will, as of the date specified in the Demand for Sale of Shares, purchase all of the Company Shares held by all Shareholders Subject to Cash-Out by following the procedures set forth in the relevant laws and regulations, without obtaining the consent of individual Shareholders Subject to Cash-Out. The Tender Offeror will then pay cash to the Shareholders Subject to Cash-Out in an amount equal to the Tender Offer Price as per-share consideration for the number of Company Shares they hold. In the event that it receives the Demand for Sale of Shares from the Tender Offeror, the board of directors of the Company plans to approve such Demand for Sale of Shares.

The Companies Act has a provision which intends to protect the rights of minority shareholders relating to the Demand for Sale of Shares; Article 179-8 of the Companies Act and other relevant laws and regulations provide that the Shareholders Subject to Cash-Out may file a motion with the court to determine the sale/purchase price of the shares of the Company they hold. If this motion is filed, the sale/purchase price of the Company Shares will be ultimately determined by the court.

(B) Share Consolidation

If the total number of voting rights of the Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Company after the Tender Offer is completed, the Tender Offeror intends to request in accordance with Article 180 of the Companies Act that the Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Company will present proposals to approve the consolidation of the Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit, and the Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting. From the perspective of enhancing the corporate value of the Company, the Tender Offeror considers it desirable to hold the Extraordinary Shareholders’ Meeting early, and plans to request the Company to give public notice during the Tender Offer Period regarding the setting of a record date so that a date that is after and close to the commencement of the settlement of the Tender Offer will be the record date for the Extraordinary Shareholders’ Meeting. The Extraordinary Shareholders’ Meeting is scheduled to be held on a date between late January and early February 2023. In the event that the proposed Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Company will hold a proportionate number of the Company Shares in accordance with the Share Consolidation ratio approved by the Extraordinary Shareholders’ Meeting, as of the date on which the Share Consolidation becomes effective. The shareholders of the Company will be paid for the fractional shares that they will be allocated as a result of the Share Consolidation, if any, with the cash to be paid for the sale of the Company Shares in a number equivalent to the total number of such fractional shares (any fractions of the total number will be rounded down; the same applies hereinafter) to the Company or the Tender Offeror, in accordance with the procedure prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With regard to the sale price of the Company Shares for a number equivalent to the total number of such fractional shares, the Tender Offeror plans to request that the Company file a motion with the court to permit a voluntary sale, after setting the amount to be paid, as a result of the sale, to the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) at the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares they hold respectively. While the consolidation ratio of the Company Shares has not yet been determined as of the date hereof, it is planned that the number of the Company Shares to be held by the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) be less than one share so that only the Tender Offeror will hold all of the Company Shares (excluding the treasury shares held by the Company) after the Share Consolidation. It is provided in the Companies Act that, in the event of the Share Consolidation, if there are any fractional shares resulting from the Share Consolidation, the shareholders of the Company who do not tender their

shares in the Tender Offer (excluding the Tender Offeror and the Company) may demand that the Company purchase all of their fractional shares at fair prices and may file a motion with the court to determine the fair price of the Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If this motion is filed, the purchase price will be ultimately ruled by the court. Please note that the Tender Offer is not at all intended to solicit votes or support from the shareholders of the Company for the proposals in the Extraordinary Shareholders' Meeting.

Depending on the relevant matters such as the revisions and enforcement of the relevant laws and regulations and their interpretation by the authorities, the above procedures may require a longer time or the method to implement the procedures may be changed. However, even in such cases, if the Tender Offer is completed, the Tender Offeror intends to take a measure to eventually pay cash to shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company). The amount of cash to be paid to the respective shareholders of the Company in that event is planned to be equal to an amount calculated by multiplying the Tender Offer Price by the number of the Company Shares each shareholder of the Company holds.

(C) Acquisition and Cancellation of Stock Acquisition Rights

If, though the Tender Offer is completed, the Tender Offeror cannot acquire all of the Stock Acquisition Rights through the Tender Offer and the Stock Acquisition Rights remain unexercised, the Tender Offeror plans to request the Company to implement, or plans to implement by itself, procedures reasonably necessary for the execution of the Transaction, such as acquisition and cancellation of the Stock Acquisition Rights or recommendation to the holders of the Stock Acquisition Rights to abandon the Stock Acquisition Rights. The Company intends to cooperate in such procedures upon receipt of such request.

Specific procedures and the schedule thereof in the above cases shall be determined upon consultation between the Tender Offeror and the Company and announced by the Company as soon as they are determined. In addition, regarding the tax implications for shareholders of the Company and holders of the Stock Acquisition Rights of the tender in the Tender Offer or any of the above procedures on under applicable tax rules, please consult with your tax experts on your own responsibility.

(6) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest

In light of the fact that the Tender Offer is implemented as part of the Transaction for the purpose of performing a management buyout (MBO), which may structurally involve conflict of interest issues, the Tender Offeror and the Company have implemented the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating any arbitrariness in the decision-making process leading up to the determination to implement the Tender Offer and avoiding a conflict of interest.

In addition, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called "majority of minority" in the Tender Offer, because the Tender Offeror believes that setting such minimum number may make the completion of the Tender

Offer uncertain and may not contribute to the interests of minority shareholders of the Company who wish to tender their shares in the Tender Offer. Nevertheless, since the Tender Offeror and the Company implement the measures stated in a. through f. below as the measures to ensure the fairness of the Tender Offer and to avoid a conflict of interest, the Tender Offeror believes that the interests of the minority shareholders of the Company have been reasonably considered. Of the following statements, the statements regarding the measures implemented by the Tender Offeror (i.e., from a. through f. below) are based on the explanation provided by the Tender Offeror.

(A) The Company's Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee

(i) Background of Establishment, Etc.

As stated in "(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer" in "(2) Grounds and Reasons for the Opinion", the Company established the Special Committee through a resolution at an extraordinary meeting of the board of directors that the Company held on July 13, 2022. Prior to the establishment of the Special Committee, in mid-June 2022, the Company was orally notified of Mr. Tatsuo Shioi's intention to implement a management buyout and on July 6, 2022, the Company received a formal written expression of intent from the Tender Offeror. In light of the fact that the Transaction falls into the type of transaction that typically involves a structural conflict of interest and an asymmetry of information, in order to respond to such problems and secure the fairness of the Transaction, in mid-July 2022, the Company appointed Mori Hamada & Matsumoto as its legal advisor, independent from the Tender Offeror and the Company, and Yamada Consulting as the third-party valuation institution and financial advisor of the Company. In addition, based on the legal advice given by Mori Hamada & Matsumoto as to the process, method and other important matters regarding the decision-making for the Transaction, the Company started establishing a framework for examining, negotiating and making decisions regarding the Transaction, in terms of the enhancement of the Company's corporate value and securing the interests of general shareholders of the Company from a standpoint independent of the Tender Offeror. Specifically, after confirming that the candidates for the members of the Special Committee who are outside directors of the Company or external experts (i) are independent from the Tender Offeror, (ii) do not have any material interests in the success or failure of the Transaction that differ from the interests of general shareholders, and (iii) are qualified as members of the Special Committee, the Company resolved to establish the Special Committee comprised of the following four (4) members: (a) Mr. Koichiro Naganuma (Independent Outside Director of the Company), who held senior positions, such as the President and Representative Director, and Chairman Representative Director of companies listed on the TSE, and has abundant experience and advanced knowledge in management; (b) Mr. Naoyuki Okamoto (Independent Outside Director of the Company), who held key senior positions in various government ministries, such as the Ministry of Finance and the Cabinet Secretariat, and has abundant experience and advanced and expert knowledge of financial matters; (c) Mr. Hidetaka Nishina (an external expert and an attorney at law), who has the experience of participating in a number of M&A deals as an attorney, and also has abundant experience of participation in M&A deals similar to the Transaction, which involved the issue of a structural conflict of interest, as a member of the special committee; and (d) Mr. Katsutoshi Hayafune (an external expert and a certified public

accountant), who participated in a number of M&A deals as a certified public accountant and a financial advisor and has advanced knowledge regarding corporate accounting and corporate value evaluation. The members of the Special Committee have not changed since its establishment. The Company consulted the Special Committee on the Consulted Matters, and resolved at the meeting of the board of directors with respect to the decision-making of the board of directors of the Company concerning the Transaction that the Company must pay the utmost respect to the matters determined by the Special Committee, including whether or not to be in favor of the Tender Offer, and if the Special Committee determines that the implementation or the terms and conditions of the Tender Offer are inappropriate, the board of directors of the Company must resolve not to approve the implementation of the Transaction (including not to be in favor of the Tender Offer). The Company also resolved to grant the Special Committee the authority to: (a) negotiate with the Tender Offeror regarding the transaction terms and conditions, etc., (including the authority to negotiate indirectly through the Company's officers and employees, and advisors, etc.), (b) retain advisors regarding its financial or legal matters, as necessary, for the Special Committee's response to the Consulted Matters (fees for the advisors are to be borne by the Company) or appoint or approve (including post approvals) financial or legal advisors of the Company (if the Special Committee determines that it can trust the Company's advisors, etc. and seek professional advice from them, the Special Committee may seek professional advice from the Company's advisors, etc.), (c) request any person whom the Special Committee recognizes as necessary to attend the meeting of the Special Committee to provide an explanation on necessary information, or (d) receive necessary information from the Company's officers and employees for the examination and determination with respect to the Transaction, including the contents of the business plan and information on the assumptions based on which the business plan was prepared, and the authority for any other matter the Special Committee recognizes as necessary for examination and determination relating to the Transaction. Remuneration for the Special Committee members is to be paid at a fixed amount and does not include incentive fees that are subject to the announcement and establishment of the Transaction.

(ii) Background of Examination

The Special Committee held meetings of the Special Committee a total of nine times between July 13, 2022 and October 13, 2022. In addition, the Special Committee also discussed and examined the Consulted Matters by adopting measures including reporting, information sharing, deliberation, and decision-making through e-mails between each meeting.

Specifically, on July 13, 2022, the Special Committee approved the Company's appointment of Yamada Consulting as the third-party valuation institution and financial advisor of the Company, and Mori Hamada & Matsumoto as the legal advisor of the Company, respectively, after confirming that there were no concerns with respect to their independence. In addition, the Special Committee confirmed that it would not appoint its own advisor, etc., and if it becomes necessary to seek expert advice, it would seek advice from an advisor, etc., of the Company.

In addition, the Special Committee confirmed that there is no issue from the perspective of independence in the Company's internal framework for examination of the Transaction (including the scope of the Company's officers and employees involved in examinations, negotiations and decisions relating to the Transaction, and their duties

(including duties that require a high degree of independence, such as preparation of a business plan that serves as the basis for the valuation of the Company's shares)) and approved such framework.

The Special Committee then received an explanation from Mori Hamada & Matsumoto on topics such as the background of the need to establish a special committee and the roles of the special committee. Based on the legal advice on the process and methods of decision-making relating to the Transaction, and other points to consider when making decisions relating to the Transaction, the Special Committee examined the measures to be taken to ensure the fairness of the procedures in the Transaction.

The Special Committee confirmed by discussing with the Tender Offeror various issues, including the Company's management environment, management topics, background of the Transaction (including the background that led the proposal of the Transaction made at the time stated above.) and development of the Transaction, the necessity, purpose and impact of the privatization, etc., management policy after the Transaction, the scheme of the Transaction, and the various terms and conditions of the Transaction. The Special Committee received an explanation from the Company regarding the business, management environment, management topics and management strategies planned for the aforementioned under the current situation, the details of the business plan and assumptions under the business plan, the Company's framework for examination of the Transaction, and the background, development, purpose and impact of the Transaction, etc., and held a question-and-answer session regarding the foregoing. With regard to the business plan, the Special Committee confirmed that the said business plan was prepared at the initiative of a person independent from the Tender Offeror, and received explanations on several occasions during the preparation process regarding the details, material conditions precedent, progress, and other matters regarding the draft, confirmed the reasonableness of the details, material conditions precedent, preparation process, and other matters of the final business plan, and approved the same. After that, as stated in "(3) Matters Related to the Calculation" above, Yamada Consulting calculated the value of the Company Shares based on the business plan. The Special Committee received an explanation from Yamada Consulting on the details of the Company's business plan, details of evaluation of the Company Shares (including assumptions used for the valuation by the DCF Method (permanent growth rate and discount rate (WACC) and methods), premium analysis of similar cases (MBO), and status of negotiations on the Tender Offer Price, and other matters, and held a question-and-answer session with Yamada Consulting on the details of the foregoing, material conditions precedent for the valuation, and other matters.

In addition, as described in "(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer" in "(2) Grounds and Reasons for the Opinion", after receiving from the Tender Offeror the proposal on the Tender Offer Price of 2,200 yen per share and the Stock Acquisition Right Purchase Price of 1 yen on September, 12, 2022, the Special Committee exhaustively examined the Tender Offer Price and conducted negotiations with the Tender Offeror on several occasions through Yamada Consulting by following fair procedures eliminating the influence of the Tender Offeror (for details thereof, please refer to "(A) The Company's Establishment of an Independent Special Committee and Procurement of a Report from such Special Committee," "(ii) Background of Examination" above) based on (a) financial advice,

including calculation result of the value of the Company Shares and the strategy for negotiations with the Tender Offeror, obtained from Yamada Consulting, the third-party valuation institution, and (b) guidance and other legal advice on measures to secure the fairness of the procedures for the Transaction from Mori Hamada & Matsumoto.

Furthermore, on several occasions, the Special Committee received explanations from Mori Hamada & Matsumoto on the matters stated in the drafts of notices and a statement of opinion relating to the Tender Offer to be disclosed or submitted by the Company, as well as the matters stated in the draft of the Tender Offer Registration Statement relating to the Tender Offer to be submitted by the Tender Offeror, and confirmed that the information to be disclosed is entirely sufficient.

(iii) Details of Decisions

After carefully discussing and considering the Consulted Matters based on the above background, the Special Committee submitted to the board of directors of the Company, on October 13, 2022, the Report that substantially contains the following:

- a. Matters Stated in the Report
 - a) It is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.
 - b) The decisions of the Company's board of directors regarding the Transaction are not disadvantageous to the minority shareholders of the Company.
- b. Reasons for Decisions
 - a) The Transaction will contribute to enhancing the corporate value of the Company and that the purpose of the Transaction is reasonable due to the following reasons.
 - The Company is aware that in the business environment that surrounds the Company and the domestic food service industry, competition between businesses, including between those in different fields, is becoming much more severe. The Company expects that this severe business environment will continue due to the effect of matters such as the global increase in the price of supply of raw materials, increased costs and increase in demand in distribution, rising costs in the labor market, and heightened geopolitical risks, in addition to which the Company is aware that the future is unclear due to the COVID-19 pandemic and that it will become necessary in business operations to promote digital transformation relating to the strengthening of contactless forms of operations. This awareness of the Company is reasonable and based on objective facts, and the Special Committee does not find any unreasonable points in regard thereto.
 - In such business environment, the Company believes that, in order to prevail over its competition and aim for continuous growth through further business expansion, it is imperative to (i) further build a strong business base that is responsive to the changing business environment, (ii) strengthen the competitiveness of stores, and (iii) develop human resources, including employees as well as the FC owners, etc., and, for achieving such objectives, it is required to implement each policy in a unified yet nimble and radical way from a mid- to long-term perspective and swiftly and boldly execute strategies that involve certain business risks. The Special Committee considers this

awareness of issues to be reasonable and based on an awareness of the business environment, and in particular, the members of the Special Committee who serve as outside directors of the Company do not find this awareness of issues to be inconsistent with previous discussions by the Company's board of directors.

- The Tender Offeror has stated that the measures to enhance the corporate value of the Company that the Tender Offeror intends to implement after the Transaction are (1) increasing the profitability of stores through means such as area development and store reform, (2) reforming the FC structure, (3) improving the efficiency of supply chain management, and (4) reforming the management administration system and work processes, and the Company believes that in order to achieve continuous growth and the enhancement of corporate value while maintaining its competitive superiority, consistent and swift business decisions from a mid- to long-term perspective are more necessary than ever before. The content of the proposal from the Tender Offeror includes proposals to enhance the Company's corporate value in the mid- to long term, and the Company does not object to the implementation of measures such as those stated in (1) to (4) above as the Company is already making efforts in regard to some aspects thereof. It can be considered that those measures aim to resolve the issues of the Company stated in (i) to (iii) in the preceding item above.
- Through interviews with the Company and the Tender Offeror, the Special Committee received explanations in relation to the disadvantages accompanying the Transaction regarding matters such as that (a) the Company acknowledges that it has the top share in the take-away lunch box industry, and it is believed that the trade names of Hotto Motto and Yayoi Ken are already highly recognized, so the impact on employee motivation, new employee hiring, and perception by general consumers will be limited, (b) as the Company has built good relationships with business counterparties, it does not anticipate receiving requests such as those for changes to transaction terms and conditions even if it is delisted, and it can obtain understanding by explaining its policy of increasing FC business value by implementing measures to achieve improved profits for stores and owners, and (c) the Company has not obtained financing from the capital market for many years. The Special Committee thereby confirmed that there are no large disadvantages accompanying the Transaction.
- Although it is conceivable for the Company to continue to aim to achieve growth using its existing management resources without conducting the Transaction and, in the process thereof, to adopt measures to enhance corporate value such as those planned by the Tender Offeror, in order for the Company to independently make large changes to its business model such as those planned by the Tender Offeror, significant time and cost would be required, in addition to which there would be a negative impact on short-term profits and a risk of failure. Therefore, the Special Committee does not find any evidence to actively judge that there is a higher probability of enhancing corporate value by aiming to achieve growth using existing management resources than by conducting the Transaction, and accordingly, the Special Committee considers delisting due to the Transaction to be unavoidable.

- b) The interests of the minority shareholders of the Company have been reasonably considered through fair procedures in the Transaction due to the following reasons.
- The Special Committee is composed of four members, two of whom are outside directors of the Company and two of whom are independent experts, and based on its establishment and operating status, the Special Committee finds that it is effectively functioning as a measure to ensure fairness.
 - The Company's board of directors has received independent, expert advice regarding decision-making from Mori Hamada & Matsumoto, its legal advisor.
 - The Company's board of directors obtained the Company Share Valuation Report from Yamada Consulting, which is the financial advisor of the Company and an independent third-party valuation institution.
 - The Tender Offer Period is set at 30 business days, and the Special Committee finds that setting a comparatively long Tender Offer Period ensures an appropriate opportunity to consider and decide whether or not to tender shares in the Tender Offer and an opportunity for persons other than the Tender Offeror to purchase the Company Shares. In addition, there is no agreement between the Company and the Tender Offeror that restricts contact with any persons proposing a competing purchase and that includes a transaction protection clause, thereby allowing for an indirect market check. The Tender Offeror has expressed its intention that if a third party makes a purchase proposal to the Company, it will faithfully examine the proposal based on the terms and conditions and the contents thereof as well as the opinions of the Company and the Special Committee but basically does not plan to accept the proposal as it considers the implementation of the Transaction to be the best choice for the Company. Therefore, the Special Committee judges that there is a low probability of a realistic counter proposal being made even if bidding procedures are performed in the Transaction, and the Special Committee considers that through the indirect market check described above, the negotiating power of the Company in the process of forming the transaction terms and conditions was strengthened, thereby contributing to conducting the M&A transaction under terms and conditions as favorable as possible to minority shareholders while also enhancing corporate value.
 - Taking into consideration factors such as (i) it is considered that the interests of minority shareholders are sufficiently served by various measures, which were also verified in the Report, and the appropriateness of the terms and conditions has been ensured, (ii) the difference between the minimum number of shares that would have been set if the majority of minority method had been adopted in this case and the actual minimum number of shares in this case is less than 4% based on the total number of outstanding shares of the Company, which is not very different from the case where the majority of minority method had been adopted, and (iii) the Tender Offeror's explanation that setting the majority of minority condition may result in the non-completion of the tender offer and may not contribute to the interests of minority shareholders who wish to tender in the Tender Offer is also reasonable, it is not believed that it is necessary to interpret that the shareholders have not been given appropriate opportunities to make decisions due to the fact that the majority of minority condition has not been set in this case.

- In the Squeeze-Out Procedures, shareholders will be allowed the right to file a motion for the determination of the share price, and that fact is planned to be disclosed in a press release, in addition to which it will be disclosed that the cash to be paid to minority shareholders upon the Squeeze-Out Procedures is planned to be the same price as the Tender Offer Price. Accordingly, the Special Committee finds that measures have been taken to eliminate coerciveness in regard to the Transaction.
- As information regarding which sufficient disclosure is expected from the perspective of providing important materials as a basis for judgment that contribute to the minority shareholders' judgments of the appropriateness, etc. of the transaction terms and conditions, (i) information regarding the Special Committee, (ii) information regarding the share valuation report, and (iii) other information such as the process and negotiation background leading to the implementation of the M&A transaction is planned to be disclosed in a press release by the Company.
- Of the directors of the Company, (i) Mr. Tatsuo Shioi, President and Representative Director of the Company, is involved in implementing the Transaction, (ii) Mr. Toshiro Matsubuchi, Outside Director of the Company, concurrently serves as corporate accountant for the Tender Offeror and is participating in the Transaction on behalf of the Tender Offeror, (iii) Mr. Yasuhiko Yoshida, Outside Director of the Company, concurrently serves as a director and executive officer of Fukuoka Bank, which plans to lend the Tender Offeror the funds required for the settlement of the Tender Offer or other purposes, and (iv) Mr. Hiroyuki Takeo, Outside Director of the Company, concurrently serves as representative director and deputy president of THE NISHI-NIPPON CITY BANK, LTD., which may lend the Tender Offeror the funds required for the settlement of the Tender Offer or other purposes. Therefore, from the perspective of avoiding conflicts of interest, these directors have not participated in any way in the deliberations and resolutions of the Company's board of directors relating to the Transaction, including the board of directors' meeting that decides upon the Transaction, and have not participated in any way in discussions and negotiations with the Tender Offeror on behalf of the Company. The Special Committee does not find any unfair points in regard to this handling of interests by the Company, in addition to which it is planned that of the nine directors of the Company, a resolution of the Company's board of directors will be made unanimously by the five directors excluding the four stated above, and the Special Committee considers that the approval of all directors excluding those with material interests in the M&A transaction for the board of directors' resolution determining whether or not to be in favor of the M&A transaction demonstrates that measures to ensure fairness in the M&A transaction are functioning effectively.
- Based on the fact that the matters stated above have been found, taking into account that the majority of minority condition has not been set in the Tender Offer, the Special Committee finds that in the Transaction, from the perspectives of both (i) ensuring circumstances that can be seen as equivalent to those in an arm's length transaction in the process of forming the transaction terms and conditions and (ii) ensuring an opportunity for appropriate judgments by minority shareholders based on sufficient information, measures

to ensure fairness that are necessary and sufficient in substance for the Transaction have been adopted, and those measures to ensure fairness have not been adopted as a superficial display but are actually implemented effectively.

- c) The Special Committee finds that the appropriateness of the terms and conditions in regard to the Tender Offer Price has been ensured from the perspective of the minority shareholders of the Company due to the following reasons.
- In the process of negotiations regarding the Tender Offer Price, the Special Committee took a leading role in negotiations and conducted a series of negotiations in its own name, as a result of which the Tender Offer Price was raised 440 yen over the initial proposal by the Tender Offeror. As stated above, the Special Committee was independently involved in the negotiation of the Tender Offer Price based on the authority granted to it, and the Special Committee finds that these negotiations, there was a process wherein negotiations were conducted with the goal of implementing the M&A transaction under terms and conditions as favorable as possible to minority shareholders.
 - In regard to the business plan prepared by the Company based on which Yamada Consulting performed its valuation, the Special Committee confirmed that Mr. Tatsuo Shioi was not involved in the formulation process of the business plan, in addition to which the Special Committee does not find any arbitrary points in regard to the formulation thereof, and based on the anticipated management environment, business plan formulation method, financial figures for past fiscal years, and business results for the current term, the Special Committee has not found any circumstances raising clear doubts in regard to the business plan. Accordingly, the Special Committee does not find any unreasonable points in regard to the Company's business plan.
 - Yamada Consulting evaluated the share value of the Company from multiple perspectives using multiple valuation methods and used market price analysis, the comparable company method, and the DCF method, and the Special Committee considers that the results of share valuations using multiple valuation methods as in this case are more reliable than those using a single method, in addition to which the Special Committee does not find any unreasonable points in regard to the reasons why other valuation methods were not used and does not find any unreasonable points in regard to the selection of share valuation methods. In addition, the Special Committee does not find any unreasonable points in regard to the valuation method and valuation results of each of the market price analysis, comparable company method, and DCF method in this case.
 - The Tender Offer Price of 2,640 yen per share is a level that (i) exceeds the upper limit of the valuation results under the market price analysis, (ii) also exceeds the upper limit of the valuation results under the comparable company method, and (iii) is within the range of the valuation results under the DCF method and exceeds the median of that range.
 - In light of the fact that, compared to the average of the closing prices of the premium level (36.45% of the closing price on the immediately preceding day, 37.66% of the average of the closing prices for the last one month on the immediately preceding day, 41.76% of the average of the closing prices for the

last three months on the immediately preceding day, and 43.44% of the average of the closing prices for the last six months on the immediately preceding day) in the similar MBO cases in which the tender offer price exceeds the median value of share valuation calculated by valuation institutions using the DCF method, as is the case with this case, (27 cases; however, limited to those cases in which the transaction was completed), the Tender Offer Price is lower than the average of the closing prices for the last three months on the immediately preceding day and the average of the closing prices for the last six months on the immediately preceding day, but exceeds the average of the closing prices on the immediately preceding day and the average of the closing prices for the last one month on the immediately preceding day, as well as the fact that, among these reference prices, the average of the closing prices on the immediately preceding day and the average of the closing prices for the last one month on the immediately preceding day should be emphasized as an indicator of the premium level based on the more recent share value, it is considered that generally the premium level that is comparable to the premium levels of other similar cases is ensured with respect to the Tender Offer Price. In addition, it can also be noted that in regard to past trends in the share value of the Company, the Tender Offer Price is equal to the highest closing price for the last ten years (2,640 yen).

- Among the various methods to achieve the measures to enhance corporate value planned by the Tender Offeror, the scheme of the Transaction in which the minority shareholders of the Company are granted an opportunity to recover their investments through the Tender Offer and the Squeeze-Out Procedures can be said to be appropriate. In addition, in the Transaction, it is ensured that minority shareholders will receive consideration equal to the Tender Offer Price regardless of whether they receive consideration through the Tender Offer or the Squeeze-Out Procedures.
- d) Based on the above, the Special Committee finds that the Transaction will contribute to enhancing the corporate value of the Company and that the purpose of the Transaction is reasonable, that the interests of the minority shareholders of the Company have been reasonably considered through fair procedures in the Transaction, and that the appropriateness of the terms and conditions in regard to the Tender Offer Price has been ensured from the perspective of the minority shareholders of the Company. In consideration thereof, the Special Committee reports its opinion that it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company (for the avoidance of doubt, not including the Stock Acquisition Rights Holders) tender their shares in the Tender Offer.
- e) In addition, the matters that the Special Committee was requested to examine in regard to the Company's board of directors expressing an opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer can be thought to be factors that should be considered when examining whether or not the decisions made by the Company regarding the Transaction will be disadvantageous to the minority shareholders of the Company, and as stated above, the Special Committee finds that the Transaction will contribute to enhancing the corporate value of the Company and

that the purpose of the Transaction is reasonable, that the interests of the minority shareholders of the Company have been reasonably considered through fair procedures in the Transaction, and that the appropriateness of the terms and conditions in regard to the Tender Offer Price has been ensured from the perspective of the minority shareholders of the Company. Therefore, the Special Committee reports its opinion that it finds that the decisions made by the Company regarding the Transaction are not disadvantageous to the minority shareholders of the Company.

(B) Procurement by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution

In order to ensure the fairness of the process leading to the decision on the Tender Offer Price by the Tender Offeror, the Company requested Yamada Consulting, a financial advisor, as a third-party valuation institution independent from the Tender Offeror and the Company, to evaluate the value of the Company Shares, and obtained from Yamada Consulting the Company Share Valuation Report dated October 13, 2022. For an overview of the Company Share Valuation Report, please refer to “(3) Matters Related to the Calculation” above.

Yamada Consulting is not a related party of the Tender Offeror or the Company, and has no material interest in the Transaction including the Tender Offer.

The fee to be paid to Yamada Consulting in respect of the Transaction includes a contingent fee subject to the completion of the Transaction including the Tender Offer.

The Company (i) determined, taking into consideration the normal business practice in similar transactions and the appropriateness of matters such as a fee system which would impose considerable financial burden on the Company in the case of the non-completion of the Transaction, that the independence of Yamada Consulting would not be negated due to the inclusion of the contingent fee subject to the completion of the Tender Offer, and (ii) appointed Yamada Consulting as its financial advisor and third-party valuation institution under the above fee system. The Special Committee confirmed that there were no issues with respect to the independence of Yamada Consulting.

(C) Procurement by the Company of Advice from an Independent Law Firm

In order to ensure the fairness and appropriateness in the process leading to the decision of the board of directors of the Company regarding the Transaction, the Company appointed Mori Hamada & Matsumoto as a legal advisor independent of the Tender Offeror and the Company in mid-July 2022, which was an early stage when the Company started considering the Transaction. Mori Hamada & Matsumoto explained the background of the need to establish the Special Committee and the roles of the Special Committee, and the Company obtained legal advice on the process leading to the decision on the Transaction, methods, and other points to consider in the process leading to the decision on the Transaction.

Mori Hamada & Matsumoto is not a related party of the Tender Offeror or the Company, and has no material interest in the Transaction including the Tender Offer. The Special Committee confirmed that there were no issues with respect to independence of Mori Hamada & Matsumoto. The fee to be paid to Mori Hamada & Matsumoto is to be calculated by multiplying the hours spent working on the matter by the hourly rate, regardless of

whether or not the Transaction is successfully completed, and it does not include any contingency fee subject to the successful completion of the Transaction.

(D) Establishment by the Company of an Independent Examination Framework

As stated in “3. Purpose of Tender Offer Company,” “(2) Grounds and Reasons for the Opinion,” “(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer,” the Company established an internal framework for evaluating, negotiating and determining the Transaction in terms of increasing the Company’s corporate value and securing the interests of general shareholders of the Company from a standpoint independent of the Tender Offeror. Specifically, the Company determined that a person independent of the Tender Offeror shall deal with all examinations, negotiations, and decision-making regarding the Transaction (including the duties requiring a high degree of independence, such as the preparation of a business plan based on which a share valuation of Company is conducted), any person who participates or assists in the Tender Offeror’s examination, negotiation and decision-making regarding the Transaction shall not participate in the examination framework, and such framework shall consist solely of officers and employees who are recognized as independent of the Tender Offeror. In addition, the Company has continued such treatment until today.

The business plan to be presented to the Tender Offeror and the business plan to be used by Yamada Consulting in calculating the share value of the Company Shares were prepared under the leadership of a person independent of the Tender Offeror with Yamada Consulting’s support as needed. The Special Committee received an explanation during the preparation process regarding the details, material conditions precedent, and other matters regarding the draft, confirmed the reasonableness of the details, material conditions precedent, preparation process, and other matters of the final business plan, and approved the same.

In addition, including such treatment the Company’s internal framework for examination of the Transaction (including the scope of the Company’s officers and employees involved in examining, negotiating and making decisions regarding the Transaction, and their duties (including the duties requiring a high degree of independence, such as the preparation of a business plan based on which a share valuation of Company is conducted)) was established based on the advice given by Mori Hamada & Matsumoto. The Company obtained approval from the Special Committee that there is no concern with respect to that examination framework from the standpoint of independence.

(E) Unanimous Approval by All of the Non-Interested Directors (including Audit & Supervisory Committee members) of the Company

The Company had good faith discussions and conducted an examination as to whether the Transaction, including the Tender Offer will contribute to the enhancement of the Company’s corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable, not only based on the legal advice given by Mori Hamada & Matsumoto, the advice from a financial point of view given by Yamada Consulting, the Company Share Valuation Report, the details of the several ongoing discussions with the Tender Offeror, and other related materials, but also by paying the utmost respect to the matters which are determined by the Special Committee and described in the Report.

As a result, as stated in “(C) Process Leading to and Reasons for Decision of Company in Favor of the Tender Offer” “(2) Grounds and Reasons for the Opinion” from the viewpoint of resolving management topics of the Company and providing opportunities to return profits to the shareholders, the Company determined that the Transaction will contribute to the enhancement of the Company’s corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable in light of the valuation results in the Company Share Valuation Report, the premium level of the Tender Offer Price, the negotiation process with the Tender Offeror, the determination process of the Tender Offer Price and other factors. At the board of directors’ meeting of the Company held today, the Company issued an opinion to support the Tender Offer and resolved to make a recommendation that the shareholders of the Company tender their shares in the Tender Offer.

With respect to the Stock Acquisition Rights, since the Stock Acquisition Right Purchase Price is set at 1 yen, at the board of directors’ meeting of the Company held today, the Company resolved to leave the decision on whether to tender rights in the Tender Offer to the Stock Acquisition Rights Holders.

At the board of directors’ meetings of the Company mentioned above, among the nine directors of the Company, five directors, excluding Mr. Tatsuo Shioi, Mr. Toshiro Matsubuchi, Mr. Yasuhiko Yoshida and Mr. Hiroyuki Takeo, participated in the deliberations and resolutions, and all directors who participated in the resolutions (including Audit & Supervisory Committee members) unanimously approved the above resolutions.

Mr. Tatsuo Shioi, the representative director of the Company, concurrently holds the office of operating officer of Reframing, which executes the business operations of the Tender Offeror and will continue to manage the Company after the Tender Offer. Structurally, this circumstance constitutes a conflict of interest with the Company in relation to the Transaction; therefore, he has never participated in the deliberations and resolutions concerning the Transaction at any board of directors’ meetings of the Company, including the board of directors’ meetings of the Company mentioned above, nor did he evaluate the Transaction or attend the discussions and negotiations with the Tender Offeror on behalf of the Company.

Based on the fact that (i) Mr. Toshiro Matsubuchi, a director who is an Audit & Supervisory Committee member of the Company, has been and will continue to provide services to the Tender Offeror as a corporate accountant, (ii) Mr. Yasuhiko Yoshida, a director who is an Audit & Supervisory Committee member of the Company, concurrently holds the office of director and executive officer of Fukuoka Bank, which plans to lend the Tender Offeror the funds required for the settlement of the Tender Offer or other purposes and (iii) Mr. Hiroyuki Takeo, a director who is an Audit & Supervisory Committee member of the Company, concurrently holds the office of representative director and deputy president of THE NISHI-NIPPON CITY BANK, LTD. which may lend the Tender Offeror the funds required for the settlement of the Tender Offer or other purposes, from the perspective of avoiding a conflict of interest with the Company, they have never participated in the deliberations and resolutions concerning the Transaction at any board of directors’ meetings of the Company, including the board of directors’ meetings of the Company mentioned above, nor did they evaluate the Transaction or attend the discussions and negotiations with the Tender Offeror on behalf of the Company.

(F) **Securing Objective Conditions to Ensure the Fairness of the Tender Offer**

The Tender Offeror set the Tender Offer Period at 30 business days, while the statutory minimum period is 20 business days. The Tender Offeror also intends to ensure the fairness of the Tender Offer Price by setting the comparatively long Tender Offer Period to ensure that all of the shareholders of the Company and Stock Acquisition Rights Holders have an appropriate opportunity to consider and decide whether or not to tender their shares in the Tender Offer, and that any persons have an opportunity to propose a competing purchase in respect of the Company Shares.

The Tender Offeror and the Company did not enter into any agreement that may restrict the Company from contacting any persons proposing a competing purchase, including an agreement providing a transaction protection clause that may restrict the Company from contacting the persons proposing a competing purchase, and the Tender Offeror gives consideration to ensuring the fairness of the Tender Offer by securing an opportunity for a competing purchase as well as by setting the Tender Offer Period as mentioned above.

4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and the Company Shareholders and Directors

Not applicable

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

Not applicable

6. Response Policy with respect to Basic Policies relating to the Control of the Company

Not applicable

7. Questions to the Tender Offeror

Not applicable

8. Requests for Extension of the Tender Offer Period

Not applicable

9. Future Prospects

Please refer to “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer,” “(2) Grounds and Reasons for the Opinion,” “(B) Background, Purpose, and

Decision-making Process of the Tender Offer, and Management Policy after the Tender Offer,” “(4) Prospects and Reasons for Delisting,” and “(5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)” above.

10. Other Matters

- (A) Announcement of “Notice Regarding Revision of the Year-End Dividend Forecast for the Fiscal Year Ending February 2023 (No Dividend) and Abolition of the Shareholder Benefit Program”

The Company resolved at the board of directors’ meeting of the Company held today that it will revise the dividend forecast for the fiscal year ending February 2023 that it announced on July 13, 2022 and, subject to the completion of the Tender Offer, it will not make a distribution of year-end dividend for the fiscal year ending February 2023 and will abolish the shareholder benefit program from the fiscal year ending February 2023. For details, please refer to “Notice Regarding Revision of the Year-End Dividend Forecast for the Fiscal Year Ending February 2023 (No Dividend) and Abolition of the Shareholder Benefit Program” announced as of today.

End

- (Reference) “Notice Regarding Commencement of Tender Offer for Shares etc. of PLENUS Co., Ltd. (Securities Code: 9945)” as of October 14, 2022 (as attached)

[Translation]

October 14, 2022

To whom it may concern:

Company Name SHIOI KOSAN LLC

Name of Representative Reframing LLC, Representative Member

Tatsuo Shioi, Operating Officer

Notice Regarding Commencement of Tender Offer for Shares etc. of PLENUS Co., Ltd.

(Securities Code: 9945)

SHIOI KOSAN LLC (the “Tender Offeror”) hereby announces that it decided on October 14, 2022 to acquire common stock (the “Target Company Shares”) and Stock Acquisition Rights (as defined in “(2) Class of Shares to be Purchased” “b. Stock acquisition rights” below) of PLENUS Co., Ltd. (Securities Code: 9945, Prime Market of the Tokyo Stock Exchange (the “TSE”); 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”) with the details as described below.

The Tender Offeror, a *godo kaisha* established on November 30, 1987 (Note 1), is an asset management company, whose main business purposes are the sale and purchase, holding, management and investment of securities. The Tender Offeror’s principal activity is to hold the Target Company Shares. As of the date hereof, Reframing LLC (“Reframing”), the asset management company of the founder of the Target Company, owns all of the Tender Offeror’s equity and serves as the representative member of the Tender Offeror, and Mr. Tatsuo Shioi, the President and Representative Director of the Target Company (“Mr. Tatsuo Shioi”), serves as the operating officer of Reframing, which performs the businesses of the Tender Offeror. Mr. Tatsuo Shioi and his relatives within the first degree directly or indirectly own all of Reframing’s equity, and Mr. Tatsuo Shioi’s direct stake in Reframing is 53.77%. In addition, Mr. Tatsuo Shioi serves as the representative member of Reframing.

As of the date hereof, the Tender Offeror holds 15,847,686 shares of the Target Company Shares (ownership ratio (Note 2): 41.14%) issued by the Target Company that is listed on the Prime Market of the TSE and is the largest shareholder among the major shareholders of the Target Company. As of the date hereof, the Tender Offeror does not hold any Stock Acquisition Rights.

As of the date hereof, Mr. Tatsuo Shioi holds 8,500 shares (Note 3) of the Target Company Shares (ownership ratio: 0.02%) and 769 units of the Stock Acquisition Rights (ownership ratio: 0.20 %).

(Note 1) The Tender Offeror, which was established as a limited liability company (*yugen kaisha*), implemented several entity conversions and is currently a *godo kaisha*.

(Note 2) “Ownership ratio” means the percentage of the number of shares held by a relevant shareholder out of the number of shares (i.e., 38,522,206 shares) that is calculated by the following formula (rounded to two decimal places; hereinafter the same applies to the calculation of the ownership ratio); (i) the total issued shares of the Target Company as of August 31, 2022 (i.e., 44,392,680 shares), as set forth in the “Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2023 (Based on Japanese GAAP)” disclosed by the Target Company on October 14, 2022 (the “Target Company’s Summary of Second Quarterly Financial Results”); minus (ii) the number of treasury shares held by the Target Company as of August 31, 2022 (i.e., 6,012,874 shares), as set forth in the Target Company’s Summary of Second Quarterly Financial Results (the sum results in 38,379,806 shares); plus (iii) the number of shares (142,400 shares) to be acquired upon exercise of all of the Stock Acquisition Rights outstanding as of August 31, 2022, as reported by the Target Company (1,424 units). With respect to the Stock Acquisition Rights, the number of shares to be acquired upon exercise of the Stock Acquisition Rights has been added to the numerator.

(Note 3) As of the date hereof, Mr. Tatsuo Shioi indirectly holds his equity in the officers’ shareholding association of the Target Company, equivalent to 17 shares of the Target Company Shares (the number of shares held as equity is rounded down to the nearest whole number; ownership ratio: 0.00 %). The number of shares held by Mr. Tatsuo Shioi stated above (8,500 shares) does not include 17 shares of the Target Company Shares indirectly held by Mr. Tatsuo Shioi as his equity in the officers’ shareholding association of the Target Company.

The Tender Offeror has decided to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and all of the Stock Acquisition Rights and privatizing the Target Company Shares (the “Transaction”).

The Transaction falls under the category of a so-called “management buyout” (MBO) (Note 4) and Mr. Tatsuo Shioi will continue engaging in the management of the Target Company as the Target Company’s President and Representative Director after the Transaction. As of the date hereof, there is no agreement between the Tender Offeror and other Directors of the Target

Company regarding their assumption of office or treatment after the Tender Offer. The management structure, including the composition of officers of the Target Company after the completion of the Tender Offer, will be determined in consultation with the Target Company after the completion of the Tender Offer. Mr. Tatsuo Shioi is not expected to make any re-investments in the Target Company.

(Note 4) A “management buyout” (MBO) generally refers to a transaction where the management team of a company being acquired (“target company”) contributes all or part of the acquisition costs and acquires the target company’s shares on the assumption that the business of the target company will continue.

Upon commencement of the Tender Offer, the Tender Offeror confirmed with Mr. Tatsuo Shioi that he intends to tender in the Tender Offer all of the Target Company Shares he holds (number of shares held: 8,500 and ownership ratio: 0.02%) and that he does not intend to tender in the Tender Offer all of the Stock Acquisition Rights held by him (number of the Stock Acquisition Rights: 769 and ownership ratio: 0.20%). In addition, the Tender Offeror has confirmed that Mr. Tatsuo Shioi does not plan to tender in the Tender Offer the Target Company Shares he holds indirectly, as his equity in the officers’ shareholding association, by withdrawing such shares from the officers’ shareholding association.

The outline of the Tender Offer is as follows.

(1) Name of Target Company

PLENUS Co., Ltd.

(2) Class of Shares to be Purchased

- a. Common stock
- b. Stock acquisition rights (each of the stock acquisition rights listed below, collectively, “Stock Acquisition Rights”)
 - (a) FY2010 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 14, 2010 (the “FY2010 Stock Acquisition Rights”)
 - (b) FY2011 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 20, 2011 (the “FY2011 Stock Acquisition Rights”)

- (c) FY2012 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 18, 2012 (the “FY2012 Stock Acquisition Rights”)
- (d) FY2013 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 17, 2013 (the “FY2013 Stock Acquisition Rights”)
- (e) FY2014 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 16, 2014 (the “FY2014 Stock Acquisition Rights”)
- (f) FY2015 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 10, 2015 (the “FY2015 Stock Acquisition Rights”)
- (g) FY2016 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 10, 2016 (the “FY2016 Stock Acquisition Rights”)
- (h) FY2017 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 9, 2017 (the “FY2017 Stock Acquisition Rights”)
- (i) FY2018 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 11, 2018 (the “FY2018 Stock Acquisition Rights”)
- (j) FY2019 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 11, 2019 (the “FY2019 Stock Acquisition Rights”)
- (k) FY2020 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 9, 2020 (the “FY2020 Stock Acquisition Rights”)
- (l) FY2021 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 9, 2021 (the “FY2021 Stock Acquisition Rights”)
- (m) FY2022 Stock Acquisition Rights that were issued pursuant to the resolution of the board of directors of the Target Company held on June 14, 2022 (the “FY2022 Stock Acquisition Rights”)

(3) Tender Offer Period

From Monday, October 17, 2022, through Tuesday, November 29, 2022 (30 business days in Japan)

(4) Tender Offer Price

- a. 2,640 yen per share of common stock
- b. Stock acquisition rights
 - (a) 1 yen per unit of FY2010 Stock Acquisition Rights
 - (b) 1 yen per unit of FY2011 Stock Acquisition Rights
 - (c) 1 yen per unit of FY2012 Stock Acquisition Rights
 - (d) 1 yen per unit of FY2013 Stock Acquisition Rights
 - (e) 1 yen per unit of FY2014 Stock Acquisition Rights
 - (f) 1 yen per unit of FY2015 Stock Acquisition Rights
 - (g) 1 yen per unit of FY2016 Stock Acquisition Rights
 - (h) 1 yen per unit of FY2017 Stock Acquisition Rights
 - (i) 1 yen per unit of FY2018 Stock Acquisition Rights
 - (j) 1 yen per unit of FY2019 Stock Acquisition Rights
 - (k) 1 yen per unit of FY2020 Stock Acquisition Rights
 - (l) 1 yen per unit of FY2021 Stock Acquisition Rights
 - (m) 1 yen per unit of FY2022 Stock Acquisition Rights

(5) Number of Shares to be Purchased in the Tender Offer

Class of shares	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common Stocks	22,674,520 (shares)	9,738,914 (shares)	– (shares)
Total	22,674,520 (shares)	9,738,914 (shares)	– (shares)

(6) Settlement Commencement Date

Tuesday, December 6, 2022

(7) Tender Offer Agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

au Kabucom Securities Co., Ltd. (sub-agent)

3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

For the specific details of the Tender Offer, please refer to the Tender Offer Registration Statement to be submitted by the Tender Offeror on October 17, 2022 regarding the Tender Offer.

End

Restrictions on Solicitation

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

Future Prospects

This press release, including the descriptions regarding the future business of the 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 necessarily the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “**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 corporation’s subsidiaries or affiliates (the “**Affiliates**”) to its jurisdiction.

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 advisors of each of the Tender Offeror and the Target Company 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 Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results might be substantially different from the predictions expressed or implied as “forward-looking statements” herein due to known or unknown risks, uncertainties, or any other factors. None of the Tender Offeror, the Target Company and any of their Affiliates guarantee that the predictions 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, the Target Company nor any of their respective 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 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.