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Securities Code 4320

October 29, 2026

To All Shareholders

Masanori Niizato, Representative Director and President
CE Holdings Co., Ltd.

1-21 Heiwadori 15-chome Kita, Shiroishi-ku, Sapporo

Notice of Convocation of the Extraordinary General Meeting of Shareholders

We are pleased to announce the Extraordinary General Meeting of Shareholders of CE Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision) in electronic format, and posts this information on the Company’s website. Please access the website by using the internet address shown below to review the information.

The Company’s website:

<https://www.ce-hd.co.jp/ir/meeting/> (in Japanese)

(Please access the above website and select “Notice of Convocation of the Extraordinary General Meeting of Shareholders” under “Extraordinary General Meeting of Shareholders” to review the information.)

In addition to posting items subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). Please review this information as described below.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “CE Holdings” in “Issue name (company name)” or the Company’s securities code “4320” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting, you may exercise your voting rights using the Internet or in writing (via postal mail). Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders by 6:00 pm on November 12, 2026 (Thursday).

When exercising your voting rights via the Internet

Visit the voting website designated by the Company (<https://evote.tr.mufg.jp/>) (in Japanese), use the “login ID” and “password” displayed on the voting form sent with this notice of convocation, and enter whether you approve or disapprove of the proposals by the exercise deadline above, following the on-screen instructions.

When exercising your voting rights in writing (via postal mail)

Indicate whether you approve or disapprove of the proposals on the voting form and return it no later than the exercise deadline above.

- 1. Date and Time** 10:00 am, November 13, 2026 (Friday)
2. Location CE Holdings Co., Ltd., Head Office, 4th Floor Conference Room
1-21 Heiwadori 15-chome Kita, Shiroishi-ku, Sapporo

3. Agenda

Matters to Be Resolved

Proposal No. 1 Consolidation of Shares

Proposal No. 2 Amendment to the Articles of Incorporation

4. Matters Decided upon Convocation (Information on Exercise of Voting Rights)

- (1) If no indication of whether you approve or disapprove of the proposals is made on the voting form when exercising voting rights in writing (via postal mail), the vote shall be deemed as an intention of approval.
 - (2) If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
 - (3) If you exercise your voting right in duplicate both via the Internet and in writing (via postal mail), the Company will only deem your exercise via the Internet, valid, regardless of the arrival date of the vote.
 - (4) You can exercise your voting rights in advance via the Internet and in writing (via postal mail); however, please note that if you attend the meeting in person on the day, any prior exercise of your voting rights will be deemed to be canceled.
 - (5) If you exercise your voting rights by proxy, you may nominate one shareholder with voting rights to attend the meeting as a proxy. However, please note that it will be necessary to submit written proof of proxy rights.
 - (6) If you diversely exercise your voting rights, you are requested to notify the Company of your intention to do so and state the reason for this no later than three days before the meeting.
- If you will be attending the meeting, please submit your voting form to the meeting reception. Please note that reception will begin at 9:30 am.
 - If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the aforementioned Company's website and the TSE website.
 - Institutional investors may use the electronic voting platform for institutional investors operated by ICI, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Consolidation of Shares

Following the result of the tender offer (the “Tender Offer”) conducted by SK-03 Kabushiki Kaisha (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”), this proposal seeks approval to consolidate 3,204,500 Company Shares into one share (the “Share Consolidation”) with an effective date of January 15, 2027, subject to the successful completion of the Self-Tender Offer (defined in “1. Reasons for Conducting a Share Consolidation” below), so that the Tender Offeror and HIKARI TSUSHIN INVESTMENTS OKINAWA, INC. (“HTIO”) will be the only shareholders of the Company.

1. Reasons for Conducting a Share Consolidation

As announced in the “Notice Regarding Expression of Opinion in Support of, and Neutral Stance on Tendering in, the Tender Offer for the Company Shares by SK-03 Kabushiki Kaisha” published by the Company on August 5, 2026 (including the amendments set forth in the “(Amendment) Notice Regarding Partial Amendments to the ‘Notice Regarding Expression of Opinion in Support of, and Neutral Stance on Tendering in, the Tender Offer for the Company Shares by SK-03 Kabushiki Kaisha’” published by the Company on August 31, 2026) (the “Press Release on the Expression of Opinion”), the Tender Offeror conducted the Tender Offer, with the period for purchase, etc. in the tender offer (the “Tender Offer Period”) from August 6, 2026 to September 17, 2026, as part of a series of transactions (the “Transaction”) to acquire all Company Shares listed on the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) Standard Market and the Securities Membership Corporation Sapporo Securities Exchange (the “Sapporo Securities Exchange”) Main Market (excluding treasury shares held by the Company).

In addition, as announced in the “Notice Regarding Results of the Tender Offer for the Company Shares by SK-03 Kabushiki Kaisha and Changes in the Parent Company, Major Shareholders, and Largest Shareholder that is a Major Shareholder” published by the Company on September 18, 2026, as a result of the Tender Offer and the Parallel Purchase (Note 1), the Tender Offeror came to hold 9,075,502 Company Shares (ownership ratio (Note 2): 54.42%) as of September 29, 2026, which was the commencement date of settlement of the Tender Offer.

(Note 1) The “Parallel Purchase” refers to the acquisition by the Tender Offeror, on the commencement date of settlement of the Tender Offer and conditional upon the success of the Tender Offer, without conducting a tender offer, of all 1,450,800 Company Shares (the “Transferred Shares”) out of the Company Shares owned by Yasuaki Sugimoto, Representative Director and Chairman, CEO (Chief Executive Officer), who was the largest shareholder of the Company, (“Mr. Sugimoto”), excluding 197,800 restricted shares that cannot be tendered in the Tender Offer because they are subject to transfer restrictions (the “Restricted Shares”), pursuant to the proviso to Article 27-2, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments; the “Act”) and Article 7, paragraph (1), item (xiii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, including subsequent amendments).

(Note 2) “Ownership ratio” reflects the ratio (rounded off to two decimal places; hereinafter the same for calculation of ownership ratio) against the number of shares (16,675,537 shares) derived by taking the total number of issued shares as of June 30, 2026 (17,039,400 shares) stated in the “Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2026 (Based on Japanese GAAP)” (the “Financial Results Report”) disclosed by the Company on August 5, 2026 and deducting the number of treasury shares owned by the Company as of the same date (363,863 shares) stated in the Financial Results Report.

In addition, as described in the “Notice Regarding the Planned Commencement of Tender Offer for Treasury Shares” published on August 5, 2026 (including the matters amended by the “(Amendment) Notice Regarding Partial Amendments to the ‘Notice Regarding the Planned Commencement of Tender Offer for Treasury Shares’” published on August 31, 2026) (the “Press Release on the Planned Commencement of the Self-Tender Offer”), the Company plans to commence the Self-Tender Offer (Note 3). The Tender Offeror concluded a going-private cooperation agreement (the “Going-Private Cooperation Agreement”) with all companies of the HIKARI TSUSHIN group (Note 4) on August 5, 2026, under which, for all Company Shares held by the HIKARI TSUSHIN group as of August 5, 2026 (number of shares held: 4,349,000 shares; ownership ratio: 26.08%) and the Shares Subject to Trust Transfer (as defined below; the same shall apply hereinafter; number of shares held: 40,800 shares; ownership ratio: 0.24%), all companies of the HIKARI TSUSHIN group have agreed to the following: (i) regarding the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group) (Note 5), (a) the companies agree not to tender shares in the Tender Offer, (b) the companies will approve proposals related to the Share

Consolidation at this Extraordinary General Meeting of Shareholders (excluding the exercise of voting rights concerning the Shares Subject to Trust Transfer), and (c) the companies agree to tender shares in the Self-Tender Offer that will begin after the approval of the resolution regarding the Share Consolidation at this Extraordinary General Meeting of Shareholders; (ii) regarding the Shares Subject to the Agreement for the Application of the Treasury Share Acquisition (Note 6), (a) the companies agree not to tender shares in the Tender Offer and the Self-Tender Offer, (b) the companies will approve proposals related to the Share Consolidation at this Extraordinary General Meeting of Shareholders, (c) the companies will approve each proposal related to carrying out the Third-Party Allotment (Note 7) and the Capital Decrease, Etc. (Note 8) at an Extraordinary General Meeting of Shareholders scheduled to be held by the Company around mid-January 2027 after the Share Consolidation has become effective, and (d) the companies agree to sell Shares Subject to the Agreement for the Application of the Treasury Share Acquisition in accordance with the Treasury Share Acquisition scheduled to be carried out by the Company mid-January 2027 onward after the Share Consolidation, the Third-Party Allotment, the Capital Decrease, Etc. have become effective. Additionally, the Tender Offeror concluded a non-tender agreement for the third-party tender offer and a tender agreement for the self-tender offer with NEC Corporation (“NEC”; number of shares held: 1,200,000 shares; ownership ratio: 7.20%) on August 31, 2026, under which NEC has agreed to the following: regarding all Company shares held by NEC (“NEC-Held Shares”), (i) NEC agrees not to tender shares in the Tender Offer, (ii) NEC will approve proposals related to the Share Consolidation at this Extraordinary General Meeting of Shareholders, (iii) NEC agrees to tender shares in the Self-Tender Offer that will begin after the approval of the resolution regarding the Share Consolidation at this Extraordinary General Meeting of Shareholders.

In the Self-Tender Offer, if the HIKARI TSUSHIN group tenders the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group) (1,152,900 shares (ownership ratio: 6.91%)), NEC tenders all NEC-Held Shares, and the Company acquires all of those shares, then on the commencement date of settlement of the Self-Tender Offer, the Tender Offeror, which is the Company’s parent company, major shareholder, and largest shareholder, would hold 9,075,502 Company Shares (the Ownership Ratio After Completion of the Self-Tender Offer Payment (Note 9): 63.36%).

(Note 3) “The Self-Tender Offer” refers to a self-tender offer (as defined in Article 27-22-2 of the Act) aimed at acquiring the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group) and the NEC-Held Shares.

(Note 4) “HIKARI TSUSHIN group” refers to UH Partners 3 Investment Limited Partnership (“UH Partners 3”), UH Partners 2 Investment Limited Partnership (“UH Partners 2”), Hikari Tsushin K.K. (“Hikari Tsushin”), SIL Investment Limited Partnership (“SIL”), as well as SIL Co., Ltd. (“SIL Co., Ltd.”), UH Partners 2 Co., Ltd. (“UH Partners 2 Co., Ltd.”), UH Partners 3 Co., Ltd. (“UH Partners 3 Co., Ltd.”), and HTIO, which are consolidated subsidiaries of HIKARI TSUSHIN, INC.

(Note 5) The “Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group)” refers to a total of 1,152,900 shares (ownership ratio: 6.91%), consisting of: (i) 11,500 shares, which are part of the Company Shares owned by UH Partners 3 as of August 5, 2026; (ii) 11,400 shares, which are part of the Company Shares owned by UH Partners 2 as of August 5, 2026; (iii) all Company Shares owned by Hikari Tsushin as of August 5, 2026; (iv) 9,600 shares, which are part of the Company Shares owned by SIL as of August 5, 2026; and (v) 40,800 shares, which are all Company Shares that Hikari Tsushin has transferred in trust to Sumitomo Mitsui Trust Bank, Limited (“SMTB”) (the “Shares Subject to Trust Transfer”) under a specific comprehensive trust agreement (the “trust agreement”) between Hikari Tsushin and SMTB. With regard to the Shares Subject to Trust Transfer, it is planned that Hikari Tsushin will come to own them by partially terminating the trust agreement with respect to those shares no later than ten business days prior to the expiration date of the Tender Offer Period for the Self-Tender Offer.

(Note 6) The “Shares Subject to the Agreement for the Application of the Treasury Share Acquisition” refers to a total of 3,204,500 shares, consisting of: (i) 1,133,800 shares, which are part of the Company Shares owned by UH Partners 3 as of August 5, 2026; (ii) 1,121,200 shares, which are part of the Company Shares owned by UH Partners 2 as of August 5, 2026; and (iii) 949,500 shares, which are part of the Company Shares owned by SIL as of August 5, 2026. Under the Going-Private Cooperation Agreement, the Tender Offeror has agreed with the HIKARI TSUSHIN group to the following: (i) from the day immediately following the record date for this Extraordinary General Meeting of Shareholders and at least ten business days prior to the expiration date of the Tender Offer Period for the Self-Tender Offer, in regards to the Company Shares held by UH Partners 3, UH Partners 2, and SIL, the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group) will be distributed in kind to SIL Co., Ltd., UH Partners 2 Co., Ltd., and UH Partners 3 Co., Ltd., and (ii) the Shares Subject to the Agreement for the Application of the Treasury Share Acquisition will be distributed in kind to HTIO.

(Note 7) The “Third-Party Allotment” refers to the third-party allotment of non-voting class shares to the Tender Offeror by the Company for the purpose of securing funds and distributable amounts for the Company acquiring all Shares Subject to the

Agreement for the Application of the Treasury Share Acquisition held by HTIO as treasury shares after the Share Consolidation has become effective (the “Treasury Share Acquisition”).

(Note 8) The “Capital Decrease, Etc.” refers to the decrease of the amount of the Company’s share capital and legal capital surplus in accordance with Article 447, paragraph (1) and Article 448, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the same shall apply hereinafter).

(Note 9) The “Ownership Ratio After Completion of the Self-Tender Offer Payment” refers to the ratio calculated by deducting the number of treasury shares held by the Company as of June 30, 2026 (363,863 shares), as stated in the Financial Results Report, from the total number of issued shares as of the same date (17,039,400 shares), as stated in the Financial Results Report, and from this number of shares (16,675,537 shares), deducting the number of Company Shares scheduled to be acquired from the HIKARI TSUSHIN group and NEC through the Self-Tender Offer (2,352,900 shares), resulting in the final number of shares (14,322,637 shares) against which the ratio is calculated (rounded off to two decimal places).

As stated above, the Tender Offer was successfully completed. However, because the Company Shares (excluding treasury shares held by the Company, the Restricted Shares, the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group), NEC-Held Shares, and the Shares Subject to the Agreement for the Application of the Treasury Share Acquisition) could not be acquired through the Tender Offer and the Parallel Purchase, even if the Self-Tender Offer is successfully completed, there may be a risk that all Company Shares (excluding treasury shares held by the Company and the Shares Subject to the Agreement for the Application of the Treasury Share Acquisition) cannot be acquired, and as such, to privatize the Company Shares, the Tender Offeror has made a request to the Company to implement the Share Consolidation in accordance with Article 180 of the Companies Act. Therefore, as noted in “(4) Policy on Organizational Restructuring, Etc. After the Tender Offer” under “3. Details, Basis, and Reasons for Opinion Concerning the Tender Offer” of the Press Release on the Expression of Opinion, subject to shareholder approval at this Extraordinary General Meeting of Shareholders and the successful completion of the Self-Tender Offer, the Company has decided to implement the Share Consolidation of consolidating 3,204,500 Company Shares into one share.

The details of the purpose and background of the Transaction, including the Tender Offer and the Share Consolidation, are as announced in the Press Release on the Expression of Opinion. An overview is provided again below. Of the following descriptions, those concerning the Tender Offeror are based on explanations provided by the Tender Offeror.

(i) Background of the establishment of a review framework

As announced in the Press Release on the Expression of Opinion, while the Company recognized the need to develop products and services to respond to changes in the business environment, secure competitive advantages, expand and transition sales channels, and secure and develop the human resources necessary for these purposes, it determined that it would be difficult for the Company to undertake bold business expansion on its own. Accordingly, in late January 2026, in order to enhance its corporate value and the interests of its stakeholders over the medium to long term, the Company decided to begin specific consideration of a partnership with an operating company or a private equity fund, including taking the Company Shares private. Beginning on January 29, 2026, the Company therefore engaged in discussions with Sumitomo Mitsui Banking Corporation (“SMBC”) regarding the optimal approach to capital policy and potential partners for maximizing the Company’s corporate value from a medium- to long-term perspective. As a result, in mid-March 2026, the Company determined that taking the Company Shares private and pursuing these objectives under the umbrella of an operating company or a private equity fund was one of the key options, rather than maintaining the listing of the Company Shares.

Therefore, in mid-March 2026, the Company began approaching multiple operating companies and private equity funds that it considered likely to contribute to enhancing its corporate value and believed to have a strong interest in its business. The Company inquired about their interest in participating in a bidding process to select a strategic partner for taking the Company Shares private (the “Going-Private Partner”) and have the Going-Private Partner take the Company Shares private (the “Bidding Process”). After confirming that four candidates, including Nippon Investment Company and its group (individually or collectively, “Nippon Investment Company”), had expressed interest in participating in the Bidding Process, the Company notified those four candidates in early April 2026 that it would commence a first-round bidding process (the “First-Round Bidding Process”). Thereafter, in late April 2026, the Company was contacted by one entity expressing interest in taking the Company Shares private. The Company and that entity exchanged

information around June 2025 regarding ways to enhance the Company's corporate value, but had not exchanged any information since then. Although the reason for the entity's contact is unclear, the Company also asked the entity, with which it had an existing connection, to participate in the First-Round Bidding Process. As a result, a total of five candidates participated in the First-Round Bidding Process.

As described in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.” in “3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act” below, the Company took the following circumstances into account. First, the Tender Offer is to be conducted as part of the Transaction, which is premised on the Company Shares being taken private. Second, in the expressions of intent to participate in the First-Round Bidding Process submitted by multiple candidates, including Nippon Investment Company, the candidates indicated that they wished to enter into tender agreements or non-tender agreements with principal shareholders or major shareholders. In light of these circumstances, it was anticipated that the Tender Offeror would enter into tender agreements or non-tender agreements with Mr. Sugimoto, NEC and the HIKARI TSUSHIN group, respectively. The Company therefore considered that the interests of Mr. Sugimoto, NEC and the HIKARI TSUSHIN group might not necessarily coincide with those of the Company's minority shareholders. Accordingly, in order to ensure the fairness of the Transaction, including the price per Company Share in the Tender Offer (the “Tender Offer Price”), to eliminate arbitrariness and the risk of conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer, and thereby to ensure the fairness and transparency of the Transaction, the Company resolved at a meeting of its Board of Directors held on April 20, 2026 to take the measures described below. At that meeting, the Company selected the M&A Advisory Services Dept. of SMBC as a financial advisor independent from the candidates, including Nippon Investment Company, SK-01 Kabushiki Kaisha, SK-02 Kabushiki Kaisha and the Tender Offeror (individually or collectively, the “Tender Offeror Parties”), as well as the Company, Mr. Sugimoto, NEC and the HIKARI TSUSHIN group (collectively, the “Parties Involved in the Tender Offer”); City-Yuwa Partners as a legal advisor independent from the Parties Involved in the Tender Offer; and AGS FAS Co., Ltd. (“AGS FAS”) as a third-party appraiser independent from the Parties Involved in the Tender Offer. The Company also resolved to establish a special committee (the “Special Committee”) consisting of four members (Takeji Dehara (outside Director (Audit and Supervisory Committee Member) and independent officer of the Company), Shuji Yoshida (certified public accountant, outside Director (Audit and Supervisory Committee Member) and independent officer of the Company, Outside Audit & Supervisory Board Member of FUSION Co., Ltd., Outside Director of Hokuyu Lucky Co., Ltd., and Audit & Supervisory Board Member of HOB Co., Ltd.), Mika Hoshika (attorney at law, outside Director (Audit and Supervisory Committee Member) and independent officer of the Company), Masaaki Suda (certified public accountant at Suda Certified Public Accountant Office)) who are independent from the Parties Involved in the Tender Offer and from the outcome of the Transaction, thereby establishing a review framework for the Transaction. For the specific activities and other details of the Special Committee, please refer to “(4) Establishment of an independent special committee at the Company and obtaining a written report from an independent special committee” in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.” under “3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act” below. In constituting the Special Committee, in order to ensure a balanced mix of knowledge, experience, and capabilities across the Special Committee as a whole while keeping it to an appropriate size, the Company appointed Masaaki Suda, an outside expert introduced by City-Yuwa Partners as a candidate for membership, to serve as a member of the Special Committee. In addition, as described in “(3) Advice from an independent law firm to the Company” in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.” under “3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act” below, City-Yuwa Partners, which introduced Masaaki Suda, is not a related party to the Parties Involved in the Tender Offer and does not have any material interest in the Transaction, including the Tender Offer. Furthermore, as described above, Masaaki Suda is independent from the Parties Involved in the Tender Offer and from the outcome of the Transaction. For these reasons, the Company determined that there was no issue with the independence of Masaaki Suda.

(ii) Background of the review and negotiations

Under the review framework described above, in late April 2026, the Company received non-binding initial letters of intent from three of the five candidates that had participated in the First-Round Bidding Process, including Nippon Investment Company. After carefully reviewing the purpose of the Transaction, the direction of the Company's management policy and business strategy after the Transaction, synergies with the Company, the treatment of employees, the desired acquisition price per Company Share that had been presented, and other matters, on May 8, 2026, the Company invited two candidates, including Nippon Investment Company, to a final bidding process to submit legally binding proposals regarding taking the Company Shares private (the "Final Bidding Process").

Thereafter, from early May to mid-June 2026, the Company provided the two candidates that participated in the Final Bidding Process with an opportunity to conduct due diligence.

After certain media outlets published speculative reports regarding the Transaction (the "Speculative Media Reports"), the Company, by early June 2026, received inquiries regarding taking the Company Shares private from five or more private equity funds. One of these funds expressed an intention to participate in the Bidding Process, and although the Company sent it a process letter regarding the Bidding Process, no specific proposal was submitted.

On June 19, 2026, the Company received a legally binding proposal letter (the "Final Letter of Intent") from Nippon Investment Company, one of the two candidates that participated in the Final Bidding Process. Nippon Investment Company proposed the Tender Offer Price of ¥1,600, on the premise that the Company would not pay a year-end dividend for the fiscal year ending September 30, 2026. This price represents the following: (i) as of June 18, 2026, the business day preceding the date of submission of the Final Letter of Intent: a discount of 11.01% (rounded off to two decimal places; hereinafter the same for the calculation of premiums and discounts) to the closing price of the Company Shares of ¥1,798 on the Tokyo Stock Exchange Standard Market on that date; a discount of 5.21% to the simple average closing price of ¥1,688 for the one-month period through that date (rounded off to the nearest whole number; hereinafter the same for the calculation of simple average closing price); a premium of 14.12% to the simple average closing price of ¥1,402 for the three-month period through that date; and a premium of 24.80% to the simple average closing price of ¥1,282 for the six-month period through that date; and (ii) as of May 14, 2026, immediately before the Speculative Media Reports were published: a premium of 33.44% to the closing price of the Company Shares of ¥1,199 on the Tokyo Stock Exchange Standard Market on that date; a premium of 34.23% to the simple average closing price of ¥1,192 for the one-month period through that date; a premium of 30.93% to the simple average closing price of ¥1,222 for the three-month period through that date; and a premium of 39.74% to the simple average closing price of ¥1,145 for the six-month period through that date. No legally binding proposal letters were submitted by candidates other than Nippon Investment Company.

The Company and the Special Committee decided to select Nippon Investment Company as the final candidate for the following reasons: (i) the Company and the Special Committee found no particularly unreasonable content in the proposed measures to enhance the Company's corporate value (for the reasons why the Company determined that the Transaction contributes to enhancing its corporate value, please refer to "(iii) Details of the decision" below); (ii) Nippon Investment Company was the only candidate that submitted a legally binding proposal letter in the Bidding Process; and (iii) the Company and the Special Committee considered that the Tender Offer Price proposed by Nippon Investment Company included a reasonable premium for the Company's minority shareholders as well (for the Company's evaluation of the Tender Offer Price, please refer to "(iii) Details of the decision" below). On June 25, 2026, the Company notified Nippon Investment Company that, as a result of the Final Bidding Process, it had decided to grant exclusive negotiation rights to Nippon Investment Company for the period from June 25, 2026 until the earlier of the announcement date of the Tender Offer and August 31, 2026 (the "Exclusive Negotiation Period").

Thereafter, on July 6, 2026, from the perspective of protecting the interests of the Company's general shareholders, the Company and the Special Committee requested that Nippon Investment Company propose a higher Tender Offer Price. On July 10, 2026, the Company and the Special Committee received a response from Nippon Investment Company stating that after giving serious consideration to the Special Committee's request to raise the Tender Offer Price, Nippon Investment Company had held a meeting with the HIKARI TSUSHIN group and requested information regarding the number of Company Shares held by each company within the HIKARI TSUSHIN group, which was necessary for determining the final scheme, and that, after

receiving such necessary information, it would analyze the scheme and terms of the Transaction, including the Treasury Share Acquisition, and respond to the request again once the feasibility of the overall structure of the Transaction had increased to a certain degree. On July 23, 2026, the Company and the Special Committee received a revised proposal regarding the Transaction from Nippon Investment Company, under which the Tender Offer Price would be ¥1,620, the purchase price in the Self-Tender Offer (the “Self-Tender Offer Price”), which is aimed at acquiring the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group) and the NEC-Held Shares, would be ¥1,353, and the price for the Treasury Share Acquisition (the “Treasury Share Acquisition Price”) would be ¥1,483. Thereafter, on July 28, 2026, from the perspective of protecting the interests of the Company’s general shareholders, the Company and the Special Committee requested that Nippon Investment Company propose again a Tender Offer Price higher than the ¥1,620 that it had proposed as the Tender Offer Price. On July 29, 2026, the Company and the Special Committee received a revised proposal regarding the Transaction from Nippon Investment Company, under which the Tender Offer Price would be ¥1,640, the Self-Tender Offer Price would be ¥1,501, the transfer price in the Parallel Purchase (the “Parallel Purchase Price”) would be ¥1,600, and the Treasury Share Acquisition Price would be ¥1,501. Thereafter, on July 31, 2026, from the perspective of protecting the interests of the Company’s general shareholders, the Company and the Special Committee requested that Nippon Investment Company propose again a Tender Offer Price higher than the ¥1,640 that it had proposed as the Tender Offer Price. On August 4, 2026, the Company and the Special Committee received a revised proposal regarding the Transaction from Nippon Investment Company, under which the Tender Offer Price would be ¥1,650, the Self-Tender Offer Price would be ¥1,501, the Parallel Purchase Price would be ¥1,600, and the Treasury Share Acquisition Price would be ¥1,501. Thereafter, on August 4, 2026, the Company and the Special Committee notified Nippon Investment Company that they would accept the revised proposal, on the premise that the final decision would be made by a resolution of the Company’s Board of Directors scheduled for August 5, 2026.

(iii) Details of the decision

Against the background described above, the Company received necessary legal advice from City-Yuwa Partners regarding the method and process of decision-making by the Company’s Board of Directors, including the various procedures relating to the Transaction, and other matters to be considered, and obtained from the Special Committee a written report dated August 4, 2026 (the “Written Report”). For an overview of the Written Report, please refer to “4) Establishment of an independent special committee at the Company and obtaining a written report from an independent special committee” in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.” under “3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act” below. On that basis, taking into account the legal advice received from City-Yuwa Partners, its legal advisor, the advice regarding the Transaction received from the M&A Advisory Services Dept. of SMBC, its financial advisor, and the contents of a share valuation report regarding the value of the Company Shares obtained on August 4, 2026 from AGS FAS, its third-party appraiser (the “Share Valuation Report”), and giving maximum respect to the contents of the Written Report submitted by the Special Committee, the Company carefully reviewed and discussed the Transaction from the perspectives of whether the Transaction would contribute to enhancing the Company’s corporate value, whether the terms and conditions of the Transaction, including the Tender Offer Price, were fair, and other matters.

As a result, at a meeting of the Board of Directors held on August 5, 2026, the Company came to believe that, in light of the following points and other considerations, becoming a wholly owned subsidiary of the Tender Offeror through the Transaction would contribute to enhancing the Company’s corporate value.

(a) Realization of deepening and reorganization-type growth (M&A) in the healthcare technology domain Based on Nippon Investment Company’s extensive track record in investment and management support, its business experience, and, in particular, its expertise and human resources in the healthcare technology domain, the Company believes that further strengthening of the competitiveness of its core business (electronic medical record system), expansion of its business domain and industry reorganization, and the creation of new businesses through the utilization of medical data can be expected, among other things.

(b) Acceleration of value creation through the utilization of AI and technology

According to Nippon Investment Company, it plans to support the transition to a “development framework premised on the use of AI” and to promote improvements in development productivity and the advancement of products. The Company believes that this will enable it to improve the productivity and quality of its products utilizing AI, implement high-value-added functions, and thereby differentiate itself from its competitors.

(c) Building and succession of a next-generation management team to support sustainable growth

According to Nippon Investment Company, it plans to support the development and recruitment of next-generation management talent through a hands-on support system, while respecting the Company’s managerial autonomy and independence to the maximum extent. To speed up decision-making, it also plans to establish a “management committee” centered on the management team and to bring in external specialists as necessary, thereby building a management structure that balances governance and execution. The Company believes that this will lead to the development of next-generation management talent and the strengthening of its management structure.

(d) Acceleration of growth strategy through privatization

The Company believes that the delisting of the Company Shares will reduce the costs associated with maintaining a public listing and relieve it of the pressure of short-term quarterly results, thereby enabling it to make investments in its business and human resources from a medium- to long-term perspective. In addition, according to Nippon Investment Company, it envisions continuously providing growth capital by leveraging not only capital from its funds but also stable debt financing capabilities from its close financial institution. The Company therefore believes that the funds provided by Nippon Investment Company can be utilized for investment from a medium- to long-term perspective.

(e) Cooperation with strategic partners

According to Nippon Investment Company, it plans to actively explore capital and business partnerships with strategic partners with which medium- to long-term business synergies are anticipated. By combining the Company’s medical data infrastructure with the partner companies’ networks, Nippon Investment Company plans to support dramatic growth through the development of data businesses and cross-selling. As a result, the Company believes that it will be able not only to expand its current main business, the electronic medical record system for hospitals, but also to generate synergies by forming alliances with operating companies engaged in medical businesses in Japan, thereby expanding its business domain and enhancing added value.

The Company does not anticipate any particular concerns regarding the impact of the delisting of the Company Shares on business partners, its compliance framework, future recruitment, existing employees, and other areas. In addition, commonly cited disadvantages of the delisting of the Company Shares include not only the inability to raise funds from the capital markets but also the loss of benefits the Company has enjoyed as a listed company, such as enhanced name recognition and social credibility. However, the Company believes that the impact of the delisting of the Company Shares will be limited, because after the Transaction is carried out, support for growth investment from Nippon Investment Company can be expected; and the Company’s name recognition and social credibility have been largely earned and maintained through its business activities over the past 30 years or more, and the Company is considered to already have a certain level of name recognition and social credibility through its business activities to date and to be able to continue to earn and maintain them through its business activities after the Transaction is carried out. Furthermore, although the carrying out of the Transaction will result in the dissolution of the Company’s capital relationships with its principal shareholders and make the Company a wholly owned subsidiary of the Tender Offeror, since the Company’s business relationships are not based on the capital relationships, the Company does not anticipate any specific adverse effects on its business relationships resulting from the dissolution of the capital relationships and its becoming a wholly owned subsidiary of the Tender Offeror.

In addition, for the reasons described in “(3) Matters concerning the amount of money expected to be delivered to shareholders as a result of the treatment of fractional shares and the appropriateness of such amount” under “3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act” below, the Company determined that

the Tender Offer Price (¥1,650) is an appropriate price that can be reasonably assessed as adequately reflecting the intrinsic value of the Company Shares, that the other terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate, and that the Tender Offer provides the Company's general shareholders with a reasonable opportunity to sell the Company Shares.

On the other hand, the Tender Offer Price represents, as of August 4, 2026, the business day preceding the date of the resolution of the Company's Board of Directors regarding the expression of opinion on the Tender Offer, a discount of 4.07% to the closing price of the Company Shares of ¥1,720 on the Tokyo Stock Exchange Standard Market on that date, a discount of 4.84% to the simple average closing price of ¥1,734 for the most recent one-month period, and a discount of 1.08% to the simple average closing price of ¥1,668 for the most recent three-month period. In this regard, the Speculative Media Reports were published on May 14, 2026, and the closing price of the Company Shares, which was ¥1,199 on May 14, 2026, rose markedly to ¥1,499 on May 15, the next business day after the Speculative Media Reports, and to ¥1,699 on May 18, the second business day after the Speculative Media Reports, representing increases of 25.02% and 41.7%, respectively, from the closing price on May 14, 2026, and the share price has generally remained above these levels since then. Given this situation, the Company's share price can be viewed as having factored in a considerable degree of expectation regarding the Company Shares being taken private. Accordingly, the Company believes that it is not unreasonable to evaluate that the share price after the Speculative Media Reports was not necessarily formed appropriately and did not accurately reflect the intrinsic value of the Company Shares. However, in light of the fact that, as of August 5, 2026, the Tender Offer Price represents a certain discount to the closing price on the business day preceding the date of the resolution of the Company's Board of Directors regarding the expression of opinion on the Tender Offer and to the simple average closing price for the most recent one-month and three-month periods, the Company has determined, at this time, that it is appropriate to take a neutral stance regarding whether to recommend that shareholders tender their shares in the Tender Offer, and to leave the final decision on whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders.

Based on the foregoing, the Company determined that the Transaction would contribute to enhancing the Company's corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, are fair, and, at a meeting of its Board of Directors held on August 5, 2026, resolved to express its opinion in support of the Tender Offer; to take a neutral stance on whether to tender shares in the Tender Offer, leaving that decision to the Company's shareholders; and to enter into an agreement with the Tender Offeror setting forth the terms and conditions regarding the Transaction (the "Basic Transaction Agreement"). For details on the decision-making process of the Board of Directors, please refer to "5) Approval of all disinterested directors of the Company (including Audit and Supervisory Committee Members)" in "(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc." under "3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act" below.

Thereafter, as described above, the Tender Offer was successfully completed. However, because the Tender Offeror was unable to acquire all Company Shares (excluding treasury shares held by the Company, the Restricted Shares, the Shares Subject to the Agreement for the Application of the Self-Tender Offer (HIKARI TSUSHIN group), the NEC-Held Shares, and the Shares Subject to the Agreement for the Application of the Treasury Share Acquisition) through the Tender Offer and the Parallel Purchase, the Company, at the request of the Tender Offeror, resolved at a meeting of its Board of Directors held on October 9, 2026 to implement the Share Consolidation in order to make the Tender Offeror and HTIO the only shareholders of the Company, subject to approval by shareholders at the Extraordinary General Meeting of Shareholders and successful completion of the Self-Tender Offer, and to submit a proposal regarding the Share Consolidation to the Extraordinary General Meeting of Shareholders.

As a result of the Share Consolidation, the number of Company Shares held by shareholders other than the Tender Offeror and HTIO is expected to become a fraction of less than one full share.

2. Matters Set Forth in the Items of Article 180, Paragraph (2) of the Companies Act

(1) Ratio of the consolidation

The Company will consolidate 3,204,500 Company Shares into one share.

(2) Day when the consolidation of shares will become effective (the effective date)

January 15, 2027

(3) Total number of authorized shares on the effective date

16 shares

3. Matters Concerning the Appropriateness of the Provisions on the Matters Set Forth in Article 180, Paragraph (2), Items (i) and (iii) of the Companies Act

The consolidation ratio for the Share Consolidation is such that 3,204,500 Company Shares will be consolidated into one share. As described in “1. Reasons for Conducting a Share Consolidation” above, the Share Consolidation is to be carried out for the purpose of making the Tender Offeror and HTIO the only shareholders of the Company. In light of the successful completion of the Tender Offer, which was conducted as part of the Transaction through the sequence of events described in “1. Reasons for Conducting a Share Consolidation” above, as well as the following matters, the Company has determined that the ratio of consolidation in the Share Consolidation is appropriate.

(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.

The Share Consolidation is to be carried out for the purpose of making the Tender Offeror and HTIO the only shareholders of the Company following the successful completion of the Tender Offer and the Self-Tender Offer. As of August 5, 2026, when the Tender Offeror decided to conduct the Tender Offer, the Tender Offeror Parties did not own any Company Shares; therefore, the Tender Offer does not constitute either a tender offer by a controlling shareholder or a tender offer by another affiliated company, etc. In addition, there are no plans for all or part of the Company’s management to invest, directly or indirectly, in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) (Note).

However, given that the Tender Offer is conducted as part of the Transaction, which is premised on the Company Shares being taken private, the Tender Offeror and the Company have taken the following measures in order to ensure the fairness of the Transaction, including the Tender Offer Price, to eliminate arbitrariness and the risk of conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer, and thereby to ensure the fairness and transparency of the Transaction. Of the following descriptions, those concerning the measures implemented by the Tender Offeror are based on explanations provided by the Tender Offeror.

As of August 5, 2026, Mr. Sugimoto, who has entered into an agreement to transfer the Transferred Shares to the Tender Offeror (the “Transfer Agreement”), owns 1,648,600 Company Shares (ownership ratio: 9.89%), and the HIKARI TSUSHIN group, which has entered into the Going-Private Cooperation Agreement, owns 4,389,800 Company Shares (ownership ratio: 26.32%, including the Shares Subject to Trust Transfer). In light of this, it was considered that setting a minimum number of shares to be purchased in the Tender Offer for the so-called “Majority of Minority” could destabilize the consummation of the Tender Offer, which in turn might not serve the interests of general shareholders who wish to tender their shares in the Tender Offer, and accordingly no such minimum has been set in the Tender Offer. However, since the Tender Offeror and the Company have taken the following measures, the Tender Offeror and the Company believe that sufficient consideration has been given to the interests of the Company’s general shareholders. In addition, the Special Committee has evaluated, in the Written Report, that although no minimum number of shares to be purchased has been set for the so-called “Majority of Minority,” other measures to ensure fairness have been taken and sufficient consideration has been given to the interests of the Company’s general shareholders.

(Note) “Management buyout (MBO)” refers to a transaction in which the offeror conducts a tender offer based on an agreement with the target company’s officers, sharing common interests with those officers.

1) Obtaining a share valuation report from an independent third-party appraiser by the Company

(i) Names of appraiser and its relationship with the Parties Involved in the Tender Offer

In expressing its opinion on the Tender Offer, in order to eliminate arbitrariness in the Company's decision-making process regarding the Tender Offer Price presented by Nippon Investment Company and to ensure the fairness of the Tender Offer Price, the Company requested AGS FAS, a third-party appraiser independent from the Parties Involved in the Tender Offer, to calculate the share value of the Company Shares, and obtained the Share Valuation Report on August 4, 2026.

AGS FAS is not a related party to the Parties Involved in the Tender Offer and does not have any material interest in the Transaction, including the Tender Offer. The fee payable to AGS FAS in connection with the Transaction consists solely of a fixed fee that is payable regardless of the success or failure of the Transaction, and does not include any success fee contingent on the Transaction being completed or the like. In addition, at its first meeting held on April 20, 2026, the Special Committee confirmed that there was no issue with the independence of AGS FAS and approved its appointment as the Company's third-party appraiser.

(ii) Overview of calculation

After reviewing the valuation methods for the Tender Offer, AGS FAS determined that, based on the assumption that the Company is a going concern, it is appropriate to evaluate the Company Shares from multiple perspectives. AGS FAS adopted the following methods to calculate the share value of the Company Shares: the average market price method, because the Company Shares are listed on a financial instruments exchange; the comparable company analysis method, because there are multiple listed companies comparable to the Company and it is possible to infer the share value by comparison with such listed companies; and the discounted cash flow method (the "DCF method"), in order to reflect the Company's future business activities in the calculation. On the other hand, the net asset method was not adopted because the Company intends to continue its business as a going concern. As described in this "(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.," the Tender Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer and measures to avoid conflicts of interest, and the Company believes that consideration has been given to the interests of its general shareholders. Accordingly, the Company has not obtained from AGS FAS an opinion on the fairness of the Tender Offer Price (a fairness opinion).

According to AGS FAS, the ranges of the share value per Company Share calculated based on each of the above methods are as follows.

Average market price method (i):	From ¥1,145 to ¥1,222
Average market price method (ii):	From ¥1,456 to ¥1,734
Comparable company analysis method:	From ¥980 to ¥1,145
DCF method:	From ¥890 to ¥1,304

Under the average market price method (i), with May 14, 2026, immediately before the Speculative Media Reports were published, as the valuation reference date, the range of the share value per Company Share was calculated to be from ¥1,145 to ¥1,222, based on the closing price of the Company Shares of ¥1,199 on the Tokyo Stock Exchange Standard Market on the valuation reference date, the simple average closing price of ¥1,192 for the most recent one-month period, the simple average closing price of ¥1,222 for the most recent three-month period, and the simple average closing price of ¥1,145 for the most recent six-month period.

Under the average market price method (ii), with August 4, 2026, the business day preceding the date of the resolution of the Company's Board of Directors regarding the expression of opinion on the Tender Offer, as the valuation reference date, the range of the share value per Company Share was calculated to be from ¥1,456 to ¥1,734, based on the closing price of the Company Shares of ¥1,720 on the Tokyo Stock Exchange Standard Market on the valuation reference date, the simple average closing price of ¥1,734 for the most recent one-month period, the simple average closing price of ¥1,668 for the most recent three-month period, and the simple average closing price of ¥1,456 for the most recent six-month period. However, as a result of the Speculative Media Reports, the share price of the Company Shares surged to a level exceeding its all-time high since listing and has remained elevated, making it difficult to place full confidence in the objectivity of the market price. For this reason, the results are presented only as reference information.

Under the comparable company analysis method, after selecting two listed companies presumed to operate businesses relatively similar to that of the Company, the share value of the Company Shares was calculated using the ratio of enterprise value to EBITDA, and the range of the share value per Company Share was calculated to be from ¥980 to ¥1,145.

Under the DCF method, the analysis is based on the four-year business plan covering the fiscal years ending September 30, 2026 through September 30, 2029 (the “Business Plan”), which the Company prepared for a period that is reasonably foreseeable at this time in light of the current earnings environment, the Company’s business performance, and other factors. Based on the financial projections in the Business Plan and publicly available information, the enterprise value and share value of the Company were calculated by discounting to present value, using a certain discount rate, the free cash flow expected to be generated by the Company from the fourth quarter of the fiscal year ending September 30, 2026 onward. The range of the share value per Company Share was calculated to be from ¥890 to ¥1,304. The financial projections used by AGS FAS in the calculation under the DCF method do not include any fiscal year in which a significant increase or decrease in operating profit or free cash flow is expected.

Regarding the Business Plan, the Special Committee held a question-and-answer session with the Company concerning its contents and the circumstances surrounding its preparation, and confirmed that it was prepared by individuals independent from the Parties Involved in the Tender Offer (Masanori Niizato, Representative Director and President, COO (Chief Operating Officer), Keiichi Haga, Managing Director, CSO (Chief Strategy Officer), and employees of the Corporate and Business Planning Office), and that it contains no elements that are unreasonable in light of the interests of the Company’s general shareholders. Although Masanori Niizato is a former employee of NEC, more than 18 years have passed since he left NEC in October 2007, and he has had no interest in NEC since then; therefore, the Company has determined that he is independent from the Parties Involved in the Tender Offer. In addition, the Business Plan was not prepared on the premise that the Transaction would be carried out, and the synergies expected to result from the Transaction are not factored into the financial projections.

(Note) In calculating the share value of the Company Shares, AGS FAS has, in principle, used the materials and information provided by the Company, as well as publicly available information, as is, has assumed that all materials and information subject to its analysis and review are accurate and complete, and has not conducted its own verification of the accuracy or completeness of such materials and information, nor does it bear any obligation to do so. AGS FAS has assumed, among other things, that there are no facts undisclosed to AGS FAS that could have a material impact on the calculation of the share value of the Company Shares. AGS FAS has not independently conducted any evaluation, appraisal, or assessment of any of the assets or liabilities of the Company and its affiliated companies (including, but not limited to, derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities), including any analysis or evaluation of individual assets and liabilities, nor has it commissioned any third-party organization to conduct any evaluation, appraisal, or assessment. AGS FAS has assumed that the Business Plan and other forward-looking information provided to it have been reasonably reviewed, examined, or prepared based on the best possible forecasts and judgments currently made by the Company’s management, and has relied on such information without conducting its own verification. AGS FAS’s calculation is based on the financial, economic, market, and other conditions as of August 4, 2026. The results of the calculation of the share value of the Company Shares submitted by AGS FAS do not express an opinion on the fairness of the Tender Offer Price.

2) Advice from an independent financial advisor to the Company

To ensure the fairness and appropriateness of the decision-making by the Company’s Board of Directors regarding the Transaction, including the Tender Offer, the Company appointed the M&A Advisory Services Dept. of SMBC as a financial advisor independent from the Parties Involved in the Tender Offer, and has received advice regarding the procedures and process of the Transaction, including the Tender Offer, as well as the Tender Offer Price. The M&A Advisory Services Dept. of SMBC is not a related party to the Parties Involved in the Tender Offer and does not have any material interest in the Transaction, including the Tender Offer.

SMBC, as a corporate entity, has established and implemented an appropriate conflict-of-interest management framework, including information barrier measures within the bank (between the department in charge of serving as financial advisor and the department in charge of handling regular banking transactions, etc.). The Company therefore determined that appropriate measures to prevent adverse effects have been taken within the M&A Advisory Services Dept. of SMBC in its capacity as financial advisor, and,

on that basis, appointed the M&A Advisory Services Dept. of SMBC as its financial advisor. In addition, the fee payable to the M&A Advisory Services Dept. of SMBC in connection with the Transaction includes a success fee payable contingent on the completion of the Transaction or the like. The Company, having taken into consideration general business practices for similar transactions and the appropriateness of a fee structure that would impose a commensurate financial burden on the Company should the Transaction fail to materialize, has determined that the inclusion of a success fee contingent on the completion of the Tender Offer does not negate the independence of the M&A Advisory Services Dept. of SMBC, and accordingly has appointed the M&A Advisory Services Dept. of SMBC as the Company's financial advisor under the above fee structure. The Special Committee confirmed that there was no issue with the independence of the M&A Advisory Services Dept. of SMBC at its first meeting held on April 20, 2026, and approved its appointment as the Company's financial advisor.

3) Advice from an independent law firm to the Company

To ensure the fairness and appropriateness of the decision-making by the Company's Board of Directors regarding the Transaction, including the Tender Offer, the Company appointed City-Yuwa Partners as its legal advisor independent from the Parties Involved in the Tender Offer, and has received legal advice regarding the process and method of decision-making by the Company's Board of Directors regarding the Transaction, including the Tender Offer, as well as other matters to be considered in making decisions thereon.

City-Yuwa Partners is not a related party to the Parties Involved in the Tender Offer and does not have any material interest in the Transaction, including the Tender Offer. The fee payable to City-Yuwa Partners in connection with the Transaction does not include any success fee contingent on the announcement or completion of the Transaction or the like. In addition, the Special Committee confirmed that there was no issue with the independence of City-Yuwa Partners at its first meeting held on April 20, 2026 and approved its appointment as the Company's legal advisor.

4) Establishment of an independent special committee at the Company and obtaining a written report from an independent special committee

In light of the fact that the Tender Offer is conducted as part of the Transaction, which is premised on the Company Shares being taken private, and that multiple candidates, including Nippon Investment Company, indicated in their expressions of intent to participate in the First-Round Bidding Process that they wished to enter into tender agreements or non-tender agreements with principal shareholders or major shareholders, it was anticipated that the Tender Offeror would enter into tender agreements or non-tender agreements with Mr. Sugimoto, NEC, and the HIKARI TSUSHIN group, respectively. The Company therefore considered that the interests of Mr. Sugimoto, NEC, and the HIKARI TSUSHIN group might not necessarily coincide with those of the Company's minority shareholders. Accordingly, in order to ensure the fairness of the Transaction, including the Tender Offer Price, to eliminate arbitrariness and the risk of conflicts of interest in the decision-making process leading to the decision to conduct the Tender Offer, and thereby to ensure the fairness and transparency of the Transaction, the Company established the Special Committee, consisting of four members (Takeji Dehara (outside Director (Audit and Supervisory Committee Member) and independent officer of the Company), Shuji Yoshida (certified public accountant, outside Director (Audit and Supervisory Committee Member) and independent officer of the Company, Outside Audit & Supervisory Board Member of FUSION Co., Ltd., Outside Director of Hokuyu Lucky Co., Ltd., and Audit & Supervisory Board Member of HOB Co., Ltd.), Mika Hoshika (attorney at law, outside Director (Audit and Supervisory Committee Member) and independent officer of the Company), Masaaki Suda (certified public accountant at Suda Certified Public Accountant Office)) who are independent from the Parties Involved in the Tender Offer and from the outcome of the Transaction, at a meeting of its Board of Directors held on April 20, 2026, prior to the full-scale start of the Bidding Process. In constituting the Special Committee, in order to ensure a balanced mix of knowledge, experience, and capabilities across the Special Committee as a whole while keeping it to an appropriate size, the Company appointed Masaaki Suda, an outside expert introduced by City-Yuwa Partners as a candidate for membership, to serve as a member of the Special Committee. In addition, as described in "3) Advice from an independent law firm to the Company" above, City-Yuwa Partners, which introduced Masaaki Suda, is not a related party to the Parties Involved in the Tender Offer and does not have any material interest in the Transaction, including the Tender Offer. Furthermore, as

described above, Masaaki Suda is independent from the Parties Involved in the Tender Offer and from the outcome of the Transaction. For these reasons, the Company determined that there was no issue with the independence of Masaaki Suda. From the outset, the Company has appointed the above four individuals as members of the Special Committee, and there have been no changes to the membership of the Special Committee. In addition, following a vote among the members of the Special Committee, Takeji Dehara (outside Director (Audit and Supervisory Committee Member) and independent officer of the Company) has been appointed as chair of the Special Committee. The compensation of the members of the Special Committee consists solely of a fixed fee that is payable regardless of the success or failure of the Transaction, and does not include any success fee contingent on the announcement or completion of the Transaction or the like.

Furthermore, based on the above resolution of the Board of Directors, the Company consulted with the Special Committee regarding the following matters: (i) the legitimacy and reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to enhancing the Company's corporate value); (ii) the fairness of the terms and conditions of the Transaction (including the Tender Offer Price); (iii) the fairness of the procedures in the negotiation process and the decision-making process regarding the Transaction; (iv) whether the decisions regarding the Transaction (including expressing an opinion in support of the Tender Offer, recommending that the Company's shareholders tender their shares in the Tender Offer, and other decisions by the Company regarding the procedures for the Transaction) can be deemed not to be disadvantageous to the Company's minority shareholders; and (v) based on (i) through (iv) above, whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer (items (i) through (v) are collectively referred to as the "Matters for Consultation"), and requested the Special Committee to submit a written report on these matters to the Company's Board of Directors.

In addition, in the above resolution of the Board of Directors, the Company resolved that, at the meeting of the Company's Board of Directors that deliberates on the content of its expression of opinion on the Tender Offer, the Board of Directors shall give the utmost respect to the contents of the Special Committee's report on the Matters for Consultation, in light of the purpose of establishing the Special Committee, and that, if the Special Committee determines that the transaction terms and conditions are not appropriate, the Board of Directors shall not support the Tender Offer. Furthermore, based on the above resolution of the Board of Directors, the Company has granted the Special Committee the following authorities: (a) the authority to negotiate directly with candidates and, even where negotiations with candidates are conducted by the Company's officers, employees, advisors, or others, the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving timely reports on the status of such negotiations, expressing opinions at important stages, and giving instructions or requests; (b) the authority to appoint the Special Committee's own external advisors, etc. as necessary (in which case the costs shall be borne by the Company), as well as the authority to nominate or approve (including subsequent approval) the external advisors, etc. selected by the Company; and (c) the authority to request the Company's officers and employees as well as external advisors, etc. to collect all information necessary for the Special Committee to submit its report. Pursuant to the grant of authority described in (b) above, at its first meeting held on April 20, 2026, the Special Committee confirmed that there was no issue with the independence of any of the external advisors, etc. selected by the Company, and approved the appointment of the M&A Advisory Services Dept. of SMBC as the financial advisor, City-Yuwa Partners as the legal advisor, and AGS FAS as the third-party appraiser.

From April 20, 2026 to August 4, 2026, the Special Committee held a total of ten meetings. In addition, outside of these meetings, the Special Committee expressed opinions, exchanged information, and collected information by e-mail and other means, and held discussions as necessary from time to time, thereby conducting a careful review of the Matters for Consultation. Specifically, the Special Committee received explanations from the Company on its business operations, performance trends, key management challenges, the anticipated advantages and disadvantages of the Transaction for the Company's business, and the contents and formulation process of the Business Plan, which serves as the basis for reviewing the terms and conditions of the Transaction, among other matters, and held a question-and-answer session. In addition, the Special Committee received explanations from the candidates regarding the deliberation process that led to the proposal of the Transaction, the details of the measures anticipated after the Transaction, the nature and extent of the expected advantages, disadvantages, and other effects of the Transaction, and the Company's

planned management policy following the Transaction, among other matters, and held a question-and-answer session. Furthermore, the Special Committee received an explanation from AGS FAS, the Company's third-party appraiser, regarding the calculation of the share value of the Company Shares, held a question-and-answer session regarding the calculation process, and then reviewed the reasonableness of the calculation results. In conducting the above review, the Special Committee received advice, as appropriate, from City-Yuwa Partners, the Company's legal advisor, regarding the measures to ensure the fairness of the Transaction, including the significance and role of the Special Committee, and the measures to avoid conflicts of interest.

After receiving timely reports from the Company on the status and details of the discussions and negotiations between the Company and the Tender Offeror regarding the Transaction, the Special Committee expressed its opinion to the Company that the Company should request the Tender Offeror to increase the Tender Offer Price. As the Company negotiated with the Tender Offeror in accordance with such opinion, the Special Committee was substantially involved in the negotiation process with the Tender Offeror.

Based on the above background, the Special Committee, after careful and repeated deliberation and review of the Matters for Consultation, submitted the Written Report to the Company's Board of Directors on August 4, 2026, with the unanimous consent of all members, the outline of which is as follows.

(a) Contents of the report

- (i) The Transaction is considered to contribute to enhancing the Company's corporate value, and its purpose is deemed to be legitimate and reasonable.
- (ii) The terms and conditions of the Transaction including the Tender Offer Price are deemed to ensure fairness.
- (iii) The negotiation process and procedures leading to the decision-making regarding the Transaction are deemed to ensure fairness.
- (iv) The decision regarding the Transaction is deemed not to be disadvantageous to the Company's minority shareholders, including the opinion expressed by the Company in support of the Tender Offer and other decisions by the Company regarding the procedures for the Transaction. However, in light of the circumstances surrounding the Company's share price, where the Tender Offer Price is highly likely to be at a discount to the closing price on the business day preceding the date of the scheduled announcement of the Transaction, it is deemed appropriate that the decision on whether to tender shares in the Tender Offer be left to the judgment of the Company's shareholders, and that the Company's Board of Directors take a neutral stance regarding whether to recommend that shareholders tender their shares in the Tender Offer.
- (v) Based on (i) through (iv) above, it is deemed appropriate that the Company's Board of Directors express an opinion in support of the Tender Offer. On the other hand, with respect to recommending that the Company's shareholders tender their shares in the Tender Offer, it is deemed appropriate for the Board of Directors to take a neutral stance and leave the decision on whether to tender shares to the judgment of the Company's shareholders, given the circumstances surrounding the Company's share price in which the Tender Offer Price is highly likely to be at a discount to the closing price on the business day preceding the date of the scheduled announcement of the Transaction.

(b) Reasons for the report

- (i) Legitimacy and reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to enhancing the Company's corporate value)
The Transaction is considered to contribute to enhancing the Company's corporate value, and the purpose thereof is deemed to be legitimate and reasonable, upon comprehensive consideration of the following points.
 - According to the Company, the business environment surrounding the Company is undergoing structural market changes driven by demographic shifts associated with the declining birthrate and aging population. Specifically, whereas demand for acute medical care is contracting, demand for chronic medical care is expanding. Structural market changes are progressing in conjunction with this trend, including a reduction in the number of hospitals providing acute medical care and a shift to hospitals providing recuperative care and to long-term care services.

In addition, national healthcare expenditures continue to rise due to factors such as an increasing population of latter-stage elderly adults who incur high per-capita medical costs, and advancements in medical care accompanying the advent of new drugs and technologies. Furthermore, alongside a persisting decline in the working-age population, shortages of healthcare professionals, including physicians and nurses, are becoming increasingly evident against a backdrop of regional and specialty-based disparities and overtime regulations for physicians effective from fiscal 2024. In response to these challenges, progress is being made with respect to healthcare DX (digital transformation) policies aimed at improving efficiency, leading to an increased adoption rate of the electronic medical record system for hospitals and bringing that market toward maturity. Consequently, although replacement demand for the electronic medical record system for hospitals remains strong, the number of new implementations has declined and growth has been moderating. Accordingly ensuring growth potential and future prospects expected by the Company's stakeholders calls for the Company to expand into new businesses by developing markets beyond the electronic medical record system for hospitals, in areas that include utilizing electronic medical record data, offering IT support for coordination between medical care and long-term care at sites where long-term care services are provided, and optimizing the medical supply chain harnessing IT. Furthermore, with rapid progress being made in regard to advancements in AI and other ICT innovations, investing in new management resources is becoming essential in order to apply these AI and ICT technologies to product development and business operations.

- Nippon Investment Company deems that the Transaction will enable initiatives that include: (i) realization of deepening and reorganization-type growth (M&A) in the healthcare technology domain (combining healthcare and digital technologies) and related areas; (ii) acceleration of value creation through the utilization of AI and technology; (iii) building and succession of a next-generation management team to support sustainable growth; (iv) acceleration of growth strategy through privatization and provision of stable capital; and (v) generation of synergies by bringing in strategic partners. The Company believes that these initiatives will contribute to enhancing its medium- to long-term corporate value. Furthermore, based on deliberations following interviews conducted with the Company and Nippon Investment Company, nothing particularly unreasonable has been recognized with respect to the explanations provided, and it is deemed reasonable to determine that the measures proposed by the Tender Offeror Parties will contribute to enhancing the medium- to long-term corporate value of the Group.
- Regarding potential disadvantages that could arise in connection with delisting the Company Shares as a result of the Transaction, interviews and other inquiries conducted with the Company and the Tender Offeror Parties confirmed that no specific disadvantages are envisioned, including impacts on business partners, future financing, the compliance framework, future recruitment, and existing employees. As nothing particularly unreasonable was observed in any of the explanations provided, no specific possibility is recognized that disadvantages outweighing the advantages anticipated from the Transaction will arise.

(ii) Fairness of the terms and conditions of the Transaction (including the Tender Offer Price)

The terms and conditions of the Transaction including the Tender Offer Price are deemed to ensure fairness, upon comprehensive consideration of the following points.

- The Transaction involves transactions scheduled concurrently with the Tender Offer as well as the respective procedures anticipated after the Tender Offer. The Transaction consists of the Parallel Purchase, the Share Consolidation, the Self-Tender Offer, and the Treasury Share Acquisition. According to Nippon Investment Company, the Parallel Purchase, the Self-Tender Offer, and the Treasury Share Acquisition are to be implemented with the objective of setting the Tender Offer Price at a higher level compared to that of a situation where the Parallel Purchase is not conducted concurrently with the Tender Offer and the Self-Tender Offer and the Treasury Share Acquisition are not conducted after the Tender Offer. As long as this serves as the premise, implementing the Parallel Purchase, the Self-Tender Offer, and the Treasury Share Acquisition in the Transaction (i) makes it possible to provide the Company's general

- shareholders the opportunity to sell their shares at a higher price through the Tender Offer, and (ii) does not result in the HIKARI TSUSHIN group obtaining unfair advantage at the expense of the Company's general shareholders. Accordingly, nothing unreasonable has been recognized with respect to the structure of the Transaction, and it is deemed to be appropriate.
- Among the valuation results calculated by AGS FAS, nothing unreasonable is recognized with respect to the substance of the calculation under the average market price method. Regarding calculations made under the comparable company analysis method, the selection of comparable companies was conducted based on a specific selection process (screening) examined by AGS FAS, and no circumstances are particularly observed that would warrant suspicion of arbitrary selection. Furthermore, no particular issues of arbitrary adoption or rejection were identified regarding the multiples applied, and no circumstances that would undermine the valuation have been recognized. Therefore, the calculation is deemed to be reasonable to a certain degree. It is possible to affirm that calculations made under the DCF method were made using the Business Plan as the basis for the DCF method calculation. With respect to both the discount rate applied and the calculation method for terminal value, nothing unacceptable or unreasonable has been recognized in the calculation process in light of current valuation practices. Therefore, the calculation is deemed to be reasonable to a certain degree. While the valuation results of the Company's share value calculated by AGS FAS are deemed to be reasonable to a certain degree, the Tender Offer Price is recognized as exceeding the upper limits of the valuation results ranges under the average market price method (i), the comparable company analysis method, and the DCF method among the valuation results calculated by AGS FAS, and may be regarded as being at a reasonable level. The Tender Offer Price falls below the upper limit of the valuation results range based on the average market price method (ii) among the valuation results calculated by AGS FAS. However, considering the surge in the price of the Company Shares during the period immediately following the Speculative Media Reports and the notion that the share price remains at elevated levels even now after a considerable period has elapsed since the Speculative Media Reports, it is not deemed unreasonable to consider that the price of the Company Shares following the Speculative Media Reports excessively reflected expectations regarding capital policies at the Company, rather than reflecting changes in the Company's business or financial status. Consequently, it is deemed that such circumstances do not undermine the fairness or appropriateness of the Tender Offer Price.
 - The Tender Offer Price of ¥1,650 represents a premium of 37.61% to the closing price of the Company Shares of ¥1,199 on the Tokyo Stock Exchange Standard Market on May 14, 2026, which was the last trading day prior to the Speculative Media Reports; a premium of 38.42% to the simple average closing price of ¥1,192 for the one-month period up to May 14, 2026; a premium of 35.02% to the simple average closing price of ¥1,222 for the three-month period up to May 14, 2026; and a premium of 44.10% to the simple average closing price of ¥1,145 for the six-month period up to May 14, 2026. Therefore, the Tender Offer Price may be regarded as sufficiently reasonable in that it is not deemed as being at a remarkably low level compared with the median value of premiums across 71 transactions, among tender offer transactions premised on privatization, announced between June 28, 2019, when the "Fair M&A Guidelines" (the "M&A Guidelines") were published, and June 19, 2026. These transactions exclude transactions where a tender offer was not yet completed or unsuccessful, transactions where the target company shares were listed on a REIT or TOKYO PRO Market, transactions involving self-tender offer, transactions where the target company was a subsidiary of the acquirer, transactions involving two-tier tender offers, transactions constituting management buyouts (MBOs), transactions involving competing offers, transactions where PBR was less than 1.0x prior to public announcement, and transactions involving speculative media reports (the median premiums were 38.99% to the closing price on the business day preceding the announcement date, 41.51% to the simple average closing price for the one-month period up to the business day preceding the announcement date, 44.49% to the simple average closing price for the three-month period up to the business day preceding the announcement date, and 44.69% to the simple average closing price for the six-month period

up to the business day preceding the announcement date). Furthermore, the Tender Offer Price of ¥1,650 represents a discount of 4.07% to the closing price of the Company Shares of ¥1,720 on the Tokyo Stock Exchange Standard Market on August 4, 2026, which is the business day preceding the date of the scheduled announcement of the Tender Offer; a discount of 4.84% to the simple average closing price of ¥1,734 for the one-month period up to August 4, 2026; a discount of 1.08% to the simple average closing price of ¥1,668 for the three-month period up to August 4, 2026; and a premium of 13.32% to the simple average closing price of ¥1,456 for the six-month period up to August 4, 2026. In this regard, as stated above, the price of the Company Shares surged during the period immediately following the Speculative Media Reports (notably, while the closing price of the Company Shares was ¥1,199 on May 14, 2026, the closing price was ¥1,499 on May 15, the next business day after the Speculative Media Reports, and ¥1,699 on May 18, the second business day after the Speculative Media Reports, representing significant increases of 25.02% and 41.70%, respectively, to the closing price on May 14, 2026), and the share price remains at an elevated level even now after more than two and a half months have elapsed since the Speculative Media Reports. Accordingly, the assessment that the price of the Company Shares following the Speculative Media Reports excessively reflected expectations in regard to privatizing the Company Shares, rather than reflecting changes in the Company's business or financial status, is not deemed to be unreasonable. Consequently, the fact that the Tender Offer Price represents an amount at a discount to the closing price on the reference date, the simple average closing price for the one-month period up to the reference date, and the simple average closing price for the three-month period up to the reference date, when taking the business day preceding the date of the scheduled announcement of the Tender Offer as the reference date, is deemed as not undermining the fairness and appropriateness of the Tender Offer Price.

- The Tender Offer Price exceeds the net assets per share (¥520.94 (rounded off to two decimal places)), which is calculated based on the net assets (¥8,687 million), the total number of issued shares (17,039,400 shares), and the number of treasury shares held by the Company (363,863 shares) as of June 30, 2026, scheduled to be stated in Financial Results Report. Therefore, in comparison with the net asset value per share, no particular grounds have been recognized that would undermine the reasonableness of the Tender Offer Price.
- The Parallel Purchase Price was set through successive discussions between Nippon Investment Company and Mr. Sugimoto with a view to enhancing the certainty of completing the Transaction, whereby an agreement was reached to accept a certain discount relative to the Tender Offer Price with the aim of allocating the funds generated by such discount toward raising the Tender Offer Price. In addition, the Self-Tender Offer and the Treasury Share Acquisition are to be conducted for the purpose of setting the Tender Offer Price at a higher level compared to that of a situation where the Self-Tender Offer and the Treasury Share Acquisition are not implemented following the Tender Offer. Furthermore, according to Nippon Investment Company, after receiving a request from the HIKARI TSUSHIN group to improve the pricing terms of the Transaction including the Tender Offer Price, Nippon Investment Company and the HIKARI TSUSHIN group held discussions and reached an agreement on the pricing terms of the Transaction including the Self-Tender Offer Price, taking into account the tax treatment applicable when corporate shareholders tender their shares in the Self-Tender Offer under the assumptions reasonably established by the Tender Offeror. In light of the ownership ratio of the HIKARI TSUSHIN group, Nippon Investment Company proposed such price because failing to reach an agreement with the HIKARI TSUSHIN group would substantially reduce the feasibility of privatizing the Company Shares, making it difficult to provide an opportunity for minority shareholders to sell their shares. In this regard, the Parallel Purchase Price, the Self-Tender Offer Price, and the Treasury Share Acquisition Price are each set at a per-share purchase price that is lower than the Tender Offer Price. Accordingly, it may be recognized that this makes it possible to provide general shareholders of the Company the opportunity to sell their shares at a higher price through the Tender Offer, compared to a scenario where the Parallel Purchase is conducted concurrently with the Tender Offer, and the Self-Tender Offer and the Treasury Share Acquisition are not implemented

following the Tender Offer. Furthermore, in light of the HIKARI TSUSHIN group's ownership ratio (26.32%, including the Shares Subject to Trust Transfer), it is deemed that the probability of completing the Tender Offer and the Transaction would be significantly diminished should the HIKARI TSUSHIN group not consent. Accordingly, setting the price at the agreed-upon amount as a result of discussions between Nippon Investment Company and the HIKARI TSUSHIN group, subject to the condition that the price is lower than the Tender Offer Price in aiming to offer the general shareholders of the Company the opportunity to sell their shares at a higher price, is not deemed to be immediately unreasonable. Upon comprehensive consideration of the foregoing, the Parallel Purchase Price, the Self-Tender Offer Price, and the Treasury Share Acquisition Price are recognized as reasonable to a certain degree.

- Under the Tender Offer, there is no plan to set a minimum number of shares to be purchased corresponding to the so-called Majority of Minority. In this regard, while there is indeed room to consider that setting a minimum number of shares to be purchased corresponding to the so-called Majority of Minority could contribute to the interests of the Company's general shareholders, the M&A Guidelines also note concerns that setting the Majority of Minority condition may pose the risk of impeding the completion of M&A transactions that contribute to enhancing corporate value, especially in cases where the ratio of the target company's shares already held by an acquirer is high, thus making it difficult to conclude that setting such a condition is always desirable. In this regard, the Special Committee comprehensively considered factors including the following: (i) with the Tender Offeror planning to enter into the Transfer Agreement with Mr. Sugimoto and the Going-Private Cooperation Agreement with the HIKARI TSUSHIN group, respectively, the aforementioned concerns are deemed likely to apply to a considerable extent if a minimum number is set with respect to the number of shares to be purchased, corresponding to the Majority of Minority condition under such circumstances; (ii) setting the Majority of Minority condition could adversely affect the interests of general shareholders who tender their shares in the Tender Offer; and (iii) in light of the implementation status of other measures to ensure fairness, comprehensively taking into account, among other things, that it may be concluded that the fairness of the negotiation process and procedures leading to decision-making regarding the Transaction is ensured, the Special Committee believes that the fairness of the terms and conditions of the Transaction is not undermined even if the Majority of Minority condition is not set in the Tender Offer.
- Under the Transaction, the Share Consolidation is scheduled to be carried out subsequent to the Self-Tender Offer with the aim of ensuring that the Tender Offeror and HTIO become the only shareholders of the Company, upon completion of the Tender Offer. Specifically, the Tender Offeror plans to request that the Company convene the Extraordinary General Meeting of Shareholders around mid-November 2026 to deliberate on proposals regarding the Share Consolidation and an amendment to the Articles of Incorporation abolishing the provisions concerning the number of shares constituting one share unit, conditional upon the Share Consolidation taking effect, with the Tender Offeror and the HIKARI TSUSHIN group intending to vote in favor of each of the aforementioned proposals at the Extraordinary General Meeting of Shareholders. Although the ratio of the Share Consolidation remains undetermined as of the date of the Written Report, the Tender Offeror intends to request that the Company determine the ratio of the Share Consolidation such that the number of Company Shares held by the Company's shareholders who did not tender their shares in the Tender Offer (other than the Tender Offeror, the HIKARI TSUSHIN group, and the Company) becomes a fraction of less than one full share, so that the Tender Offeror and HTIO will hold all Company Shares (excluding treasury shares owned by the Company). A share consolidation is an approach generally adopted with respect to transactions for making a target a wholly owned subsidiary such as is the case with respect to the Transaction, and is deemed to be appropriate as a method for executing the Transaction. Furthermore, the terms and conditions of the Share Consolidation are to be calculated and determined based on a price identical to the Tender Offer Price, and the Share Consolidation is to constitute a follow-on procedure to the Tender Offer. Accordingly, ensuring that the consideration delivered under both temporally proximate procedures is identical is deemed to be reasonable. Assuming that such consideration is

provided, nothing unreasonable is recognized with respect to the fairness of the terms and conditions of the Transaction.

- In conducting the Tender Offer, the Company plans to enter into the Basic Transaction Agreement with the Tender Offeror. Although entering into such agreement will preclude the Company from actively soliciting acquisition proposals from other acquirers, the Company believes that it is possible to recognize reasonableness to a certain degree with respect to the substance of the Basic Transaction Agreement in light of the following: (i) a so-called fiduciary out clause is to be stipulated in the Basic Transaction Agreement, allowing leeway for the Company to change or withdraw its opinion expressed in support of the Tender Offer under certain circumstances (the Basic Transaction Agreement is not to contain provisions imposing any liability for damages, obligation to pay a penalty for contract breach, or any other obligations, burdens, or conditions imposed on the Company under any name whatsoever as a result of the Company making such change or withdrawal of its opinion expressed in support of the Tender Offer); (ii) given that the Company has engaged in the Bidding Process and has already secured opportunities to receive a wide range of proposals toward enhancing the Company's corporate value through an active market check, there is deemed to be a limited possibility that restricting the Company from actively soliciting or negotiating competing offers subsequent to the execution of the Basic Transaction Agreement would lead to diminishing the opportunities for acquisition proposals by other acquirers; and (iii) whereas it is reasonable to deem that the terms and conditions agreed upon as a result of sincere negotiations between independent parties do not constitute terms and conditions particularly favorable to any one party absent special circumstances, given that the Company and the Tender Offeror are independent parties to the Basic Transaction Agreement, there is no indication that negotiations were held to result in terms and conditions particularly advantageous to either party, and the terms and conditions are recognized as having been agreed upon as a result of sincere negotiations between independent parties.
- The Tender Offer Price was determined as a result of sincere price negotiations between the Company and the Tender Offeror Parties based on the advice of the Company's advisors and the Special Committee, with nothing unreasonable having been recognized in the course of these negotiations between the Company and the Tender Offeror Parties. Accordingly, the negotiation process between the Company and the Tender Offeror Parties was fair in having been recognized as negotiations between independent parties. As such, it may be concluded that reasonable efforts were made in seeking to ensure transaction terms and conditions that are as favorable as possible for the general shareholders.

(iii) Fairness of the procedures in negotiation process and the decision-making process regarding the Transaction

It is deemed that the negotiation process and the procedures leading to the decision-making regarding the Transaction ensure fairness, upon comprehensive consideration of the following points.

- In considering the Transaction, the Company established the Special Committee as part of the measures to ensure fairness, from the perspective of eliminating arbitrariness and avoiding conflicts of interest in the Company's decision-making process. The Special Committee was established pursuant to a resolution of the Company's Board of Directors dated April 20, 2026, immediately after the Company commenced the Bidding Process in early April 2026 and invited multiple private equity funds and operating companies to participate in the Bidding Process. Moreover, no grounds that would call into question the independence of any member of the committee are recognized. In resolving to establish the Special Committee, the Company's Board of Directors granted the Special Committee the following authorities: (i) the authority to negotiate directly with candidates and, even where negotiations with candidates are conducted by the Company's officers, employees, advisors, or others, the authority to substantially influence the negotiation process regarding the terms and conditions of the Transaction by receiving timely reports on the status of such negotiations, expressing opinions at important stages, and giving instructions or requests; (ii) the authority to appoint the Special

Committee's own external advisors, etc. as necessary (in which case the costs shall be borne by the Company), as well as the authority to nominate or approve (including subsequent approval) the external advisors, etc. selected by the Company; and (iii) the authority to request the Company's officers and employees as well as external advisors, etc. to collect all information necessary for the Special Committee to submit its report. In response, the Special Committee approved the financial advisor, third-party appraiser, and legal advisor, each of whom were appointed by the Company as the Company's advisors, etc., after confirming that there were no issues regarding their independence and expertise. Furthermore, upon resolving to establish the Special Committee, the Company's Board of Directors resolved that the Board of Directors, in deliberating on the content of the expression of opinion on the Tender Offer, shall give the utmost respect to the contents of the Special Committee's report, and shall not support the Tender Offer if the Special Committee determines that the transaction terms and conditions are not appropriate, thereby giving due consideration to ensuring the effectiveness of the Special Committee's decision. As stated above, after practical measures were implemented to enhance the effectiveness of the Special Committee, the Special Committee reviewed and made decisions on the advisability of the Transaction, the appropriateness of the transaction terms and conditions, and the fairness of the procedures from the standpoint of enhancing corporate value and pursuing the interests of general shareholders.

- To ensure fairness in its decision-making regarding the Tender Offer Price, the Company obtained the Share Valuation Report from AGS FAS (an independent third-party appraiser), received advice regarding the procedures and process of the Transaction, including the Tender Offer, and the Tender Offer Price from the M&A Advisory Services Dept. of SMBC (an independent financial advisor), and received legal advice from City-Yuwa Partners (an independent legal advisor) concerning the decision-making process and method of the Company's Board of Directors regarding the Transaction, as well as other matters to be considered in making decisions regarding the Transaction. Whereas the Company has not obtained a written opinion from AGS FAS stating that the Tender Offer Price is appropriate or fair from a financial perspective (a fairness opinion), it is understood in Japan that the effectiveness of a fairness opinion as a measure to ensure fairness varies depending on the circumstances. Accordingly, the Company recognizes no circumstances to warrant the conclusion that obtaining a fairness opinion would be essential for reviewing the advisability of the Transaction in light of the review process with respect to the Transaction, and furthermore deems that the fairness of the procedures in the negotiation process and decision-making process regarding the Transaction is not undermined by the absence of a fairness opinion.
- The Special Committee was substantively involved in the negotiation process, particularly in terms of engaging in discussions and stating opinions to the Company on matters such as negotiation policies upon receiving timely reports on the status and details of the discussions and negotiations with the Tender Offeror Parties regarding the Tender Offer Price. Furthermore, nothing particularly unreasonable has been identified regarding such negotiation process from the perspective of giving due consideration to the interests of the Company's general shareholders.
- Of the Company's ten directors, Mr. Sugimoto is scheduled to enter into the Transfer Agreement with the Tender Offeror in connection with the Tender Offer, while Mr. Asami is an employee of NEC, the Company's third-largest shareholder, which views the policy of privatizing the Company Shares favorably and is continuing discussions with the Tender Offeror toward entering into an agreement regarding tendering into the Self-Tender Offer. Therefore, from the perspective of avoiding the risk of conflicts of interest, neither of these two individuals is scheduled to participate in the deliberations or resolutions regarding the proposal concerning the expression of opinion on the Tender Offer at the meeting of the Board of Directors scheduled to be held on August 5, 2026. In addition, it has been confirmed that neither individual has engaged in any discussions or negotiations with candidates on behalf of the Company, and there is no evidence to suggest that anyone whose independence from the Tender Offeror Parties is questionable exerted undue influence on the Company's decision-

making during the course of the discussions, deliberations, and negotiations regarding the Transaction. Furthermore, according to the Company, although Masanori Niizato is a former employee of NEC, more than 18 years have passed since he left NEC in October 2007, and he has had no interest in NEC since then; and although Tsunehito Taguchi is also a former employee of NEC, more than 16 years have passed since he left NEC in July 2009, and he has had no interest in NEC since then. Consequently, the Company has determined that there is no risk of a conflict of interest with respect to either individual, and this determination does not appear to be unreasonable.

- As an active market check, the Company conducted the Bidding Process, invited multiple companies to participate in the Bidding Process, and having completed the First-Round Bidding Process and the Final Bidding Process, decided on Nippon Investment Company, which submitted the Final Letter of Intent, as the Going-Private Partner. While the minimum period for a tender offer prescribed by laws and regulations is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days. By setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror intends to ensure an opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer, thereby ensuring the fairness of the Tender Offer.
- According to the Tender Offeror and the Company, during the Exclusive Negotiation Period, the Company has agreed that it will not directly or indirectly: (i) enter into any agreement (including expressing an opinion in support of any such transaction or recommending tendering of shares with respect to such transaction) with any party other than Nippon Investment Company relating to any transaction objectively and reasonably recognized as substantively competing, conflicting, or inconsistent with the Transaction (whether by tender offer, organizational restructuring, or any other method; the "Competing Transaction"); (ii) provide information concerning the Company, its subsidiaries, or affiliates, or any other information, to any party other than Nippon Investment Company in connection with the Competing Transaction; or (iii) make any proposal, solicitation, offer, or request for discussions regarding the Competing Transaction, nor conduct any discussions or negotiations regarding the Competing Transaction. However, the foregoing shall not apply if the Company receives from a third party other than Nippon Investment Company a proposal that the Company reasonably determines constitutes a "bona fide acquisition proposal" regarding the Competing Transaction premised on privatizing the Company (even if such proposal lacks specificity regarding acquisition consideration, etc., the Company is not precluded from reasonably determining that the proposal qualifies as a "bona fide acquisition proposal" in light of the proposal in its entirety; the "Third-Party Proposal"), and if, based on the results of good-faith discussions and comprehensively considering the details of measures to enhance corporate value, the timing of completing the privatization, the degree of feasibility, and other circumstances in the Third-Party Proposal, the Company reasonably determines that there is a high probability that the Third-Party Proposal would be superior to the proposal made by Nippon Investment Company regarding the Transaction as of the time of such discussions. Meanwhile, the Company has not entered into any agreement that excessively limits interaction with competing acquisition proposers other than the Tender Offeror so that opportunities for tender offers, etc. by parties other than the Tender Offeror (including Nippon Investment Company) are not unduly restricted, thus, consideration has been given to not impeding opportunities for competing purchases, etc. In addition, the Exclusive Negotiation Period is scheduled to terminate on the announcement date of the Tender Offer. Furthermore, as stated above, a so-called fiduciary out clause is to be stipulated in the Basic Transaction Agreement, allowing leeway for the Company to change or withdraw its opinion expressed in support of the Tender Offer under certain circumstances. Taking such factors into consideration, it can be concluded that a certain degree of consideration has been given not to impede opportunities for competing purchases, etc., so that opportunities for tender offers, etc. by parties other than the Tender Offeror (including Nippon Investment Company) are not unduly restricted.
- As stated in (ii) above, it is contemplated that the Transaction will adopt the Share Consolidation designed to eliminate coerciveness. Under the Transaction, including the Tender

Offer, consideration has been given to the interests of general shareholders who do not tender their shares in the Tender Offer so as to address the issue of so-called coerciveness, and it is recognized that no coerciveness will arise.

- In the press release pertaining to the Transaction, certain details are scheduled to be disclosed, including information on the Special Committee, information on the substance of the results of the calculation of the Company's share value, information on matters such as the background and purpose of the Transaction, and information on the specific background and course of discussions and negotiations on the transaction terms and conditions conducted between the Company and the Tender Offeror. It is accordingly recognized that substantial information is scheduled to be disclosed to enable the Company's shareholders to determine the reasonableness of the transaction terms and conditions.

- (iv) Whether the decision regarding the Transaction (including expressing an opinion in support of the Tender Offer, recommending that the Company's shareholders tender their shares in the Tender Offer, and other decisions by the Company regarding the procedures for the Transaction) can be deemed not to be disadvantageous to the Company's minority shareholders

As stated above, the decision regarding the Transaction is deemed not to be disadvantageous to the Company's minority shareholders, including the opinion expressed by the Company in support of the Tender Offer and other decisions by the Company regarding the procedures for the Transaction. However, in light of the circumstances surrounding the Company's share price, where the Tender Offer Price is highly likely to be at a discount to the closing price on the business day preceding the date of the scheduled announcement of the Transaction, it is deemed appropriate that the decision on whether to tender shares in the Tender Offer be left to the judgment of the Company's shareholders, and that the Company's Board of Directors take a neutral stance regarding whether to recommend that shareholders tender their shares in the Tender Offer.

- (v) Based on (i) through (iv) above, whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer

Based on (i) through (iv) above, it is deemed appropriate that the Company's Board of Directors express an opinion in support of the Tender Offer. On the other hand, with respect to recommending that the Company's shareholders tender their shares in the Tender Offer, it is deemed appropriate for the Board of Directors to take a neutral stance and leave the decision on whether to tender shares to the judgment of the Company's shareholders, given the circumstances surrounding the Company's share price in which the Tender Offer Price is highly likely to be at a discount to the closing price on the business day preceding the date of scheduled announcement of the Transaction.

- 5) Approval of all disinterested directors of the Company (including Audit and Supervisory Committee Members)

The Company carefully discussed and reviewed the terms and conditions of the Transaction including the Tender Offer, while giving the utmost respect to the contents of the Written Report submitted by the Special Committee, and taking into account the Share Valuation Report obtained from AGS FAS as well as legal advice from City-Yuwa Partners. As a result, as described in "1. Reasons for Conducting a Share Consolidation" above, the Company has determined that the Transaction including the Tender Offer is likely to enhance the corporate value of the Group, that other terms and conditions pertaining to the Tender Offer including the Tender Offer Price are appropriate for the Company's shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares. Accordingly, at its meeting of the Board of Directors held on August 5, 2026, the Company resolved to express an opinion in support of the Tender Offer, while taking a neutral stance regarding whether to tender shares in the Tender Offer and leaving that decision to the judgment of the Company's shareholders.

Mr. Sugimoto has entered into the Transfer Agreement with the Tender Offeror in connection with the Tender Offer, while Mr. Asami is an employee of NEC, the Company's third-largest shareholder, which views the policy of privatizing the Company Shares favorably and is continuing discussions with the

Tender Offeror toward entering into an agreement regarding tendering into the Self-Tender Offer. Therefore, from the perspective of avoiding the risk of conflicts of interest and with respect to the proposal regarding the expression of opinion on the Tender Offer at the aforementioned meeting of the Board of Directors, eight of the Company's ten directors, excluding Mr. Sugimoto and Mr. Asami, deliberated on the proposal, and the resolution was adopted by the unanimous approval of all eight directors. Furthermore, although Masanori Niizato is a former employee of NEC, more than 18 years have passed since he left NEC in October 2007, and he has had no interest in NEC since then; and although Tsunehito Taguchi is also a former employee of NEC, more than 16 years have passed since he left NEC in July 2009, and he has had no interest in NEC since then. Consequently, the Company has determined that there is no risk of a conflict of interest with respect to either individual.

6) Measures to ensure purchase opportunities, etc. from other acquirers

While the minimum period for a tender offer prescribed by laws and regulations is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days. By setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror intends to ensure an opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer, thereby ensuring the fairness of the Tender Offer.

In addition, the Tender Offeror and the Company have agreed in writing that, during the Exclusive Negotiation Period, the Company will not, directly or indirectly: (i) enter into any agreement related to the Competing Transaction with any party other than Nippon Investment Company (including expressing an opinion in support of such transaction or recommending tendering shares in such transaction); (ii) provide information concerning the Company, its subsidiaries, or affiliates, or any other information, to any party other than Nippon Investment Company in connection with the Competing Transaction; or (iii) make any proposal, solicitation, offer, or request for discussions regarding the Competing Transaction, nor conduct any discussions or negotiations regarding the Competing Transaction. However, the foregoing shall not apply if the Company receives from a third party other than Nippon Investment Company the Third-Party Proposal, and if, based on the results of good-faith discussions and comprehensively considering the details of measures to enhance corporate value, the timing of completing the privatization, the degree of feasibility, and other circumstances in the Third-Party Proposal, the Company reasonably determines that there is a high probability that the Third-Party Proposal would be superior to the proposal made by Nippon Investment Company regarding the Transaction as of the time of such discussions. Meanwhile, the Company has not entered into any agreement that excessively limits interaction with competing acquisition proposers other than the Tender Offeror so that opportunities for tender offers, etc. by parties other than the Tender Offeror (including Nippon Investment Company) are not unduly restricted, thus, consideration has been given to not impeding opportunities for competing purchases, etc. In addition, the Exclusive Negotiation Period terminates on August 5, 2026, the announcement date of the Tender Offer.

(2) Matters concerning the method of handling fractional shares of less than one share, where such fractional shares are expected to arise (treatment of fractional shares)

1) Which of the provisions of Article 235, paragraph (1) of the Companies Act or Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 235, paragraph (2) is intended to be applied, and the reasons therefor

As stated in "1. Reasons for Conducting a Share Consolidation" above, the number of Company Shares held by shareholders other than the Tender Offeror and HTIO is expected to become a fraction of less than one full share as a result of the Share Consolidation. With respect to fractional shares of less than one share arising as a result of the Share Consolidation, the number of shares corresponding to the aggregate sum of such fractional shares (if such aggregate sum includes a fraction of less than one share, such fraction shall be rounded down pursuant to the provisions of Article 235, paragraph (1) of the Companies Act) shall be sold pursuant to the provisions of Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds obtained from such sale shall be delivered to the shareholders in proportion to their respective fractional shares. Regarding such sale, the Company plans to sell the shares to the Tender Offeror with court permission pursuant to the provisions of Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis under Article 235, paragraph (2) of the Companies Act, in consideration of the fact that the Share Consolidation is intended to leave the Tender Offeror and HTIO as the only shareholders

of the Company as part of the Transaction, and that because the Company Shares are scheduled to be delisted on January 13, 2027 and will become shares without a market price, it is deemed unlikely that a purchaser would appear through an auction. The sale price in this case is to be set at a price that will enable the delivery of cash to each shareholder in an amount equal to the number of Company Shares held by such shareholder multiplied by ¥1,650, which is the same amount as the Tender Offer Price, provided that the aforementioned court permission is obtained as planned.

- 2) Name of the anticipated purchaser of the shares subject to sale
SK-03 Kabushiki Kaisha

- 3) Method by which the anticipated purchaser of the shares subject to sale secures funds for payment of the sale proceeds, and reasonableness of such method

The Tender Offeror intends to finance the acquisition of the Company Shares equivalent to the aggregate sum of fractional shares of less than one share resulting from the Share Consolidation by receiving a capital contribution from SK-02 Kabushiki Kaisha (the “Capital Contribution”) and procuring loans from SMBC and MUFG Bank, Ltd. (the “Acquisition Loans”).

The Company confirmed the Tender Offeror’s method of securing funds by confirming the tender offer statement submitted by the Tender Offeror on August 6, 2026, as well as the capital contribution certificate pertaining to the Capital Contribution and the loan certificate pertaining to the Acquisition Loans attached to the tender offer statement. In addition, the Tender Offeror stated that since the commencement of the Tender Offer, no event has occurred that would impede the payment of the proceeds from the sale of the Company Shares corresponding to the aggregate sum of fractional shares of less than one share arising as a result of the Share Consolidation, nor does the Tender Offeror perceive any possibility of such an event occurring in the future.

Accordingly, the Company has determined that the method by which the Tender Offeror secures funds for payment of the proceeds from the sale of the Company Shares corresponding to the aggregate sum of fractional shares of less than one share arising as a result of the Share Consolidation is reasonable.

- 4) Estimated timing of sale and estimated timing of delivery to shareholders of proceeds obtained from sale
After the Share Consolidation takes effect, the Company intends to file a petition with the court around February 2027 requesting permission to sell to the Tender Offeror the Company Shares equivalent to the aggregate sum of fractional shares of less than one share resulting from the Share Consolidation, based on the provisions of Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 235, paragraph (2) of the Companies Act. Although the timing for obtaining such permission may vary depending on circumstances of the court and other factors, the Company expects that, with the permission of the relevant court, it will sell the Company Shares to the Tender Offeror around March 2027, make the preparations necessary to deliver the proceeds obtained from such sale to shareholders, and deliver such proceeds to shareholders around April 2027, after completing such preparations.

Taking into account the period required for the successive procedures pertaining to the sale from the effective date of the Share Consolidation, the Company has determined that the sale of the Company Shares equivalent to the aggregate sum of the fractional shares of less than one share arising as a result of the Share Consolidation will be conducted and the proceeds obtained from such sale will be delivered to the shareholders at the respective times, as stated above.

- (3) Matters concerning the amount of money expected to be delivered to shareholders as a result of the treatment of fractional shares and the appropriateness of such amount

As stated above in “(1) Which of the provisions of Article 235, paragraph (1) of the Companies Act or Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 235, paragraph (2) is intended to be applied, and the reasons therefor” Under “(2) Matters concerning the method of handling fractional shares of less than one share, where such fractional shares are expected to arise (treatment of fractional shares),” the anticipated amount of money to be delivered to shareholders as a result of the treatment of fractional shares is scheduled to be an amount equal to the number of Company Shares held by the shareholders multiplied by ¥1,650, which is the same amount as the Tender Offer Price.

In view of the considerations below, the Company determined that the Tender Offer Price (¥1,650) is an appropriate price that can be reasonably assessed as adequately reflecting the intrinsic value of the Company Shares, that the other terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate, and that the Tender Offer provides the Company's general shareholders with a reasonable opportunity to sell the Company Shares.

- (A) The Tender Offer Price may be regarded as being at a reasonable level to a certain degree in light of the valuation results, because the price exceeds the upper limits of the valuation results ranges under the average market price method, the comparable company analysis method, and the DCF method with May 14, 2026 as the valuation reference date, among the valuation results of the Company's share value calculated by AGS FAS as stated in "1) Obtaining a share valuation report from an independent third-party appraiser by the Company" under "(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.," above.
- (B) The Tender Offer Price represents a discount of 4.07% to the closing price of the Company Shares of ¥1,720 on the Tokyo Stock Exchange Standard Market on August 4, 2026, the business day preceding the date of the announcement of the Tender Offer, a discount of 4.84% to the simple average closing price of ¥1,734 for the one-month period up to that date, a discount of 1.08% to the simple average closing price of ¥1,668 for the three-month period up to that date, and a premium of 13.32% to the simple average closing price of ¥1,456 for the six-month period up to that date, with each such premium level falling short of the premium levels in recent other-company transactions (Note). With the release of the Speculative Media Reports, however, the Tender Offer Price represents a premium of 37.61% to the closing price of the Company Shares of ¥1,199 on the Tokyo Stock Exchange Standard Market on May 14, 2026, preceding the date of the release of the Speculative Media Reports, as well as premiums of 38.42% to the simple average closing price of ¥1,192 for the one-month period up to that date, 35.02% to the simple average closing price of ¥1,222 for the three-month period up to that date, and 44.10% to the simple average closing price of ¥1,145 for the six-month period up to that date, respectively. Therefore, the Tender Offer Price may be regarded as sufficiently reasonable in that it is not deemed as being at a remarkably low level compared with the premium levels in recent other-company transactions.

(Note) The premium ratios were examined across 71 transactions, selected from among tender offer transactions premised on privatization announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and June 19, 2026, by excluding transactions where a tender offer was not yet completed or unsuccessful, transactions where the target company shares were listed on a REIT or TOKYO PRO Market, transactions involving self-tender offers, transactions where the target company was a subsidiary of the acquirer, transactions involving two-tier tender offers, transactions constituting management buyouts (MBOs), transactions involving competing offers, transactions where PBR was less than 1.0x prior to public announcement, and transactions involving speculative media reports. Accordingly, the median premiums in these transactions to the closing price on the business day preceding the announcement date, and to the simple average closing prices for the one-month period, the three-month period, and the six-month period up to that date, were 38.99%, 41.51%, 44.49%, and 44.69%, respectively.

- (C) The price of the Company Shares surged during the period immediately following the Speculative Media Reports (notably, while the closing price of the Company Shares was ¥1,199 on May 14, 2026, the closing price was ¥1,499 on May 15, the next business day after the Speculative Media Reports, and ¥1,699 on May 18, the second business day after the Speculative Media Reports, representing significant increases of 25.02% and 41.70%, respectively, to the closing price on May 14, 2026), and the share price remains at an elevated level even now after more than two and a half months have elapsed since the Speculative Media Reports. Accordingly, the assessment that the price of the Company Shares following the Speculative Media Reports excessively reflected expectations in regard to privatizing the Company Shares, rather than reflecting changes in the Company's business or financial status, is not deemed to be unreasonable. Furthermore, the fact that the Tender Offer Price represents an amount at a discount to the closing price on the reference date, the simple average closing price for the one-month period up to the reference date, and the simple average closing price for the three-month period up to the reference date, when taking the

business day preceding the date of the scheduled announcement of the Tender Offer as the reference date, is deemed as not undermining the fairness and appropriateness of the Tender Offer Price.

- (D) The Tender Offer Price substantially exceeds the net assets per share (¥520.94 (rounded off to two decimal places)), which is calculated based on the net assets (¥8,687 million), the total number of issued shares (17,039,400 shares), and the number of treasury shares held by the Company (363,863 shares) as of June 30, 2026.
- (E) The Tender Offer Price is a price agreed upon between the Company and the Tender Offeror under the substantive involvement of the Special Committee after measures to ensure the fairness of the transaction terms and conditions regarding the Transaction including the Tender Offer Price were fully implemented by the Company, as stated in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.,” above.
- (F) The Special Committee has expressed an opinion in the Written Report to the effect that it recognizes the fairness of the terms and conditions of the Transaction, as stated in “4) Establishment of an independent special committee at the Company and obtaining a written report from an independent special committee” under “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.,” above.
- (G) Measures to ensure the fairness of the Tender Offer have been implemented, and it is recognized that consideration has been given to the interests of the Company’s general shareholders, as stated in “(1) Matters taken into consideration to avoid harming the interests of shareholders other than the parent company, etc., if there is a parent company, etc.,” above.

In addition, at the meeting of its Board of Directors held on August 5, 2026, the Company resolved to express an opinion in support of the Tender Offer, while taking a neutral stance regarding whether to tender shares in the Tender Offer and leaving that decision to the judgment of the Company’s shareholders. The Company has subsequently confirmed that no material change has occurred with respect to the terms and conditions forming the basis for calculating the Tender Offer Price up to the time of the resolution adopted at the meeting of the Board of Directors held on October 9, 2026, which resolved to convene the Extraordinary General Meeting of Shareholders.

Based on the foregoing, the Company has determined that the anticipated amount of money to be delivered to shareholders as a result of the treatment of fractional shares is reasonable.

4. Disposal of Important Assets, Assumption of Significant Debts, or Other Events Materially Affecting the Status of Company Assets That Occurred at the Company After the End of the Most Recent Fiscal Year

(1) Completion of the Tender Offer

As described in “1. Reasons for Conducting a Share Consolidation” above, the Tender Offeror conducted the Tender Offer with the Tender Offer Period from August 6, 2026 to September 17, 2026. As a result of the Tender Offer and the Parallel Purchase, as of September 29, 2026, the commencement date of settlement for the Tender Offer, the Tender Offeror came to own 9,075,502 Company Shares (ownership ratio: 54.42%).

(2) Commencement of the Self-Tender Offer

As announced in the Press Release on the Planned Commencement of the Self-Tender Offer, the Company plans to commence the Self-Tender Offer around mid-November 2026, subject to the approval of the resolution regarding the Share Consolidation at this Extraordinary General Meeting of Shareholders.

(3) Cancellation of treasury shares

At the meeting of its Board of Directors held on October 9, 2026, the Company resolved to cancel all of its treasury shares effective January 14, 2027. The cancellation of such treasury shares is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at this Extraordinary General Meeting of Shareholders, as well as the implementation and successful completion of the Self-Tender Offer.

(4) Recognition of operating revenue

As announced in the “Notice Regarding Recognition of Dividend Income from a Consolidated Subsidiary” published on September 18, 2026, the Company recognized ¥2.9 billion in operating revenue in connection with a dividend of surplus received from a consolidated subsidiary.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the Proposal

- (1) If Proposal No. 1 is approved and adopted as originally proposed and the Share Consolidation comes into effect, the total number of shares authorized to be issued by the Company will be reduced to 16 shares pursuant to Article 182, paragraph (2) of the Companies Act. In order to clarify this point, the Company proposes to amend Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation, subject to the Share Consolidation coming into effect.
- (2) If Proposal No. 1 is approved and adopted as originally proposed and the Share Consolidation comes into effect, the total number of issued shares of the Company will be four shares, and it will no longer be necessary to specify the number of shares constituting one share unit. Accordingly, in order to abolish the provisions concerning the number of shares constituting one share unit of the Company Shares, which is currently 100 shares per share unit, the Company proposes to delete Article 7 (Number of Shares per Share Unit) and Article 10 (Rights of Shareholders Holding Shares Constituting Less Than One Unit) of the Articles of Incorporation in their entirety and renumber the subsequent articles accordingly in connection with such change, subject to the Share Consolidation coming into effect.
- (3) If Proposal No. 1 is approved and adopted as originally proposed, the Company Shares are expected to be delisted in connection with the Share Consolidation, and the Tender Offeror and HTIO are expected to become the only shareholders of the Company. Accordingly, the provisions concerning the system for providing informational materials for the general meeting of shareholders in electronic format will no longer be necessary. Therefore, the Company proposes to delete Article 16 (Measures, etc. for Providing Information in Electronic Format) of the Articles of Incorporation in its entirety and renumber the subsequent articles accordingly in connection with such change, subject to the Share Consolidation coming into effect.
- (4) If Proposal No. 1 is approved and adopted as originally proposed, the Company Shares are expected to be delisted, and following the delisting, the Company Shares will no longer be tradable on the Tokyo Stock Exchange Standard Market or the Sapporo Securities Exchange Main Market. Accordingly, the Company proposes to delete Article 35 (Acquisition of Treasury Shares) of the Articles of Incorporation in its entirety and renumber the subsequent articles accordingly in connection with such change, subject to the Share Consolidation coming into effect.

2. Amendment Details

The amendment details are as follows. The amendment to the Articles of Incorporation shall take effect on January 15, 2027, the effective date of the Share Consolidation, subject to Proposal No. 1 being approved and adopted as originally proposed at this Extraordinary General Meeting of Shareholders and the Share Consolidation coming into effect.

(Amendments are indicated with underlining.)

Current Articles of Incorporation	Proposed amendments
(Total Number of Authorized Shares) Article 6. The total number of authorized shares of the Company shall be <u>39,932,000</u> . <u>(Number of Shares per Share Unit)</u> <u>Article 7.</u> <u>The number of shares per share unit of the Company shall be 100.</u> Articles <u>8.</u> to <u>9.</u> (Omission of article text) <u>(Rights of Shareholders Holding Shares Constituting Less Than One Unit)</u>	(Total Number of Authorized Shares) Article 6. The total number of authorized shares of the Company shall be <u>16</u> . (Deleted) Articles <u>7.</u> to <u>8.</u> (Same as current)

Current Articles of Incorporation	Proposed amendments
<u>Article 10.</u> <u>A shareholder holding shares constituting less than one unit of the Company may not exercise any rights other than the rights listed below.</u> <u>1. Rights that may not be restricted by the Articles of Incorporation pursuant to laws and regulations</u> <u>2. The right to receive an allotment of shares for subscription and share acquisition rights for subscription by way of allotment to shareholders</u> Articles <u>11.</u> to <u>15.</u> (Omission of article text) <u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 16.</u> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> Articles <u>17.</u> to <u>34.</u> (Omission of article text) <u>(Acquisition of Treasury Shares)</u> <u>Article 35.</u> <u>The Company may acquire treasury shares through market transactions, etc. by resolution of the Board of Directors.</u> Article <u>36</u> (Omission of article text)	(Deleted) Articles <u>9.</u> to <u>13.</u> (Same as current) (Deleted) Articles <u>14.</u> to <u>31.</u> (Same as current) (Deleted) Article <u>32</u> (Same as current)