



[Translation]

November 30, 2021

To whom it may concern:

Company Name: DAIBIRU CORPORATION

Name of Representative: Toshiyuki Sonobe

Representative Director, President  
Chief Executive Officer

(Securities Code: 8806, the First  
Section of the Tokyo Stock  
Exchange)

Contact: Hidekazu Taga, Executive Officer,  
General Manager of Corporate  
Planning Department

(Tel: 06-6441-1937)

**Announcement of Opinion Supporting Tender Offer for Shares in the Company  
by Mitsui O.S.K. Lines, Ltd., the Controlling Shareholder, and Recommendation  
for our Shareholders to Tender their Shares in Tender Offer**

DAIBIRU CORPORATION (the “**Company**”) hereby announces as follows that it decided at its board of directors meeting held today to express its opinion supporting the tender offer (the “**Tender Offer**”) for the common stock in the Company (the “**Company Shares**”) by Mitsui O.S.K. Lines, Ltd. (the “**Tender Offeror**”), which is a controlling shareholder (parent company) of the Company, and to recommend that its shareholders tender their shares in the Tender Offer.

The above resolution of the Company’s board of directors meeting was made on the premise that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror and that the Company Shares will be delisted through the Tender Offer and procedures to be taken thereafter (collectively, the “**Transactions**”).

**1. Outline of the Tender Offeror**

(1) Name	Mitsui O.S.K. Lines, Ltd.
(2) Location	1-1, Toranomom 2-chome, Minato-ku, Tokyo

(3) Title and name of representative	Takeshi Hashimoto, Representative Director, President Chief Executive Officer																									
(4) Type of business	Shipping business through which the Tender Offeror transports cargo on a global scale with irregular ships, various specialized ships, tankers, LNG carriers, and containerships and collects fare, ship lease, operation fee, and the like, offshore business, warehouse business, and the real estate leasing business																									
(5) Stated capital	65,400 million yen																									
(6) Date of incorporation	December 28, 1942																									
(7) Principal shareholders and shareholding ratios (As of September 30, 2021)	<table border="1"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>14.93%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>7.74%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>2.50%</td> </tr> <tr> <td>Mitsui Sumitomo Insurance Company, Limited</td> <td>2.35%</td> </tr> <tr> <td colspan="2">MSIP CLIENT SECURITIES</td> </tr> <tr> <td>(Standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</td> <td>1.61%</td> </tr> <tr> <td>Sumitomo Mitsui Trust Bank, Limited</td> <td>1.24%</td> </tr> <tr> <td colspan="2">THE BANK OF NEW YORK MELLON 140044</td> </tr> <tr> <td>(Standing proxy: Mizuho Bank, Ltd., Settlement &amp; Clearing Services Department)</td> <td>1.18%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>1.17%</td> </tr> <tr> <td>JAPAN SECURITIES FINANCE CO., LTD.</td> <td>1.08%</td> </tr> <tr> <td>Goldman Sachs Japan Co., Ltd. BNYM</td> <td>1.04%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd. (Trust Account)	14.93%	Custody Bank of Japan, Ltd. (Trust Account)	7.74%	Sumitomo Mitsui Banking Corporation	2.50%	Mitsui Sumitomo Insurance Company, Limited	2.35%	MSIP CLIENT SECURITIES		(Standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	1.61%	Sumitomo Mitsui Trust Bank, Limited	1.24%	THE BANK OF NEW YORK MELLON 140044		(Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.18%	Mizuho Bank, Ltd.	1.17%	JAPAN SECURITIES FINANCE CO., LTD.	1.08%	Goldman Sachs Japan Co., Ltd. BNYM	1.04%
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	<p>corporate auditors of the Company, Mr. Hideo Horiguchi formerly worked for the Tender Offeror.</p> <p>In addition to the foregoing, as of the date hereof, one employee of the Tender Offeror has been seconded to the Company, and one employee of the Company has been seconded to the Tender Offeror.</p>
Business relationship	The Company Group (Note 2) leases the buildings owned by the Company to the Tender Offeror Group (Note 3).
Status as a related party	The Tender Offeror is a parent company of the Company; therefore, the Tender Offeror and the Company constitute related parties with respect to each other.

Note 1: **“Ownership ratio”** means the percentage (rounded up or down to the nearest two decimal places; the same applies to statements regarding ownership ratios below unless otherwise stipulated) of the difference (114,683,767 shares) of the total number of issued shares of the Company as of September 30, 2021 (115,051,049 shares) stated in the “Q2 Report for the 150th fiscal year” filed by the Company on November 12, 2021 (the **“Company’s Quarterly Report”**) less the number of treasury shares held by the Company as of that date (367,282 shares).

Note 2: **“The Company Group”** collectively refers to the Company and its consolidated affiliates. The same applies below. As of September 30, 2021, the Company Group consists of 15 consolidated affiliates (all of which are consolidated subsidiaries).

Note 3: **“The Tender Offeror Group”** collectively refers to the Tender Offeror and its consolidated affiliates. The same applies below. As of September 30, 2021, the Tender Offeror Group consists of the Tender Offeror and 481 consolidated affiliates (including the Company, 369 consolidated subsidiaries and 112 equity-method affiliates) of the Tender Offeror.

## 2. Price of Tender Offer

2,200 yen per share of common stock of the Company (the **“Tender Offer Price”**)

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

### (1) Details of Opinion

The Company decided at its board of directors meeting held today to express its opinion supporting the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer pursuant to the grounds and reasons stated in “(2) Grounds and Reasons for the Opinion on the Tender Offer” below.

The resolution at the board of directors meeting above was made in accordance with the method stated in “(H) Approval of All Disinterested Directors of the Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Company” in

“(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for the Opinion on the Tender Offer

The statements regarding the Tender Offeror in this paragraph are based on explanations by the Tender Offeror.

(A) Outline of the Tender Offer

As of today, the Tender Offeror holds 59,527,766 shares (ownership ratio: 51.91%) of the Company Shares that are listed on the First Section of the Tokyo Stock Exchange, Inc. (the “TSE”) and the Company is a consolidated subsidiary of the Tender Offeror.

The Tender Offeror decided at its board of directors meeting held on November 30, 2021 to implement the Tender Offer as part of the Transactions by acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror or treasury shares held by the Company; the same applies below).

Since the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 16,928,034 shares (ownership ratio: 14.76%), and if the total number of Share Certificates, Etc. tendered in the Tender Offer (the “**Tendered Share Certificates, Etc.**”) is less than the minimum number of shares to be purchased, the Tender Offeror will not conduct the purchase, etc. of any of the Tendered Share Certificates, Etc. On the other hand, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased, the Tender Offeror shall conduct the purchase, etc. of all of the Tendered Share Certificates, Etc.

In order to steadily implement the Transactions, the minimum number of shares to be purchased (16,928,034 shares) is set so that the Tender Offeror would hold two-thirds of the number of voting rights of all the shareholders of the Company after the successful completion of the Tender Offer because the Tender Offeror intends to make the Company a wholly-owned subsidiary, and the implementation of procedures of the share consolidation (the “**Share Consolidation**”) of the Company Shares pursuant to Article 180 of the Companies Act necessary to make the Company a wholly-owned subsidiary as stated in “(B) Share Consolidation” in “(5) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the “Two-Step Acquisition”)” below requires the special resolution at a shareholders’ meeting prescribed in Article 309, Paragraph (2) of the Companies Act. The minimum number of shares to be purchased (16,928,034 shares) is the number of shares calculated by multiplying (i) the number of voting rights (764,558 voting rights) equivalent to two-thirds of the number of voting rights (1,146,837 voting rights) represented by the number of shares (114,683,767 shares) equal to the total number of issued shares of the Company as of September 30, 2021 (115,051,049 shares) stated in the Company’s Quarterly Report, minus the number of treasury shares held by the Company as of that date (367,282 shares), by (ii) one unit of the Company Shares (100 shares) (76,455,800 shares), then subtracting the number of the Company Shares held by the Tender Offeror (59,527,766 shares). Since the Tender Offer Price is the share price of the Company to which enough premium is added as stated in “(i) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the

Tender Offer” in “(B) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” below, the Tender Offeror judges that the shares that exceeds the minimum number of shares to be purchased (16,928,034 shares) will be deemed to be tendered in the Tender Offer and does not execute an agreement on tendering the shares in the Tender Offer between particular shareholders upon conducting the Tender Offer.

Since the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer, the Tender Offeror intends to acquire all of the Company Shares by implementing the series of procedures (the “**Squeeze-Out Procedures**”) stated in “(5) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the “Two-Step Acquisition”)” below to become the sole shareholder of the Company.

If the Tender Offer is successfully completed, the Tender Offeror plans to cover funds required for the settlement pertaining to the Tender Offer by the Business Day immediately preceding the commencement date of that settlement by borrowing funds up to 123 billion yen from Sumitomo Mitsui Banking Corporation. No collateral will be provided with respect to that borrowing.

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

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

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

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

the Nagoya Stock Exchange in May 2017, and is currently listed on the First Section of the TSE.

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

- I. Dry Bulker Transport: The Tender Offeror Group owns and operates dry bulkers (see Note 1) (excluding coal carriers which transport coal for power plants) with which it transports cargo around the globe.
- II. Energy Transport: The Tender Offeror Group owns and operates coal carriers (which transport coal for power plants), tankers, offshore business, LNG carriers, and other ships with which it transports cargo around the globe.
- III. Product Transport: The Tender Offeror Group owns and operates car carriers (see Note 2) with which it transports cargo around the globe. They also provide total logistics solutions including owning and operating container ships, container terminals operation, air and ocean freight forwarding (see Note 3), trucking, warehousing, and heavyweight and oversized cargo transport. The Tender Offeror's consolidated affiliates MOL Ferry Co., Ltd. and Ferry Sunflower Limited operate ferries for passenger and freight transport, mainly on Japan's Pacific coast and Seto Inland Sea.
- IV. Associated Businesses: In addition to the real estate business mainly centered on the Company, the Tender Offeror Group operates passenger cruises, tugboats, general trading (including the sale of fuel, shipbuilding materials, and machinery), and other businesses.
- V. Other: The Tender Offeror Group operates businesses including ship management (for ships other than tankers and LNG carriers), finance (for group-internal financing), information services, accounting, and maritime business consulting, through its consolidated affiliates including MOL Ship Management Co., Ltd.

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

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

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

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

The Company was established in October 1923 as Osaka Building Co., Ltd., a joint venture between Osaka Shosen Kaisha, Ujigawa Denki Kabushiki Kaisha, and Nippon Denryoku Kabushiki Kaisha, and changed its name to Osaka Tatemono Co., Ltd. in October 1945. It listed on the OSE in December 1950 and the First Section of the TSE in December 1983, and adopted its current trade name in January 1992. The Company delisted from the OSE upon the merger of the TSE and the OSE in July 2013, and is currently listed solely on the First Section of the TSE.

As of September 30, 2021, the Company has 15 consolidated affiliates (all of which are consolidated subsidiaries). The Company Group's main business is office building leasing, and its aim is to provide high-quality, customer-focused office spaces and contribute to the development of economic society while improving profits and corporate value, under the corporate principles of "constructing buildings, creating towns, and pioneering the new era." The Company Group's business is classified into three business segments – Leasing, Facility Management, and Other – and outline of each business is as follows.

I. Leasing: The Company and its consolidated subsidiaries own and lease out office buildings, hotels, apartments, and other land and buildings.

II. Facility Management: The Company's consolidated subsidiaries undertake building management for buildings owned by the Company and buildings, etc. and other than those owned by the Company.

III. Other: The Company and its consolidated subsidiaries conduct design and supervision, construction, and construction management for the construction of buildings and facilities.

The capital relationship between the Company and the Tender Offeror is as follows. Osaka Shosen Kaisha, one of the precursors of the Tender Offeror, established the Company in October 1923 as a joint venture with Ujigawa Denki Kabushiki Kaisha and Nippon Denryoku Kabushiki Kaisha (then under the trade name of Osaka Building Co., Ltd.), and as of September 30, 2004, the Tender Offeror held 32,235,531 shares of the Company Shares (shareholding ratio (meaning the ratio of the total issued shares of the Company excluding treasury shares represented by the Company Shares held at a given time, rounded to two decimal places; the same applies to references to "shareholding ratio" below in this paragraph) as of September 30, 2004: 27.62%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 143,397 shares). The Tender Offeror conducted a tender offer for the Company Shares in September 2004 for the purpose of clarifying the Company's status as a member of the Tender Offeror Group in order to strengthen the corporate group and promote group operations, especially in the core business area of shipping (tender offer period: September 15 to October 14, 2004; maximum number of shares to be purchased: 27,300,000 shares; minimum number of shares to be purchased: N/A); as of October 21, 2004, the Tender Offeror acquired 27,300,000 shares of the Company Shares, bringing its shareholding to 59,535,531 shares (shareholding ratio as of October 15, 2004: 51.01%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 145,674 shares), and making the Company a consolidated subsidiary of the Tender Offeror. On March 24, 2006, the Tender Offeror's shareholding was reduced to 59,527,766 shares of the Company Shares

(shareholding ratio as of March 24, 2006: 51.03%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 205,873 shares) through the exercise of put option rights with respect to shares of less than one unit by Tender Offeror, and it holds 59,527,766 shares of the Company Shares (ownership ratio: 51.91%) as of today.

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

The Tender Offeror Group's core business area of shipping is cyclical by nature due to demand being strongly affected by fluctuations in the market and the broader economy, and its position in the medium- to long-term is subject to uncertainties, including profit instability, due to the effects of decarbonization – particularly the decreasing demand for transportation of fossil fuels like coal and oil, the switch from heavy fuel oil to LNG and other clean alternatives which will require additional investment to refit ships, and the variability of alternative fuel prices. In this context, the Tender Offeror believes that making the Company a wholly-owned subsidiary of the Tender Offeror will increase the proportion of its portfolio that is represented by the real estate business – which has different properties and a different business cycle to the shipping business – and reduce the Tender Offeror Group's dependence on traditional shipping, and to reinforce its business and allow consistent, and stable earnings, and will also diversify its access to new business areas by enabling it to leverage the strengths and network that the Tender Offeror Group has built up in the shipping business. In addition, the real estate business in which the Company Group operates has many similarities to the shipping business, and will allow the Tender Offeror Group to leverage its strengths, including its expertise, experience regarding different countries' business practices and economies, and its long relationships with local companies to expand its business in countries around the world. Shipping and real estate



share aspects such as the acquisition and holding of assets on a long-term basis with consideration for market conditions, and both involve providing services to users even though the details of the business differ; given the many points of similarity between its main business of shipping and real estate, the Tender Offeror Group will be able to utilize its management know-how from shipping, including in the building of service provision systems, in this new business area. By making the Company a wholly-owned subsidiary of the Tender Offeror, the two companies will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company. Through such collaboration and the sharing of networks between the Company Group and the Tender Offeror Group, the Tender Offeror Group expects to be able to utilize each other's expertise and management resources and improve its overall asset efficiency and expand its investments into logistics facilities and other related real estate, and high-growth overseas real estate.

The Tender Offeror believes that, if the Company becomes a wholly-owned subsidiary of the Tender Offeror, the Company Group will be able to make swifter decisions without concern for the effects of temporary increases in investment burdens and short-term decreases in performance on the shareholders, and the two companies will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company, which will allow them to implement growth strategies with a stronger focus on the medium- to long-term. The Company Group's main business of office building leasing may likely face ongoing hurdles, including in the balance of supply and demand, due to the economic effects of the Covid-19 pandemic and the associated changes in work styles. However, if the Company becomes a wholly-owned subsidiary of the Tender Offeror after the Transactions, the Company Group will no longer have to consider the effect of temporary increases in investment burden or short-term dips in performance on the general shareholders of the Company, and will therefore be able to make growth investments in office buildings and implement proactive environmental strategies with a medium- to long-term focus that goes beyond short-term performance and profits. In addition, under its current medium-term management plan "Design 100" Project Phase-II ("**Phase-II**"), which it formulated as of April 27, 2018 and which will remain in place for the five-year period from April 2018 through March 2023, the Company group's main policies include "Investment in high-end office properties in CBD" and "Expansion of investment targets," and it will be able to make swifter decisions and continue to pursue domestic redevelopment projects and other project after the Transactions by further leveraging the management resources of the Tender Offeror Group such as networks and capital, in the absence of the former restrictions to maintain independence as a listed company. At the same time, the Company Group will be able to consider large-scale, diverse new development investments and strategic alliances that will contribute to its growth, such as expanding into real estate areas that are linked to the logistics business of the Tender Offeror Group, and that related to the decarbonization business encouraged under the Tender Offeror Group's management plan (Rolling Plan 2021; the "**Rolling Plan**"), which it announced on April 5, 2021 and which will remain in place for FY 2021 and the MOL Group Environmental Vision 2.1. The Company Group's overseas business in Vietnam and Australia will also be able to leverage the overseas personnel and other resources, and global information network of the Tender Offeror Group to acquire and develop properties that match the Tender Offeror Group's business strategy and the Rolling Plan and to deliberate and execute alliances with other companies, enabling the expansion

of its business into overseas regions where the office market is expected to grow in the future. The Tender Offeror Group's relationships with financial institutions and other partners and financing methods can also be used to help the Company Group acquire the necessary financing for the above growth investments and environmental strategies, and the Tender Offeror Group's credit lines can be used to source funds even for large investments.

The Tender Offeror has managed the Company as a member of the Tender Offeror Group and achieved synergies while respecting the Company's independence as a listed company since acquiring it as a consolidated subsidiary on October 15, 2004. However, the Tender Offeror has carefully considered the capital relationship between the Tender Offeror Group and the Company Group since its acquisition as a consolidated subsidiary, given that there is currently a limit on how far customer bases, business bases, financial bases, and other management resources can be shared and optimized between to implement the above measures from the standpoint of maintaining independence as a listed company. The Tender Offeror believes that if the Company's listing is maintained, it will be difficult to carry out the initiatives that the Tender Offeror intends to carry out after the Tender Offer as described in the preceding two paragraphs, including: growth investment and proactive environmental strategy related to office buildings; leveraging the network and management resources of the Tender Offeror Group; diverse, large-scale new business investments and strategic alliances including expansion into real estate areas related to the logistics business of the Tender Offeror Group; expansion of the overseas business in regions where the office market is expected to grow; and financing using the Tender Offeror's credit lines. The Tender Offeror believes that while the above initiatives will contribute to the medium- to long-term corporate value of the Company Group, they may cause investment increases and instability in the Company Group's performance in the short term, and it is therefore anticipated that the Company's management strategy may not necessarily align with the interests of its existing general shareholders in the short term. After formulating the Rolling Plan, which was announced on April 5, 2021, the Tender Offeror accelerated its internal deliberations of the capital relationship between itself and the Company with a view to achieving those initiatives and the implementation of growth strategies and management strategies for the Company with a medium- to long-term view. As a result, in early August 2021, the Tender Offeror concluded that making the Company a wholly-owned subsidiary of the Tender Offeror and making the Tender Offeror the only shareholder of the Company is the most appropriate way of consolidating the management of the Tender Offeror Group, including the Company Group, and achieving the above initiatives, and is the best choice for enhancing the corporate value of both the Tender Offeror Group and the Company Group. The Tender Offeror believes, with respect to eliminating the dual listing of parent and subsidiary, that making the Company a wholly-owned subsidiary through the Tender Offer is consistent with recent trends in group governance discussion demanding greater fairness and transparency in the governance of listed companies (notably the Ministry of Economy, Trade and Industry's publication of the "Practical Guidelines for Corporate Governance Systems" on June 28, 2019).

Based on this understanding, in early August 2021, the Tender Offeror appointed Goldman Sachs Japan Co., Ltd. ("**Goldman Sachs**") as its financial advisor and Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror Group and the Company Group, and began deliberating the Transactions in earnest. The Tender Offeror, having concluded that it would be appropriate to offer the minority shareholders of the Company a reasonable opportunity to sell their shares by acquiring the Company Shares through a

tender offer as part of the Transactions, initially approached the Company on August 31, 2021 indicating that the Transactions would be conducted through the Tender Offer and requesting to begin discussions between the Tender Offeror and the Company with respect to the possibility and conditions of the Transactions, and the two companies agreed to begin discussions. Following that, the Tender Offeror received the Company's business plan for the Y.E. March 2022 through the Y.E. March 2028 (the "**Company's Business Plan**") from the Company on September 16, 2021 and received an explanation from the Company regarding the Company's Business Plan on September 22, 2021. On September 30, 2021, following comprehensive consideration of the inherent corporate value of the Company based on analyses including the market share price analysis of the Company Shares and financial forecast model analysis based on the Company's Business Plan, and the possibility of endorsement of the Tender Offer by the Company and the prospect of successful completion of the Tender Offer, the Tender Offeror made a formal proposal to the Company regarding the Transactions, including deciding on Tender Offer Price of 2,000 yen per share. On October 18, 2021, the Company requested that the Tender Offeror reconsider the content of its proposal because the premium offered over the market price of the Company Shares was not sufficient in comparison to similar transactions where a controlling shareholder made the target a wholly-owned subsidiary and the price could not be considered reasonable in light of the results of the share valuations conducted by the financial advisor of the Company and its special committee, and on October 27 the Tender Offeror made a proposal to set the Tender Offer Price at 2,050 yen. However, on November 8, the Company again requested that the Tender Offeror reconsider its proposal for the same reasons as above. On November 17, the Tender Offeror made a final proposal with a Tender Offer Price of 2,100 yen per share. On November 24, the Company proposed raising the Tender Offer Price to 2,200 yen for the same reasons as above. On November 25, the Tender Offeror accepted the Company's proposal provided that the board of directors of the Company resolves to support the Tender Offer and recommend that the general shareholders of the Company tender their shares in the Tender Offer, and that no matter occurs or is discovered on or before the date of the announcement of the Tender Offer that would have a material adverse effect on the decision to implement the Tender Offer.

As described above, at the board of directors meeting held on today, the Tender Offeror resolved to implement the Tender Offer for the purpose of making the Company a wholly-owned subsidiary of the Tender Offeror, considering legal advice from Mori Hamada & Matsumoto, and advice from a financial point of view from Goldman Sachs and a financial analysis report dated November 30, 2021 ("**the Analysis Report (GS)**") received from Goldman Sachs, after confirming based on public information and confirmation with the Company that no matter had occurred or been discovered between November 24 and November 30 that would have a material adverse effect on the decision of the Tender Offeror, and on the condition that the board of directors of the Company resolves to support the Tender Offer and recommend that the general shareholders of the Company tender their shares in the Tender Offer. For an outline of the Analysis Report (GS), see "(ii) Overview of the Valuation Report" in "(C) Procurement by the Tender Offeror of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser" in "(3) Matters Related to Valuation" below.

(ii) Management Policy After Conducting the Tender Offer

After the Transactions, the Tender Offeror assumes that it will work to speed up decision-making and coordination within the Tender Offeror Group, including the Company, and to

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

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

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

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

After being initially approached by the Tender Offeror regarding the Transactions on August 31, 2021, to positively deliberate on the Transactions, the Company formed the Special Committee (defined below) by a resolution of the board of directors meeting of the Company held on September 16, and then agreed to proceed with the consultation with the Tender Offeror and began specific consultations between the staff of the Company and the Tender Offeror regarding the Transactions as described in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” above. When beginning discussions with the Tender Offeror with respect to the Transactions, in light of the fact that the Company is a consolidated subsidiary of the Tender Offeror and the Transactions therefore constitute transactions which typically have problems including a structural conflict of interest and information asymmetry, in early September 2021 the Company appointed Nomura Securities Co., Ltd. (“**Nomura Securities**”) as its financial advisor and third-party appraiser and Anderson Mori & Tomotsune (“**Anderson Mori & Tomotsune**”) as its legal advisor independent of the Company and the Tender Offeror in order to address those problems, and immediately began constructing a system to deliberate, negotiate and make decisions regarding the Transactions from the perspective of enhancing the corporate value of the Company Group and protecting the interests of the Company's general shareholders, from a standpoint independent of the Tender Offeror, based on the advice of that law firm.

Specifically, the Company began preparations toward establishing a special committee comprising its outside directors and outside Audit & Supervisory Board Members in early September 2021, and established a four-member special committee consisting of Mr. Atsushi Oi (Outside Director of the Company), Mr. Atsushi Miyano (Outside Director of the Company), Mr. Shigeki Taenaka (Outside Audit & Supervisory Board Member of the Company), and Mr. Tomoyuki Nishida (Outside Audit & Supervisory Board Member of the Company) (the “**Special Committee**”) by a resolution of its board of directors meeting held on September 16, 2021 (for details, see “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the

Special Committee” in “(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below), and asked the Special Committee (i) whether the objectives of the Transactions are appropriate and reasonable (including whether the Transactions will contribute to enhancing the corporate value of the Company), (ii) whether the fairness and appropriateness of the terms of the Transactions (including the purchase, etc. price in the Tender Offer) is ensured, (iii) whether sufficient consideration has been made for the interests of the shareholders of the Company, by fair procedures, in connection with the Transactions, (iv) whether, in addition to (i) through (iii) above, the decision of the Company’s board of directors with respect to the Transactions is not disadvantageous to the minority shareholders of the Company, and (v) whether the Company’s board of directors should support the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer (collectively, the “**Consulted Matters**”). In addition, when establishing the Special Committee, the Company’s board of directors gave the Special Committee the status of an organ of the Company independent of the board of directors, and resolved that (i) the decision-making of the Company’s board of directors with respect to the Transactions will respect the content of the Special Committee’s judgment as delegated by the Company’s board of directors, and that in particular, if the Special Committee judges the terms of the Transactions to be inappropriate, the Company’s board of directors will not support the Transactions under those terms, (ii) when negotiating the Tender Offer Price and other terms of the Transactions with the Tender Offeror, the Company will make timely reports to the Special Committee and receive its opinions, instructions and requests at important junctures, (iii) the Special Committee may, as it considers necessary, appoint its own attorneys-at-law, valuation organization, certified public accountants, financial advisors, and other advisors at the Company’s cost, (iv) the Special Committee may conduct investigations in connection with its duties (including asking questions and requesting explanations and advice from the officers and employees of the Company connected to the Transactions and the advisors of the Company connected to the Transactions, regarding matters of necessity for the Special Committee’s duties) at the Company’s cost, and (v) the Company grants to the Special Committee the authority to negotiate directly with the Tender Offeror regarding the Tender Offer Price and other terms of the Transactions, as necessary (with respect to the board of directors resolution, see “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” in “(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” in “(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, using the powers described above, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor, and Plutus Consulting Co., Ltd. (“**Plutus**”) as its own financial advisor on September 16, 2021.

As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” in “(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, it was confirmed at the first meeting of the Special Committee on September 16, 2021 that there are no problems with respect to the independence and expertise of Nomura Securities as the financial advisor and

third-party valuation organization of the Company and Anderson Mori & Tomotsune as the legal advisor of the Company, and the Company received approval for their appointment.

In addition, the Tender Offeror constructed an internal system to deliberate, negotiate and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror (including the extent of involvement and duties of officers and employees of the Tender Offeror in deliberation, negotiation, and decision-making regarding the Transactions), and received the Special Committee's confirmation to the effect that there are no problems from the perspective of the independence or fairness of that deliberation system (for the details of that deliberation system, see "(G) Establishment of an Independent Structure for Review at the Company" in "(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

(ii) Background of Deliberation and Negotiation

The Company received a report on the results of valuation of the Company Shares and advice on the negotiation policy with the Tender Offeror and other advice from a financial standpoint from Nomura Securities, and guidance on measures to ensure the fairness of procedures related to the Transactions and other legal advice from Anderson Mori & Tomotsune, based on which it carefully deliberated the merits of the Transactions and the appropriateness of the transaction terms.

After receiving an initial proposal from the Tender Offeror on August 31, 2021, and forming the Special Committee by a resolution of the board of directors meeting of the Company held on September 16, the Company consulted and negotiated with the Tender Offeror on an ongoing basis regarding the terms of the Transactions. Specifically, on September 30, the Company received a proposal from the Tender Offeror for a Tender Offer Price of 2,000 yen per share. On October 18, the Company requested that the Tender Offeror reconsider the Tender Offer Price because the premium offered on the share price of the Company Shares is not sufficient compared to other similar transactions to the Transactions in which a controlling shareholder makes the Company its wholly owned subsidiary, and the Tender Offer Price cannot be considered reasonable in light of the results of share valuation by the financial advisor of the Company and its special committee, and on October 27 it received a proposal from the Tender Offeror for a Tender Offer Price of 2,050 yen per share. On November 8, the Company again requested that the Tender Offeror reconsider its proposal for the same reasons as above. On November 17, the Company received a final proposal from the Tender Offeror for a Tender Offer Price of 2,100 yen per share. On November 24, the Company made a counter-offer requesting that the Tender Offer Price be increased to 2,200 yen for the same reasons as above, and the Tender Offeror responded on November 25 to the effect that it would accept that counter-offer on the condition that that the board of directors of the Company resolves to support the Tender Offer and recommend that the general shareholders of the Company tender their shares in the Tender Offer, and that no matter occurs or is discovered on or before the date of the announcement of the Tender Offer that would have a material adverse effect on the decision of the Tender Offeror. On November 29, the parties agreed on a Tender Offer Price of 2,200 yen per share, subject to approval by the Special Committee at the Company's board of directors meeting to be held on November 30, 2021.

(iii) Determinations

Based on the above background, at its board of directors meeting held on today, the Company carefully discussed and deliberated the series of procedures involved in the Transactions including the Tender Offer and the terms of the Transactions, concerning whether the Transactions would contribute to enhancing the corporate value of the Company and whether the terms of the Transactions, including the Tender Offer Price, are appropriate, based on the legal advice received from Anderson Mori & Tomotsune, the advice from a financial standpoint and the content of the report on the results of valuation of the Company Shares dated November 29, 2021 (the “**Share Valuation Report (Nomura Securities)**”) received from Nomura Securities, and the content of the share valuation report dated November 29, 2021 (the “**Share Valuation Report (Plutus)**”) and opinion on the rationality of the Tender Offer Price from a financial standpoint (the “**Fairness Opinion**”) prepared by Plutus that it received from the Special Committee, and while respecting the content of the committee report submitted by the Special Committee (the “**Committee Report**”) to the maximum possible extent.

As a result, as stated below, the Company concluded that its becoming a wholly owned subsidiary of the Tender Offeror could be expected to create synergies and would contribute to enhancing the corporate value of the Company.

The Company, as a listed company, has respected the interests of the Company's minority shareholders and has made efforts to secure its independence as a Company. For this reason, there is a concern of conflicts of interest between the Tender Offeror Group and the Company's minority shareholders with respect to the sharing of the know-how, management infrastructure, etc. held by the Tender Offeror Group, and it has been difficult to promote the sharing of such know-how, management infrastructure, etc. in a prompt and smooth manner from the perspective of ensuring the Company's independence. After the Transaction, by becoming a wholly-owned subsidiary of the Tender Offeror, the concerns of conflicts of interest between the Tender Offeror Group and the minority shareholders of the Company will be resolved, and it is expected that the Company will be able to enhance its corporate value and the medium- to long-term corporate value of the Tender Offeror Group will be enhanced, while promoting the efficient use of Tender Offeror Group's management resources, etc. in a prompt and smooth manner in cooperation with the Tender Offeror Group and avoiding the restrictions for ensuring its independence.

The specific synergies that the Company believes to be feasible through the Transactions are as follows.

(a) Further “expanding investment targets” in Japan

The Company Group has established “expanding investment targets” as one of the key measures under its current medium-term management plan, Phase-II. Under the previous medium-term management plan, “Design 100” Project Phase-I, the Company's main investment targets were large office buildings around the 40 billion-yen range located in three wards of central Tokyo (Chiyoda, Chuo, and Minato); however, there are limited opportunities to acquire that kind of property, and acquisition is made more difficult by increased competition from domestic and international investors when tendering procedures are required.

In light of this situation, Phase-II aims to expand the Company's investment targets to include other territories, purposes, and scales.

“Territories” means the Japanese regional centers outside Tokyo and Osaka (Sapporo, Sendai, Nagoya, Hiroshima, and Fukuoka), but due to limitations in the Company Group’s information-gathering, this expansion has so far only resulted in the acquisition of a property in Sapporo in 2019. As a shipping company, the Tender Offeror Group has extensive personal and business connections including the foremost companies and local governments of various regional centers in Japan, which it intends to utilize to further improve the Company’s investments in regional centers.

In terms of “purposes,” the Tender Offeror Group also owns logistics facilities and similar properties that the Company has no exposure to, and has operating know-how as a logistics provider, which the Company Group may be able to leverage in order to increase its investments in logistics facilities and related properties and expand its investment targets into other purposes.

In terms of “scale,” the Company currently raises all financing independently from the Tender Offeror Group, but with the growing size of investment matters in Tokyo, Osaka and other regional centers, there have been investments that it has not been able to handle independently; as a wholly owned subsidiary of the Tender Offeror through the Transactions, the Company will be able to use the Tender Offeror Group’s relationships with financial institutions and financing methods to carry out large-scale investments by using the Tender Offeror Group’s credit lines for financing.

(b) Enhancing overseas business

The Japan Statistics Bureau projects an ongoing decline in Japan’s population through 2050, but continued growth is expected in Vietnam and Australia, which the Company Group is invested in, and which the UN predicts will see continuing population growth through 2050 and thereafter.

The Company Group began considering overseas business in 2007, and has continued to expand its overseas presence since its first overseas investment, the acquisition of Saigon Tower Co., Ltd. (owner of Saigon Tower in Ho Chi Minh City, Vietnam) as a wholly owned subsidiary in January 2012. In December 2014, the Company Group acquired VIBANK-NGT., Ltd. (owner of the Cornerstone Building in Hanoi, Vietnam) as a wholly owned subsidiary, and in September 2018 it acquired the 275 George Street office development project (Sydney, Australia) via Daibiru Holdings Australia Pty Ltd (now Daibiru Australia Pty Ltd). Construction of 275 George Street was completed in December 2020.

As the Company Group seeks to sustainably enhance its corporate value going forward, “enhancing overseas business” will be one of the most important measures introduced in Phase-II.

The Tender Offeror Group has spent many years growing its overseas business, and possesses an extensive global network that the Company Group does not, as well as personnel with rich experience and strong knowledge and skills in international business.

Through the Transactions, the Tender Offeror Group and the Company Group will be able to leverage each other’s customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain



independence as a listed company, affording the Company Group better access to the Tender Offeror Group's personnel and network and enabling it to expand and enhance its overseas business.

Although overseas business is subject to different risks than domestic business, the Tender Offeror Group's rich expertise, including the management of foreign exchange risk, will strengthen the Company Group's risk management.

The Company determined at its board of directors meeting held on November 30, 2021 that, based on the following points, the Tender Offer Price of 2,200 yen per share is an appropriate price that ensures the benefits of general shareholders, and the Tender Offer provides a reasonable opportunity for the Company's general shareholders to tender the Company's Shares at a premium price.

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

(II) Of the valuation results of the Company's Shares in the Share Valuation Report (Nomura Securities), the Tender Offer Price exceeds the range of valuation of the Company's Shares calculated by the average market price method and comparable company analysis method by Nomura Securities, as described in "(F) Procurement by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser," "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)," "Background of Valuation," "(2) Price of Tender Offer," "4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased", and falls within the range of valuation of the Company's Shares calculated by the DCF Method (Defined in "(ii) Summary of Valuation of the Company Shares," "(F) Procurement by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser," "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)," "Background of Valuation," "(2) Price of Tender Offer," "4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased").

(III) Of the valuation results of the Company's Shares in the Share Valuation Report (Plutus), the Tender Offer Price exceeds the range of valuation of the Company's Shares calculated by the average market price method and comparable company analysis method by Plutus as indicated in "(D) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser," "(Measures to Ensure Fairness

of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased” and falls within the range of valuation of the Company’s Shares calculated by the DCF Method. Furthermore, the Fairness Opinion has been issued by Plutus which contains Plutus’s judgment that the Tender Offer Price of 2,200 yen per share is fair to the Company’s shareholders (excluding the Tender Offeror) from a financial perspective, as indicated in “(D) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”.

(IV) The Tender Offer Price has a premium added thereto at a rate of 47.75% (rounded to the second decimal place, hereinafter the same for the calculation of the premium rates) of the closing price of 1,489 yen of the Company’s Shares on the First Section of the TSE for November 29, 2021, which is the Business Day immediately preceding the announcement date of the Tender Offer, 44.55% of the simple average of the closing price of 1,522 yen (figures less than decimal rounded to whole number; hereinafter the same for the calculation of simple average of the closing price) for the recent one month counted from November 29, 2021, 43.51% of the simple average of the closing price of 1,533 yen for the recent three (3) months counted from November 29, 2021, and 50.27% of the simple average of the closing price of 1,464 yen for the recent six (6) months counted from November 29, 2021, and given that the Transactions are transactions by a listed parent company to make its listed subsidiary a wholly-owned subsidiary, it is comparable to the level of premiums in the 24 other examples of tender offers by listed parent companies to make their listed subsidiaries wholly-owned subsidiaries since January 2019 (by comparison of the median (approximately 42% to 44%) and mean (approximately 46% to 49%) of premiums on the closing price as of the Business Day immediately preceding the announcement date of the Tender Offer (provided, regarding the cases where leak is made, the Business Day immediately preceding the date on which such leak is made) and the simple averages for the preceding one-month, three-month, and six-month periods) and is considered to be a reasonable level.

(V) The Special Committee judged that the Tender Offer Price is appropriate as stated in the Committee Report, as indicated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”

Based on this judgment, the Company determined that the Transactions would contribute to enhancing the corporate value of the Company Group and that the terms of the Transactions, including the Tender Offer Price, are appropriate, and resolved at its board of directors meeting held today to support the Tender Offer and recommend that the

shareholders of the Company tender their shares in the Tender Offer.

With respect to the method by which the Company made the board of directors resolution, see “(H) Approval of All Disinterested Directors of the Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Company” in “(6) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(3) Matters Related to Valuation

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

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

To ensure fairness in the decision-making regarding the Tender Offer Price presented by the Tender Offeror, in relation to the announcement of its opinion on the Tender Offer, the Company asked Nomura Securities, its financial advisor and third-party appraiser independent of the Company and the Tender Offeror, to conduct a valuation of the Company Shares, and obtained the Share Valuation Report (Nomura Securities) dated as of November 29, 2021.

Nomura Securities is not a party affiliated with the Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. The fees payable to Nomura Securities for the Transactions include contingency fees to be paid subject to the completion of the Tender Offer. After taking into account matters including customary practices in similar kinds of transactions and the appropriateness of a compensation structure that would cause considerable financial burden to the Company in case the Transactions are not completed, and deciding that the inclusion of contingency fees to be paid subject to the completion of the Tender Offer would not deny the independence of Nomura Securities, the Company appointed Nomura Securities as its financial advisor and third-party appraiser based on the compensation structure above.

(ii) Summary of Valuation of the Company Shares

Nomura Securities considered the methods to be used for calculating the share value of the Company Shares in the Tender Offer from among multiple calculation methods and ultimately calculated it using the following methods: (a) the market price method, because the Company Shares are listed on the First Section of the Tokyo Stock Exchange, (b) the comparable company method, because there are several listed companies it can compare the Company to and analytical inference of the share value of the Company based on comparable companies is possible, and (c) the discount cash flow method (the “**DCF Analysis**”), to reflect future business activity conditions of the Company in the calculation, based on the premise that the Company is a going concern and from the perspective that it would be appropriate to evaluate the Company Shares from various aspects. The Company obtained the Share Valuation Report (Nomura Securities) from

Nomura Securities on November 29, 2021.

According to the Share Valuation Report (Nomura Securities), the range of values per Company Share calculated by each of the above methods is as follows.

Market price method: From 1,464 yen to 1,533 yen

Comparable company method: From 915 yen to 1,799 yen

DCF Analysis: From 1,211 yen to 2,448 yen

The range of values per Company Share obtained from the market price method is 1,464 yen to 1,533 yen, which is calculated based on 1,489 yen, the closing price of the Company Shares quoted on the First Section of the Tokyo Stock Exchange as of the evaluation reference date of November 29, 2021 and 1,512 yen, 1,522 yen, 1,533 yen, and 1,464 yen, the simple average closing prices over the preceding five-business day, one-month, three-month, and six-month periods, respectively.

The range of values per Company Share obtained from the comparable company method is 915 yen to 1,799 yen, which is derived by evaluating the Company's share value by selecting Tokyo Tatemono Co., Ltd., HEIWA REAL ESTATE CO., LTD., and Keihanshin Building Co., Ltd. as listed companies engaged in businesses that are relatively similar, albeit not completely identical, to those that the Company operates, and by employing the multiples of the earnings before interest and tax ("**EBIT**") against the corporate value of those companies and multiples of the EBIT before depreciation and amortization ("**EBITDA Multiples**"), multiples of the market net asset value (market net asset value reflecting unrealized profits or losses after taking into account tax on real estate held by those companies) plus net interest bearing liabilities against the corporate value of those companies, multiples of net profit against the market capitalization of those companies, and multiples of net asset value against the market capitalization of those companies and by making certain financial adjustments, including the addition of the value of the entire cash equivalents held by the Company.

The range of values per Company Share obtained from the DCF Analysis is 1,211 yen to 2,448 yen, which is derived by evaluating the Company's share value as calculated by discounting to the present value at an appropriate discount rate that takes into account business risks, the free cash flow that the Company is expected to generate based on revenue forecasts and investment plans set out in the Company's business plan for the period of seven fiscal years from the fiscal year ending March 2022 to the fiscal year ending 2028, as well as other factors such as publicly available information. The weighted average cost of capital is used to calculate the discount ratio, and 3.0% to 3.5% is adopted as the discount ratio. In calculating the continuous value, the adopted perpetual growth rate is -0.25% to 0.25% and the EBITDA multiple rate used to value the Company Shares is 15.5x to 17.5x.

The financial forecast based on the Company's Business Plan used by Nomura Securities as a premise for the calculation under the DCF Analysis is as shown

below. The Company's Business Plan used by Nomura Securities in the calculation covers a certain fiscal year in which significant increases in profits year-on-year are expected. Specifically, while a decrease in the net income attributable to the shareholders of the parent company is expected in the fiscal year ending March 2024 since extraordinary losses resulting from losses related to the reconstruction of buildings held by the Company are expected in that fiscal year, a significant increase is expected in the fiscal year ending March 2025 due to the dissipation of such transient factor and the contribution of the newly constructed buildings through the fiscal period. While free cash flow is expected to become negative because large-scale investment, including investment in large buildings in Japan, and the ongoing relatively large-scale rebuilding investments in Sapporo, Midosuji and Yaesu are expected to continue over the period from the fiscal year ending March 2023 to the fiscal year ending March 2027, free cash flow is expected to become positive in the fiscal year ending March 2028 due to the decrease in investment cash flow, because large-scale investment will come to an end.

The expected synergies achieved by carrying out the Transactions are not reflected in the Company's Business Plan used by Nomura Securities in the calculation and are not considered in the financial forecasts below, because it is difficult to make a detailed estimate of their effects on revenues at the present time.

(Unit: million yen)

	Y. E. March 2022 (six-month period)	Y. E. March 2023	Y. E. March 2024	Y. E. March 2025	Y. E. March 2026	Y. E. March 2027	Y. E. March 2028
Operating revenue	20,943	44,905	44,900	46,905	49,326	51,851	54,269
EBIT	4,257	12,758	12,797	14,979	15,622	17,043	18,520
EBITDA	8,219	20,791	20,902	22,822	24,222	26,188	28,272
Free Cash Flow	4,706	-36,089	-24,200	-8,615	-25,560	-11,339	14,339

Note: In calculating the share value of the Company Shares, Nomura Securities has used publicly available information and information provided to it by the Company as presented; Nomura Securities has assumed that all of that information is accurate and complete and did not independently verify the accuracy and completeness thereof. Nomura Securities has not conducted an independent evaluation, appraisal, or assessment, nor has it made any request to a third-party institution for any appraisal or assessment, in connection with any assets or liabilities (including derivatives, off-balance-sheet assets and liabilities and other contingent liabilities) of the Company, including the analysis or valuation of individual assets or liabilities. Nomura Securities has assumed that the financial forecasts (including profit plans and other information) of the Company have been reasonably prepared based on the best faithful forecasts and judgments obtainable from the management of the Company at present (excluding Mr. Toshiyuki Sonobe, Mr. Takashi

Maruyama, and Mr. Takehiko Ota who held positions at the Tender Offeror in the past). The calculation by Nomura Securities is based on the information available to Nomura Securities and economic conditions as of November 29, 2021, and the purpose of the calculation by Nomura Securities is only to serve as reference for the board of directors of the Company in reviewing the share value of the Company Shares.

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

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

To ensure fairness in the terms of the Transactions, including the Tender Offer Price, in considering the Consulted Matters, the Special Committee asked Plutus, its financial advisor and third-party appraiser independent of the Company and the Tender Offeror, to conduct a valuation of the Company Shares and a financial analysis to accompany it, as well as to present the Fairness Opinion, and obtained the Share Valuation Report (Plutus) and Fairness Opinion on November 29, 2021.

Plutus is not a party affiliated with the Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. The remuneration of Plutus for the Transactions does not include contingency fees to be paid subject to the completion of the Transactions.

(ii) Summary of Valuation of the Company Shares

Plutus considered the methods to be used for calculating the share value of the Company Shares in the Tender Offer from among multiple calculation methods and ultimately calculated it using the following methods: (a) the market price method, because the Company Shares are listed on the First Section of the Tokyo Stock Exchange, (b) the comparable company method, because there are several listed companies it can compare the Company to and analytical inference of the share value of the Company based on comparable companies is possible, and (c) the DCF Analysis, to reflect future business activity conditions of the Company in the calculation, based on the premise that the Company is a going concern and from the perspective that it would be appropriate to evaluate the Company Shares from various aspects.

According to the Share Valuation Report (Plutus), the range of values per Company Share calculated by each of the above methods is as follows.

Market price method: From 1,464 yen to 1,533 yen

Comparable company method: From 1,011 yen to 1,681 yen

DCF Analysis: From 1,602 yen to 2,911 yen

The range of values per Company Share obtained from the market price method is 1,464 yen to 1,533 yen, which is calculated based on 1,489 yen, the closing price of the Company Shares quoted on the First Section of the Tokyo Stock

Exchange as of the evaluation reference date of November 29, 2021 and 1,522 yen, 1,533 yen, and 1,464 yen, the simple average closing prices over one-month, three-month, and six-month periods, respectively.

The range of values per Company Share obtained from the comparable company method is 1,011 yen to 1,681 yen, which is derived by evaluating the Company's share value by selecting Tokyo Tatemono Co., Ltd., HEIWA REAL ESTATE CO., LTD., and Keihanshin Building Co., Ltd. as listed companies engaged in businesses that are relatively similar, albeit not completely identical, to those that the Company operates and using multiples of PBR (price book-value ratio), adjusted PBR (multiples of the adjusted net asset value (net asset value reflecting market value after taking into account tax on leased real estate) against share prices), EBIT (earnings before interest and tax), and EBITDA (earnings before interest, tax, depreciation, and amortization) to value the Company Shares.

The range of values per Company Share obtained from the DCF Analysis is 1,602 yen to 2,911 yen, which is derived by evaluating the Company's share value as calculated by discounting to the present value at a certain discount rate, the free cash flow that the Company is expected to generate based on revenue forecasts and investment plans set out in the Company's business plan for the period of seven fiscal years from the fiscal year ending March 2022 to the fiscal year ending 2028, as well as other factors such as publicly available information. The weighted average cost of capital is used to calculate the discount ratio, and 3.0% to 3.5% is adopted as the discount ratio. In calculating the continuous value, the perpetual growth method has been adopted. The perpetual growth rate used to calculate the value of the Company Shares is 0%.

The financial forecast based on the Company's Business Plan used by Plutus as a premise for the calculation under the DCF Analysis is as shown below. The Company's Business Plan used by Plutus in the calculation covers a certain fiscal year in which significant increases in profits year-on-year are expected. Specifically, while a decrease in the net income attributable to the shareholders of the parent company is expected in the fiscal year ending March 2024 since extraordinary losses resulting from losses related to the reconstruction of buildings held by the Company are expected in that fiscal year, a significant increase is expected in the fiscal year ending March 2025 due to the dissipation of such transient factor and the contribution of the newly constructed buildings through the fiscal period, among other factors. While free cash flow is expected to become negative because large-scale investment, including investment in large buildings in Japan, and the ongoing relatively large-scale rebuilding investments in Sapporo, Midouji and Yaesu are expected to continue over the period from the fiscal year ending March 2023 to the fiscal year ending March 2027, free cash flow is expected to become positive in the fiscal year ending March 2028 due to the decrease in investment cash flow, because large-scale investment will come to an end.

The expected synergies achieved by carrying out the Transactions are not reflected in the financial forecasts below, because it is difficult to make a detailed estimate of their effects on revenues at the present time, and only the effects of reduction in listing-related expenses are considered. As stated in "(B) Establishment by the Company of an Independent Special Committee and Procurement by the

Company of the Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the special committee has confirmed the financial forecasts in terms of the reasonableness of the details of the business plan, material assumptions, and the preparation process.

(Unit: million yen)

	Y. E. March 2022 (six-month period)	Y. E. March 2023	Y. E. March 2024	Y. E. March 2025	Y. E. March 2026	Y. E. March 2027	Y. E. March 2028
Operating revenue	20,943	44,905	44,900	46,905	49,326	51,851	54,269
EBIT	4,257	12,758	12,797	14,979	15,622	17,043	18,520
EBITDA	8,877	20,759	20,092	23,892	25,203	27,581	29,778
Free Cash Flow	7,891	-35,340	-23,454	-7,845	-24,788	-10,555	-15,132

(iii) Summary of the Fairness Opinion

The Special Committee has received from Plutus, as of November 29, 2021, a Fairness Opinion to the effect that a price of 2,200 yen per share as the Tender Offer Price is fair to the holders of the Company Shares (other than the Tender Offeror) from a financial perspective (Note). This Fairness Opinion expresses the opinion that the price of 2,200 yen per share as the Tender Offer Price is fair to minority holders of the Company Shares from a financial perspective in light of the results of the valuations of the Company Shares based on the Company’s business prospects, among other factors. Further, this Fairness Opinion was issued (a) based on the results of the valuations of the Company Shares conducted by Plutus upon Plutus obtaining from the Company disclosures of information, such as current status and prospects of the business of the Company Group, together with explanations therefor from the Company, in addition to holding question-and-answer sessions with the Company about the summary, background, and purpose of the Tender Offer, and examination of the business environment, economy, market, financial circumstances and other factors surrounding the Company Group within the scope deemed necessary by Plutus and (b) after reviewing processes conducted by a review board independent from Plutus’s engagement team.

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

Plutus has assumed that the Company’s business prospects and other materials used as the basis for the Fairness Opinion have been reasonably



prepared by the Company's management (excluding Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota who held positions at the Tender Offeror in the past) based on the best projections and judgements at present, and Plutus does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or premises on which they are based.

The Fairness Opinion expresses Plutus' opinion as of the date of preparation as to whether the Tender Offer Price is fair from a financial point of view to the Company's minority shareholders, based on financial and capital markets, economic, conditions, and other circumstance as of the date of preparation, and information available to Plutus up to the date of preparation, and while the content of the Fairness Opinion may be affected by subsequent changes in conditions, Plutus has no obligation to amend, change or supplement the content of the Fairness Opinion even in such cases. The Fairness Opinion does not infer or indicate any opinion, other than that expressly stated in the Fairness Opinion, or with respect to any matter after the date of submission of the Fairness Opinion. The Fairness Opinion only expresses the opinion that the Tender Offer Price is fair to the Company's minority shareholders from a financial point of view and is not disadvantageous to them, and does not express opinions or make recommendations concerning the propriety of implementing the Tender Offer, nor the tendering, or other actions with respect to the Tender Offer, and does not express any opinion to the holders of securities issued by the Company, creditors, or other related parties.

The Fairness Opinion was provided by Plutus for the purpose of being used as a basis for decisions made by the Company's board of directors and the Special Committee regarding the Tender Offer Price, and is not to be relied upon by any other party.

(C) Procurement by the Tender Offeror of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser

(i) Name of the Financial Advisor and its Relationship with the Company and the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, its financial advisor, to perform financial analyses of the value of the Company Shares, and subsequently received the Analysis Report (GS) relating thereto dated November 30, 2021. Goldman Sachs is a financial advisor independent from the Tender Offeror or the Company, not a related party of the Tender Offeror or the Company and does not have any material interest in the Tender Offer. Although Goldman Sachs held shares as of September 30, 2021 representing 1.04% of the common stock of the Tender Offeror based on the shareholders' register of the Tender Offeror as of such date, according to Goldman Sachs, Goldman Sachs has internally taken appropriate measures to prevent conflicts of interest, such as information walls between the department in charge of financial advisory services and financial analysis services relating to the value of the Company Shares and the department in charge of trading including equity securities. Further, the department in charge of financial advisory services and

financial analysis services relating to the value of the Company Shares conducted its financial analysis of the value of the Company Shares independently from the department in charge of trading including equity securities. The Tender Offeror selected Goldman Sachs as a financial advisor independent from the Tender Offeror or the Company based on the following factors: (i) appropriate measures to prevent conflicts of interest, such as information walls, have been put in place internally at Goldman Sachs as described above; (ii) the Tender Offeror and Goldman Sachs conducted transactions on arm's-length terms; and (iii) Goldman Sachs has a track record as a financial advisor in similar transactions the past. Additionally, the Tender Offeror has not obtained from Goldman Sachs, and Goldman Sachs has not expressed, any opinion concerning the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion).

(ii) Overview of the Valuation Report

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

1. Market Price Analysis: 1,188 yen – 1,652 yen

In performing the market price analysis, Goldman Sachs used November 29, 2021 as the base date and reviewed the closing prices of the Company Shares for the 52-week period ending on such date. Based on this review, Goldman Sachs derived a range of implied values per share for the Company Shares of 1,188 yen to 1,652 yen.

2. DCF Analysis: 1,239 yen – 2,813 yen

In performing the DCF analysis, Goldman Sachs analyzed the value of the Company Shares by discounting the Company's future free cash flow estimates reflected in the Forecasts (Tender Offeror) to present value using a range of discount rates from 3.25% to 3.75%, reflecting an estimate of the Company's weighted average of cost of capital. Goldman Sachs calculated illustrative terminal values by applying a range of perpetuity growth rates of 0.50% to 1.00%. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Company Shares of 1,239 yen to 2,813 yen. The Forecasts (Tender Offeror), which consist of seven fiscal years (fiscal years ending from March 2022 to March 2028), were used by Goldman Sachs for the DCF analysis. The Forecasts (Tender Offeror), which cover the fiscal years ending March 2022 to March 2028 and were used by Goldman Sachs for the DCF analysis, include fiscal years during which a significant increase or decrease in profit are expected.

Specifically, profit attributable to owners of parent for the fiscal year ending March 2025 is forecasted to significantly increase from the previous fiscal year because profit attributable to owners of parent for the fiscal year ending March 2024 is expected to be temporarily at a low level due to extraordinary loss on building reconstruction. In addition, the Forecasts (Tender Offeror) were prepared on a stand-alone basis and do not reflect synergies because it is difficult to specifically estimate the synergies expected to be realized upon consummation of the Transaction.

### 3. Present Value of Future Stock Value Analysis: 1,008 yen – 2,180 yen

In performing the present value of future stock value analysis, Goldman Sachs derived implied stock values of the Company Shares as of March 31 for each year from 2022 to 2025, by applying a range of one-year forward EV/EBITDA multiples of 15.0x to 19.0x to future EBITDA of the Company for each of the fiscal years ending March 2023 to March 2026 estimated in the Forecasts (Tender Offeror) and discounted each stock value back to its present value using a discount rate of 7.50%, reflecting the Company's estimated cost of equity. To derive stock values as of March 31 for each year from 2022 to 2025, Goldman Sachs subtracted the amount of the Company's projected net debt as of March 31 for each year, as provided in the Forecasts (Tender Offeror). Goldman Sachs then added the cumulative present values of dividends expected to be paid by the Company in each of the fiscal years ending March 2022 to March 2025 in the Forecasts (Tender Offeror) and derived a range of implied values per share for the Company Shares of 1,008 yen to 2,180 yen.

### 4. Premia Analysis: 1,905 yen – 2,256 yen

In performing the premia analysis, Goldman Sachs reviewed and analyzed, using publicly available information, the acquisition premia for tender offer transactions in Japan with the aim of acquiring the remaining minority stake of a listed subsidiary by its parent company announced during the referenced period. For the entire period, Goldman Sachs calculated the 25th percentile and 75th percentile premia of the price paid in the tender offers relative to the target's last undisturbed closing stock price prior to announcement of the tender offer. This analysis indicated a 25th percentile premium of 27.9% and 75th percentile premium of 51.5% across the period. Goldman Sachs then applied a range of the premia of 27.9% to 51.5% to the closing price of the Company Shares as of November 29, 2021. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Company Shares of 1,905 yen to 2,256 yen.

The Tender Offer Price of 2,200 yen per share has a premium added thereto at a

rate of 47.75% of the closing price of 1,489 yen of the Company Shares on the First Section of the TSE for November 29, 2021, which is the Business Day immediately preceding the announcement date of the Tender Offer by the Tender Offeror, 44.55% of the simple average of the closing price of 1,522 yen for the recent one month counted from November 1, 2021 to November 29, 2021, 43.51% of the simple average of the closing price of 1,533 yen for the recent three months counted from August 30, 2021 to November 29, 2021, and 50.27% of the simple average of the closing price of 1,464 yen for the recent six months counted from May 31, 2021 to November 29, 2021.

(iii) Process of Decision on Tender Offer Price upon Consideration of the Analysis Report

Given the results of negotiations and discussions with the Company, after comprehensively considering that the Tender Offer is expected to be supported at the meeting of Company's board of directors, the contents of the Analysis Report (GS), trends of the market price of the Company Shares and the prospects that shareholders would tender their shares in the Tender Offer, the Tender Offeror determined by resolution at the meeting of its board of directors held today that the Tender Offer Price shall be JPY 2,200 per share. The Tender Offer Price is above the range of implied values per share of the Company Shares derived by the market price analysis and the present value of future stock value analysis and within the range of implied values per share of the Company Shares derived by the DCF analysis and the premia analysis in the Analysis Report (GS).

(4) Prospects and Reasons for Delisting

The Company Shares are currently listed on the First Section of the TSE as of today. However, since the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, the Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria set out by the TSE, depending on the results of the Tender Offer. Also, even in the case that the delisting criteria are not met upon completion of the Tender Offer, the Tender Offeror plans to carry out the procedures stated in "(5) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition")" below upon the successful completion of the Tender Offer, in which case the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After delisting, the Company Shares will be unable to be traded on the TSE.

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

The Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror as set out in "(A) Outline of the Tender Offer" in "(2) Grounds and Reasons for the Opinion on the Tender Offer" above, and if the Tender Offeror is unable to acquire all of the Company Shares under the Tender Offer, the Tender Offeror intends, after the successful

completion of the Tender Offer, to carry out procedures for the purpose of acquiring all of the Company Shares by the following methods.

(A) Demand for Shares Cash-Out

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Company owned by the Tender Offeror becomes 90% or more of the number of the voting rights of all shareholders of the Company, and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, paragraph (1) of the Companies Act, the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Company (excluding the Company and the Tender Offeror; the same applies to item (A)) to sell all of the Company Shares they hold (the “**Demand for Shares Cash-Out**”) under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act.

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

(B) Share Consolidation

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Company owned by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Company, the Tender Offeror will promptly after the completion of the settlement of the Tender Offer request the Company to schedule to hold an extraordinary shareholders’ meeting (the “**Extraordinary Shareholders’ Meeting**”) at which the Share Consolidation and an amendment to the Company’s Articles of Incorporation that would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be proposed. The Tender Offeror intends to approve each of the above proposals at the Extraordinary Shareholders’ Meeting. As of today, the Company plans to hold the Extraordinary Shareholders’ Meeting upon the request of the Tender Offeror and the Extraordinary Shareholders’ Meeting is scheduled to be held around March 2022.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will, on the effective date of the Share Consolidation, hold the number of Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the number of shares each shareholder of the company receives includes a fraction less than one share, such shareholder will receive an amount of cash obtained by selling the Company Shares equivalent to the total sum of the fractions less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. The purchase price for the number of shares equivalent to the total sum of the fractions less than one share in the Company Shares will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Company and the Tender Offeror) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder. The Tender Offeror intends to request the Company to file a petition to the court for permission to sell such Company Shares on this basis. Although the ratio of the Share Consolidation of the Company Shares has not been determined as of today, it is intended that shareholders (excluding the Tender Offeror) who hold shares in the Company and do not tender in the Tender Offer will have a fraction of less than one share in order for the Tender Offeror to become the only owners of all of the Company Shares (excluding treasury shares held by the Company).

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

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

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

With regard to each of the above procedures described in items (A) and (B), it is possible that, depending on amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, it will require time to implement the procedure or the methods of implementation may be altered. However, even in such a case, upon

completion of the Tender Offer, it is intended that a method will be used whereby the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Company and the Tender Offeror) will ultimately receive cash consideration equal to the number of Company Shares held by such shareholder of the Company multiplied by the Tender Offer Price in exchange for their shares. If a petition for determination of the sale price regarding the Demand for Shares Cash-Out or determination of a price regarding a share purchase demand in relation to the Share Consolidation is filed, the court will finally determine the sale price of the Company Shares held by shareholders of the Company who file the petition or a price regarding the share purchase demand.

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

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

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

Since the Tender Offeror holds 59,527,766 Company Shares (ownership ratio: 51.91%) as of today as set out in “(A) Outline of the Tender Offer” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” above, the Tender Offeror believes that, if the minimum number of Share Certificates, Etc. to be purchased is set to the so-called “majority of minority” in the Tender Offer, it would increase the uncertainty as to whether the Tender Offer will be completed and, on the contrary, it would not contribute to the interests of general shareholders who wish to tender their shares in response to the Tender Offer. For this reason, in the Tender Offer, the Tender Offeror does not set the minimum number of Share Certificates, Etc. to be purchased to the so called “majority of minority.” However, the Company and the Tender Offeror have implemented the measures described in the items (A) through (J) below, and thus the Tender Offeror believes that the interests of general shareholders of the Company have been adequately taken into account.

The following statements on measures that have been taken by the Tender Offeror are based on explanations from the Tender Offeror.

(A) Procurement by the Tender Offeror of a Share Valuation Report from an Independent Financial Advisor

In the course of determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, which is the Tender Offeror’s financial advisor, to calculate the value of the

Company Shares. For details of the Share Valuation Report on the results of valuation of the Company Shares obtained by the Tender Offeror from Goldman Sachs, please refer to “(C) Procurement by the Tender Offeror of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser” in “(3) Matters Related to Valuation” above.

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

(i) Circumstances Leading to the Establishment of the Special Committee, etc.

As described in “(C) Decision-Making Process and Reasoning of the Company” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” above, the Company established a Special Committee, pursuant to a resolution at the meeting of the board of directors held on September 16, 2021. However, from early September, and prior to establishing the Special Committee and for the purpose of establishing a structure to review, negotiate and make decisions on the Transactions in terms of improving the Company’s corporate value and protecting the interests of the Company’s general shareholders in the capacity independent from the Tender Offeror, the Company, with the advice from Anderson Mori & Tomotsune, provided all independent outside directors and independent outside corporate auditors of the Company, as of that time, on an individual basis, an explanation to the effect that the Company had received an initial inquiry from the Tender Offeror and that it was necessary to implement sufficient measures to ensure the fairness of the terms pertaining to the Transactions, such as the establishment of a Special Committee, when considering and negotiating the Transactions, given that the Transactions is of a kind in which structural conflict of interest and asymmetry of information problems are typically present. Concurrently, and with the advice from Anderson Mori & Tomotsune, the Company confirmed that the Company’s independent outside directors and independent outside corporate auditors, who would become candidates for the member of the Special Committee were independent of the Tender Offeror, that they did not have a material interest in the consummation of the Transactions that did not align with those of general shareholders, and that they were qualified to be members of the Special Committee. Following this, in order to ensure a balance of knowledge, experience and ability within the Special Committee and to adequately size the Special Committee, the Company established, pursuant to a resolution at the meeting of the board of directors held on September 16, 2021, the Special Committee comprising four members, namely, Mr. Atsushi Oi (independent outside director of the Company), Mr. Atsushi Miyanoya (independent outside director of the Company), Mr. Shigeki Taenaka (independent outside corporate auditor of the Company), and Mr. Tomoyuki Nishide (independent outside corporate auditor of the Company) (the membership of the Special Committee has not changed since its establishment; in addition, remuneration of the members of the Special Committee will be paid in a fixed amount as consideration for their duties regardless of the matters reported by them, and the Company has not adopted a contingent fee system), and consulted with the Special Committee on the Consulted Matters and requested it to submit the



## Report.

In addition, when establishing the Special Committee, the Company's board of directors resolved that (i) the decision-making of the Company's board of directors with respect to the Transactions will respect the content of the Special Committee's judgment as delegated by the Company's board of directors, and that in particular, if the Special Committee judges the terms of the Transactions to be inappropriate, the Company's board of directors will not support the Transactions under those terms, (ii) when negotiating the Tender Offer Price and other terms of the Transactions with the Tender Offeror, the Company will make timely reports to the Special Committee and receive its opinions, instructions and requests at important junctures, (iii) the Special Committee may, as it considers necessary, appoint its own attorneys-at-law, valuation organization, certified public accountants, financial advisors, and other advisors at the Company's cost, (iv) the Special Committee may conduct investigations in connection with its duties (including asking questions and requesting explanations and advice from the officers and employees of the Company connected to the Transactions and the advisors of the Company connected to the Transactions, regarding matters of necessity for the Special Committee's duties) at the Company's cost, and (v) the Company grants to the Special Committee the authority to negotiate directly with the Tender Offeror regarding the Tender Offer Price and other terms of the Transactions, as necessary.

Since, of the six directors of the Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota have held positions at the Tender Offeror in the past, the three directors of the Company other than the three directors stated above (namely, Mr. Hideki Tainaka, Mr. Atsushi Oi, and Mr. Atsushi Miyanoya) participated in deliberation and passed a resolution as stated above by unanimous approval at the Company's board of directors meeting stated above, from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a standing corporate auditor the Company, has held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions.

There is a possibility that the three directors who did not participate in the resolution, namely, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, do not have special interests provided for in the Companies Act in relation to the proposal stated above. In that case, the quorum for the board of directors meeting may not have been satisfied in relation that proposal, and therefore in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Company was corporate auditor) conducted deliberation, and again took a vote on that proposal and passed

a resolution by unanimous approval. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a standing corporate auditor of the Company, held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions.

(ii) Process of Review

The Special Committee held nine meetings for around 16 hours in total during the period from September 16, 2021 to November 29, 2021 and carefully examined and discussed the Consulted Matters.

After first examining the independence, expertise, accomplishments, and other aspects of the candidates for legal advisor and financial advisor and third-party appraiser, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its legal advisor and Plutus as its financial advisor and third-party appraiser independent of the Tender Offeror and the Company on September 16, 2021. The Special Committee confirmed that Nakamura, Tsunoda & Matsumoto and Plutus are not parties affiliated with the Tender Offeror or the Company and do not have any material interest in the Transactions, including the Tender Offer, and that there are no other issues with respect to their independence in the Transactions.

In addition, the Special Committee approved the appointment of Nomura Securities, the Company's financial advisor and third-party appraiser, and Anderson Mori & Tomotsune, the Company's legal advisor, after confirming that they are not parties affiliated with the Tender Offeror or the Company and do not have any material interest in the Transactions, including the Tender Offer, and that there are no other issues with respect to their independence and expertise in the Transactions.

Furthermore, as stated in “(G) Establishment of an Independent Structure for Review at the Company” below, the Special Committee confirmed that there is no concern with respect to the internal structure for reviewing the Transactions (including the scope of officers and employees of the Company involved in deliberating, negotiating, and making decisions regarding the Transactions) established by the Company from the standpoint of independence and fairness. Subsequently, the Special Committee examined measures that should be taken to ensure the fairness of procedures in the Transactions, taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto and the opinions obtained from Anderson Mori & Tomotsune. Also, the Special Committee received an explanation from the Company regarding the details, material assumptions, and process of preparation of the Company's Business Plan, and confirmed and approved the rationality of those elements, taking into account the advice from a financial standpoint received from Plutus.

The Special Committee received explanations from the Company about matters

such as the purpose and significance of the Transactions and effects on the Company's business to be caused by the Transactions, and held question-and-answer sessions regarding these matters. In addition, the Special Committee presented questions to the Tender Offeror and held question-and-answer sessions with the Tender Offeror through interviews and questionnaires about matters such as the purpose and background of the Transactions and the management policy after the Transactions. Furthermore, in addition to the question-and-answer sessions above, the Special Committee presented questions to Mr. Toshiyuki Sonobe and Mr. Takehiko Ota and held question-and-answer sessions with them through interviews with respect to examining whether the Tender Offeror's proposal regarding the Transactions would contribute to enhancing the corporate value of the Company, even though Mr. Toshiyuki Sonobe and Mr. Takehiko Ota did not participate in the deliberation, negotiation, and decision-making regarding the Transactions at the Company, having determined that hearing the opinions of Mr. Toshiyuki Sonobe and Mr. Takehiko Ota, who each play a central role in business execution as the Company's representative director and director, regarding the Transactions would contribute to the Special Committee's examination from the perspective of gathering information.

In addition, the Special Committee obtained the Share Valuation Report (Plutus) from Plutus, received an explanation from Plutus as to the matters such as the valuation methods of the Company's share value conducted by Plutus, major assumptions for each valuation method, and the results of valuation, and confirmed the rationality of those matters after holding question-and-answer sessions with Plutus. The Special Committee obtained the Fairness Opinion from Plutus and received an explanation and held question-and-answer sessions regarding the procedures towards issuing the Fairness Opinion and other matters. For the details of the Fairness Opinion that the Tender Offer Price obtained from Plutus is fair to the holders of the Company Shares (other than the Tender Offeror) from a financial perspective, please refer to "(iii) Summary of the Fairness Opinion" in "(B) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Appraiser" in "(3) Matters Related to Valuation" above.

Also, after the Company received the initial proposal from the Tender Offeror on September 30, 2021 for a Tender Offer Price of 2,000 yen per share, and each subsequent time that the Company received a further proposal from the Tender Offeror, the Special Committee was substantially involved in the negotiation process concerning the terms of the Transactions, including receiving timely reports from Nomura Securities, which was in charge of the negotiation with the Tender Offeror on the Company's side, concerning matters such as the content of the relevant proposal and the progress of negotiations, deliberating and discussing the proposals based on the advice from a financial standpoint received from Plutus and the opinion from a financial standpoint received from Nomura Securities, receiving explanations from Nomura Securities regarding the negotiation policy with the Tender Offeror and the content of written responses in advance, expressing its opinion as necessary, giving approval after question-and-answer sessions, and providing instructions and requests to Nomura Securities. As a result, the Company received a final written response from the Tender Offeror on November 25, 2021 to set the Tender Offer Price at 2,200 yen per share, and

reached an agreement with the Tender Offeror on November 29, 2021, including an agreement to set the Tender Offer Price at 2,200 yen per share.

Furthermore, the Special Committee has received multiple explanations from Nomura Securities regarding the content of the Company's Press Release with respect to the Tender Offer, which is to be disclosed or released by the Company, and has confirmed based on legal advice from Nakamura, Tsunoda & Matsumoto that sufficient information will be disclosed.

(iii) Determinations

Based on the above, the Special Committee carefully discussed and deliberated the Consulted Matters in line with the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice from Plutus from a financial standpoint, the content of the Share Valuation Report (Plutus) that it received from Plutus on November 29, 2021 and the Fairness Opinion. Accordingly, as of the same date, the Special Committee submitted the Report substantially in the manner set out below based on the unanimous opinion of the committee members.

(a) Matters reported

- (i) The Special Committee believes that the Transactions will contribute to the enhancement of the corporate value of the Company and that the purposes of the Transactions are fair and reasonable.
- (ii) The Special Committee believes that the fairness and appropriateness of the terms of the Transactions including the Tender Offer Price have been secured.
- (iii) The Special Committee believes that the interests of the shareholders of the Company have been adequately taken into account in the Transactions through fair procedures.
- (iv) The Special Committee believes that the decisions by the board of directors of the Company regarding the Transactions (specifically, (a) the decision to express an opinion supporting the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and (b) decisions pertaining to procedures to make the Company a wholly-owned subsidiary by way of Demand for Shares Cash-Out and Share Consolidation to be conducted after the Tender Offer as part of the Transactions) would not be disadvantageous to the minority shareholders of the Company.
- (v) The Special Committee believes that it is appropriate for the board of directors of the Company to express an opinion supporting the Tender Offer and expressing an opinion to the effect that it recommends that the shareholders of the Company tender their shares in the Tender Offer.

- (b) Reasons for giving the above opinions in the Report
- (i) For the following reasons, the Special Committee believes that the Transactions will contribute to the enhancement of the corporate value of the Company and that the purposes of the Transactions are fair and reasonable.
- The following views were indicated by the management team of the Company in response to the proposal by the Tender Offeror: (A) that the Tender Offeror understands the target business and it is expected that becoming a wholly-owned subsidiary of the Tender Offeror through the Transactions will create an environment in which the Company will be able to focus on business activities such as office building development and office building management without undue concern for temporary cost increases or the possibility of making leading investments that do not directly result in profits for the Company; (B) that the logistics center business is an area requiring further study after the Transactions given that the management team believes that the Company can achieve synergies it has been unable to conceive in its current form by utilizing the insight and know-how of the Tender Offeror Group as a logistics services provider, that the Company itself has determined “providing eco-friendly buildings to the next generation” as one of its materialities (priority issues), and that by strengthening coordination between the Company and the Tender Offeror the management team believes it would be possible to expand and enhance the business domains of the Company that relate to reducing environmental impacts; (C) that if after the Transactions the Company is able to achieve even closer coordination and information sharing with the Tender Offeror than currently, the management team believes it will be possible to further promote expansion of its business in overseas regions; (D) that although the Transactions are expected to result in a deterioration in direct funding terms due to a downgraded credit rating, the management team expects that the broad network of financial institutions and high degree of insight into financing methods possessed by the Tender Offeror Group will result in a plus effect for indirect finance that exceeds the minus effect for direct finance, and that the management team expects that using the credit line of the Tender Offeror Group after the Transactions will lead to expanded investment opportunities such as acquisition of large-scale properties located in central Tokyo; (E) that because the Company currently has independence as a listed company and endeavors not to create any conflict of interests between its parent company the Tender Offeror and other minority shareholders there are parts of their respective management resources that are duplicated, and the management team believes that after the Transactions it will be possible to utilize and share and achieve optimization of their mutual management resources; and (F) that the management team can understand why the proposal was made at this time given the recent trends such as globalization of share markets and revisions of the market categories of the TSE.

- Meanwhile, while the management team of the Company believes as described above that the Transactions may result in a certain degree of negative outcomes, such as deterioration in funding terms for direct finance due to a downgraded credit rating and issues relating to human resources such as hiring and employee motivation issues due to the delisting as part of the Transactions, the management team expects that after the Transactions it is also possible for the Company to be differentiated and clarified as a core business of the real estate business of the Tender Offeror Group and will thereby also be able to adopt a position in which it is able to assert itself to a certain degree within the Tender Offeror Group, and that in addition to this the sharing of more opportunities for initiatives such as personnel exchanges and employee education will lead to a skilling-up of the employees of the Company and contribute to maintaining and improving motivation.
- The management team has concerns related to issues such as the level of commercial trust as owner that the Company is known for as a listed company being diminished when soliciting tenants for leased offices after the Transactions, but the management team believes that as countermeasures against this it will be more important than ever to utilize the name of the Tender Offeror Group as necessary and to improve the name recognition and brand value of the Tender Offeror Group and maintain its financial soundness.
- The Special Committee is able to understand all of the views of the management team of the Company related to the advantages and disadvantages of the Transactions as set out above, and based on the explanation by the Tender Offeror to the effect that it will adopt a basic policy of respecting the current management team of the Company after the Transactions in respect of management policies, management team structure, and governance, and that the Tender Offeror is not contemplating making any material changes regarding management policies or the like, the Special Committee believes that the Transactions would contribute to the enhancement of the corporate value of the Company and that the purposes of the Transactions are fair and reasonable because, as a result of comprehensively taking into account the advantages and disadvantages described above, the Special Committee expects that delisting the Company through the Transactions would make it possible to engage in investment and development activities from a long-term perspective, and that achieving mutual utilization and optimization of management resources by becoming a wholly-owned subsidiary of the Tender Offeror Group would enable the Company to further realize management in line with its management philosophy of “constructing buildings, creating towns, and pioneering the new era” such as by making it possible for the Company to make large-scale investments and developments or investments in new areas and regions that are difficult for the Company to accomplish on its own.

(ii) For the following reasons, the Special Committee believes that fair

procedures have been taken from the perspective of securing the interests of general shareholders and that the interests of the shareholders of the Company have been adequately taken into account in the Transactions through fair procedures: (A) the independent Special Committee was established by the Company and is considered to be functioning effectively; (B) the Special Committee has obtained independent expert advice from outside experts and also considers that the Company has obtained independent expert advice from outside experts; (C) the Special Committee and the Company have obtained share price valuation reports, etc. from independent third-party appraisers with expertise as the basis for their decisions regarding the Transactions; (D) the Company developed a system that enables it to examine, negotiate, and otherwise handle the Transactions from a standpoint independent of the Tender Offeror and which excludes interested directors, etc. from the examination and negotiation processes regarding the Transactions to the extent possible; (E) it is considered that a so-called indirect market check was conducted as part of the Tender Offer; (F) it is considered that opportunities will be secured for appropriate decision-making in the Tender Offer by general shareholders based on adequate information; and (G) it is considered that practical measures considered desirable to eliminate coerciveness from the Transactions have been taken and that coerciveness has been eliminated from the Transactions.

Further, although it is not planned to impose a so-called “majority of minority” condition in the Tender Offer, the Special Committee believes that imposing such a condition would cause the completion of the Tender Offer to become uncertain and thereby instead possibly not contribute to the interests of minority shareholders who desire to tender their shares in the Tender Offer, and that, in addition, since adequate other measures to ensure fairness have been taken, not imposing such a condition would of itself not diminish the fairness of the procedures in the Transactions.

- (iii) For the following reasons, the Special Committee believes that the method of the Transactions and the type of purchase consideration are appropriate and that the fairness and appropriateness of the Tender Offer Price has been secured.
- The acquisition method in this Transaction of conducting the Tender Offer as the first stage and then conducting a squeeze-out through the Shares Cash-Out Demand and the Share Consolidation as the second stage is one of the typical methods adopted in transactions like the Transactions in which a parent company makes a Company its wholly-owned subsidiary. Further, in light of the fact that the Tender Offeror and the Company have different businesses and that it will be possible to avoid a risk of a fall in share price of the Tender Offeror, the Special Committee believes that the type of purchase consideration is also appropriate in that cash will be delivered as the purchase consideration rather than shares of the Tender Offeror being delivered as consideration in a one-stage transaction like a share exchange (*kabushiki kokan*).

- The Special Committee finds that there are no unreasonable points in particular in the formulation process and content of the business plan of the Company that forms an assumption in the calculations using DCF Analysis in the Share Valuation Report (Plutus) and the calculations using DCF Analysis in the Share Valuation Report (Nomura Securities).
- As no unreasonable points in particular can be found in respect of the methods or content of the calculations in the Share Valuation Report (Plutus) and it is judged to be reliable, the Special Committee finds that the Tender Offer Price is a price that exceeds the calculation results obtained by the market price method and comparable companies method by Plutus and is within the scope of the calculation results obtained by DCF Analysis.
- It is considered that the level of the premium in the Tender Offer Price exceeds the average and median of premiums added in similar examples (meaning examples of tender offers by parent companies toward listed subsidiaries that were publicly announced between June 28, 2019 (the date the “Fair M&A Guidelines” formulated by the Ministry of Economy, Trade and Industry was announced in June 2019) and September 30, 2021).
- The Special Committee is substantively involved in the consultation and negotiation processes between the Company and the Tender Offeror relating to the terms of the Transactions such as the Tender Offer Price, and it is considered that earnest negotiations have taken place after securing a situation in which reasonable efforts are made with the aim of the Transactions being conducted under terms and conditions that are as advantageous as possible for general shareholders—namely, a situation that can be considered the same as a transaction between independent parties.
- The Special Committee has received the Fairness Opinion from Plutus, and the Fairness Opinion contains an opinion by Plutus to the effect that the Tender Offer Price is fair from a financial perspective for the minority shareholders of the Company. The Special Committee finds that there are no unreasonable points in particular in the issuance process or content of the Fairness Opinion, and that the appropriateness of the Tender Offer Price is supported by the Fairness Opinion as well.
- The Company plans to continue its business as a going concern even after the Transactions, and therefore the Special Committee believes it is reasonable not to place importance on the adjusted net asset value when examining the share price of the Company.
- For reasons such as the following, the Special Committee believes that the fairness and appropriateness of the Tender Offer Price is secured: the Tender Offer Price exceeds the upper limit of the calculation results obtained by the market price method and the comparable companies method and is within the scope of the calculation results obtained by DCF Analysis in the Share Valuation Report (Plutus); the level of the



premium on the market value of the Company Shares added in the Tender Offer Price exceeds the average and median of premiums added in similar examples; an agreement was reached between the Company and the Tender Offeror following earnest negotiations after securing a situation that can substantively be considered the same as a transaction between independent parties; and the Fairness Opinion includes an opinion to the effect that the Tender Offer Price is fair from a financial standpoint for the minority shareholders of the Company.

- (iv) For the following reasons, the Special Committee believes that the decisions by the board of directors of the Company regarding the Transactions (specifically, (a) the decision to express an opinion supporting the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and (b) decisions pertaining to procedures to make the Company a wholly-owned subsidiary by way of the Demand for Shares Cash-Out and the Share Consolidation to be conducted after the Tender Offer as part of the Transactions) would not be disadvantageous to the minority shareholders of the Company: as described in (i) above it is considered that the Transactions would contribute to the enhancement of the corporate value of the Company and that the purposes of the Transactions are fair and reasonable; as described in (ii) above it is considered that the interests of the shareholders of the Company have been adequately taken into account in the Transactions through fair procedures; and as described in (iii) above the fairness and appropriateness of the terms of the Transactions have been secured.
  
- (v) For the following reasons, the Special Committee believes it is appropriate that the board of directors of the Company expresses an opinion supporting the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer: as described in (i) above, it is considered that the Transactions would contribute to the enhancement of the corporate value of the Company and that the purposes of the Transactions are fair and reasonable; as described in (ii) above it is considered that the interests of the shareholders of the Company have been adequately taken into account in the Transactions through fair procedures; as described in (iii) above the fairness and appropriateness of the terms of the Transactions have been secured; and as described in (iv) above the decisions by the board of directors of the Company regarding the Transactions would not be disadvantageous to the minority shareholders of the Company.

(C) Procurement by the Special Committee of Advice from an Independent Legal Advisor

As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above, the

Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor independent from the Company and the Tender Offeror, from which it receives legal advice, including advice regarding measures to be taken to ensure the fairness of the procedures for the Transactions and the method and process of deliberation of the Special Committee for the Transactions.

Nakamura, Tsunoda & Matsumoto is not a party affiliated with the Company or the Tender Offeror and does not have any material interested party for the Transactions, including the Tender Offer. For other information regarding the independence of Nakamura, Tsunoda & Matsumoto, please see “(ii) Process of Review” in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above.

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

As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above, the Special Committee appointed Plutus as its own financial advisor and third-party appraiser independent of the Company and the Tender Offeror, from which it receives advice from a financial perspective, including advice regarding the valuation of the Company Shares and negotiation policy with the Tender Offeror, and obtained the Share Valuation Report (Plutus) on November 29, 2021. The Special Committee has received from Plutus a Fairness Opinion to the effect that a price of 2,200 yen per share as the Tender Offer Price is fair to the holders of the Company Shares (other than the Tender Offeror and its affiliates) from a financial perspective.

Plutus is not a party affiliated with the Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. For other information regarding the independence of Plutus, please refer to “(ii) Process of Review” in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above.

(E) Advice from an Independent Legal Advisor at the Company

As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above, the Company appointed Anderson Mori & Tomotsune as its legal advisor independent of the Company and the Tender Offeror, from which it received legal advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the procedures involved the Transactions, and the method and process of decision-making by the Company regarding the Transactions and other legal advice.

Anderson Mori & Tomotsune is not a party affiliated with the Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer.

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

As stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above, the Company appointed Nomura Securities as its own financial advisor and third-party appraiser independent of the Company and the Tender Offeror, from which it receives advice and assistance from a financial perspective, including advice regarding the valuation of the Company Shares and negotiation policy with the Tender Offeror, and obtained the Share Valuation Report (Nomura Securities) dated as of November 29, 2021.

Nomura Securities is not a party affiliated with the Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. The fees payable to Nomura Securities for the Transactions include contingency fees to be paid subject to the completion of the Tender Offer. After taking into account matters including customary practices in similar kinds of transactions and the appropriateness of a compensation structure that would cause considerable financial burden to the Company in case the Transactions are not completed, and deciding that the inclusion of contingency fees to be paid subject to the completion of the Tender Offer would not deny the independence of Nomura Securities, the Company appointed Nomura Securities as its financial advisor and third-party appraiser based on the compensation structure above.

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

As stated in “(C) Decision-Making Process and Reasoning of the Company” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” above, the Company constructed an internal system to deliberate, negotiate and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror from the standpoint of avoiding, to the extent possible, any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions. Specifically, after receiving notice of the Tender Offeror’s intent to consider making the Company a wholly-owned subsidiary through the Tender Offer on August 31, 2021, the Company established a structure for review consisting of a total of 11 members, including three directors and two corporate auditors of the Company (excluding the Company’s representative director Mr. Toshiyuki Sonobe, the Company’s representative director Mr. Takashi Maruyama, the Company’s director Mr. Takehiko Ota, and the Company’s full-time corporate auditor Mr. Hideo Horiguchi) and six of the Company’s executive officers and employees who have not held positions in the past as officers or employees of a company in the Tender Offeror Group other than the Company Group, as officers and employees to deliberate, negotiate, and make decisions regarding the Transactions, and the structure has implemented negotiations on the terms of the Transactions, including the Tender Offer Price, between the Company and Tender Offeror and the drafting of the Company’s Business Plan, which is used as a basis for the valuation of the Company Shares (however, as stated in “(B) Establishment by the Company of an Independent Special Committee and Procurement by the Company of the Report from the Special Committee” above, the Company’s director Mr. Takehiko Ota participated only in each of the second stages of the board of directors meetings of the Company held on September 16, 2021 and today in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made). The Company’s Business Plan, which is used as a basis for the valuation of the Company Shares by the Tender Offeror,

Nomura Securities, and Plutus, was prepared after the Company received notice of the Tender Offeror's intent to consider making the Company a wholly-owned subsidiary through the Tender Offer on August 31, 2021 under the structure for review stated above from the standpoint of avoiding any structural conflict of interest and asymmetry of information problems, and the financial figures in the business plan have not been unjustly distorted based on the existence of the Transactions. Of the six directors of the Company, a total of three directors (excluding representative director Mr. Toshiyuki Sonobe, representative director Mr. Takashi Maruyama, and director Mr. Takehiko Ota) conducted deliberations and passed a resolution by unanimous approval to approve the Company's Business Plan at the Company's board of directors meeting held on September 16, 2021. In addition, in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Company was corporate auditor) conducted deliberation and again passed a resolution by unanimous approval to approve the Company's Business Plan.

Of the directors of the Company, representative director Mr. Toshiyuki Sonobe, representative director Mr. Takashi Maruyama, director Mr. Takehiko Ota, and corporate auditor Mr. Hideo Horiguchi have not participated in the Company's decision-making regarding the Transactions (including the approval of the Company's Business Plan) from the standpoint of avoiding any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions. However, the Company's director Mr. Takehiko Ota participated only in each of the second stages of the board of directors meetings of the Company held on September 16, 2021 and today in order to ensure that a valid resolution that meets the quorum required under the Companies Act was made.

The Special Committee has confirmed that the internal structure for reviewing the Transactions (including the scope of the Company's officers and employees involved in deliberating, negotiating, and making decisions regarding the Transactions, and their duties) established by the Company is based on the advice received from Anderson Mori & Tomotsune and that there is no concern with respect thereto from the standpoint of independence and fairness, including the exclusion of the Company's officers and employees as stated above.

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

The Company's board of directors carefully discussed and deliberated the series of procedures involved in the Transactions including the Tender Offer and the conditions of the Transactions, concerning whether the Transactions would contribute to enhancing the corporate value of the Company and whether the terms of the Transactions, including the Tender Offer Price, are appropriate, based on the legal advice received from Anderson Mori & Tomotsune on decision-making processes and methods for, and other matters to be noted in relation to, the Transactions including the Tender Offer, the advice from a financial standpoint and the content of the Share Valuation Report (Nomura Securities) received from Nomura Securities, and the content of the Share Valuation Report (Plutus) and the Fairness Opinion prepared by Plutus that it received from the Special Committee, and while

respecting the content of the Report submitted by the Special Committee to the maximum possible extent. As a result, as stated in “(a) Further ‘expanding investment targets’ in Japan” and “(b) Enhancing overseas business” in “(C) Decision-Making Process and Reasoning of the Company” in “(2) Grounds and Reasons for the Opinion on the Tender Offer” above, given the Company’s determination that the Transactions could be expected to create synergies and would contribute to enhancing the corporate value of the Company Group and that the conditions of the Transactions, including the Tender Offer Price, were appropriate conditions that ensure the interests of the Company’s general shareholders, and that they provide a reasonable opportunity for the Company’s general shareholders to tender the Company Shares at a premium price, the Company resolved at its board of directors meeting held today, by a unanimous vote of all three directors who participated in the deliberation and the resolution process, of the six directors of the Company, to express its opinion to support the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

Since, of the six directors of the Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota have held positions at the Tender Offeror in the past, the three directors of the Company other than the three directors stated above (namely, Mr. Hideki Tainaka, Mr. Atsushi Oi, and Mr. Atsushi Miyanoya) participated in deliberation and passed a resolution as stated above by unanimous approval at the Company’s board of directors meeting stated above, from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a standing corporate auditor of the Company, has held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions.

There is a possibility that the three directors who did not participate in the resolution, namely, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, do not have special interests provided for in the Companies Act in relation to the proposal stated above. In that case, the quorum for the board of directors meeting may not have been satisfied in relation that proposal, and therefore in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Company was corporate auditor) conducted deliberation, and again took a vote on that proposal and passed a resolution by unanimous approval. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a standing corporate auditor of the Company, held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions.

Since, of the directors of the Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, and standing corporate auditor Mr. Hideo Horiguchi have held positions at the Tender Offeror in the past, they have not participated in any deliberations or

resolutions at the meetings of the board of directors of the Company for the Transactions, including the board of directors meetings of the Company held on September 19, 2021 and today, nor have they participated in the discussions and negotiations with the Tender Offeror regarding the Transactions on behalf of the Company (except for Mr. Takehiko Ota having participating in the deliberations and resolutions in each of the second stages of the board of directors meetings of the Company held on September 19 , 2021 and today), from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions.

(I) No Transaction Protection Clause

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

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

As stated in “(5) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating the “Two-Step Acquisition”)” above, the Tender Offeror ensures an opportunity for the Company's shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Company's shareholders by (i) employing methods ensuring the right of the Company's shareholders to request purchase of shares or to petition for a determination of the price of shares, wherein depending on the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, either will make the Demand for Shares Cash-Out for all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and treasury shares owned by the Company) or will make a demand to the Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for the Share Consolidation and a partial amendment to the Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, and (ii) clarifying that the amount of money to be delivered to the Company's shareholders as consideration for each Company Share in the Demand for Shares Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by those shareholders (excluding the Company and the Tender Offeror).

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

guarantee the fairness of the Tender Offer Price.

**4. Matters Relating to Material Agreements Regarding Tendering Share Certificates, Etc. in the Tender Offer between the Tender Offerors and the Company's Shareholders**

N/A

**5. Details of Benefits Received from the Tender Offeror or Parties Having Special Relationships with the Tender Offeror**

N/A

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

N/A

**7. Questions to the Tender Offeror**

N/A

**8. Requests for Extension of Tender Offer Period**

N/A

**9. Future prospects**

Please refer to “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” under “(2) Grounds and Reasons for the Opinion on the Tender Offer”; “(4) Prospects for Delisting and Reasons Therefor”; and “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” under “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer”.

**10. Matters Regarding Transactions with Controlling Shareholder**

- (1) Transactions, etc. with Controlling Shareholder and Status of Conformity with Policy regarding Measures to Protect Minority Shareholders

Since the Tender Offeror is the controlling shareholder (the parent company) of the Company, expressing an opinion regarding the Tender Offer constitutes a transaction, etc. with a controlling shareholder. In the section of its Corporate Governance Report disclosed on June 28, 2021 titled “Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder,” the Company states with respect to terms and conditions of transactions when conducting transactions, etc. with the Tender Offeror that it “handles decisions on rent, etc. through the same processes as used in transactions with general clients, including mutual consultation with reference to the rent level in the neighborhood and the market price, and conducts transactions that are appropriate in light of social norms.”

With respect to the Transactions, including the Tender Offer, the Company has implemented measures to address structural conflict of interest issues and information asymmetry issues and to ensure the fairness of the terms and conditions of the Transactions, including the Tender Offer Price, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above. The Company believes these measures are consistent with the policy stated above.

(2) Details of Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Please refer to “(6) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above.

(3) Outline of Opinion From a Party That Has No Interest in the Controlling Shareholder Stating that the Transaction, etc. Would not be Disadvantageous to Minority Shareholders

The Company obtained an opinion from the Special Committee as of November 29, 2021 stating that the decision (i.e. (a) the decision of the Company to support the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer and (b) the decision pertaining to the procedures to make the Company a wholly owned subsidiary through the Demand for Shares Cash-Out or the Share Consolidation implemented as part of the Transactions after the Tender Offer) to the effect that the Transactions is not disadvantageous to minority shareholders. For details, please refer to “B. Establishment by the Company of an independent special committee and procurement by the Company of the report from the special committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” above.

## 11. Other Matters

It has been announced that the Company resolved at its board of directors meeting held on today to revise its dividend forecast for the Y.E. March 2022 and not to declare a year-end



dividend for the Y.E. March 2022, subject to the successful completion of the Tender Offer. For details, see “Notice Regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2022” released by the Company as of today.

End

(Reference) " Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of DAIBIRU CORPORATION (Securities Code 8806)" by the Tender Offeror on November 30, 2021 (Attachment)

[Translation]

November 30, 2021

To whom it may concern:

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

**Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of  
DAIBIRU CORPORATION (Securities Code 8806)**

Mitsui O.S.K. Lines, Ltd. (the “**Tender Offeror**”) hereby announces as follows that it resolved at its board of directors meeting held today to acquire the common stock (the “**Target Company Shares**”) of DAIBIRU CORPORATION (First Section of the Tokyo Stock Exchange, Inc. (the “**TSE**”), Securities Code: 8806, the “**Target Company**”) through a tender offer (the “**Tender Offer**”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “**Act**”).

**1. Purpose of the Tender Offer**

(1) Outline of the Tender Offer

As of today, the Tender Offeror holds 59,527,766 shares (ownership ratio (Note): 51.91%) of the Target Company Shares that are listed on the First Section of the TSE and the Target Company is a consolidated subsidiary of the Tender Offeror. For background with respect to the Tender Offeror’s decision to make the Target Company a consolidated subsidiary, see “(a) Background to the Tender Offer” in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” below.

Note: “Ownership ratio” means the percentage (rounded up or down to the nearest two decimal places; the same applies to statements regarding ownership ratios below unless otherwise stipulated) in the product (114,683,767 shares) of (i) the total number of issued shares of the Target Company as of September 30, 2021 (115,051,049 shares) stated in the “Q2 Report for the 150th fiscal year” filed by the Target Company on November 12, 2021 (the “**Target Company’s Quarterly**

**Report**") less (ii) the number of treasury shares held by the Target Company as of that date (367,282 shares).

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

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 16,928,034 shares (ownership ratio:14.76%), and if the total number of Share Certificates, Etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of shares to be purchased, the Tender Offeror will not conduct the purchase, etc. of any of the Tendered Share Certificates, Etc. On the other hand, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased, the Tender Offeror shall conduct the purchase, etc. of all of the Tendered Share Certificates, Etc.

In order to steadily implement the Transactions, the minimum number of shares to be purchased (16,928,034 shares) is set so that the Tender Offeror would hold two-thirds of the number of voting rights of all the shareholders of the Target Company after the successful completion of the Tender Offer because the Tender Offeror intends to make the Target Company a wholly-owned subsidiary, and the implementation of procedures of the share consolidation (the "**Share Consolidation**") of the Target Company Shares pursuant to Article 180 of the Companies Act (Law No. 86 of 2005, as amended; the "**Companies Act**") necessary to make the Target Company a wholly-owned subsidiary as stated in "(B) Share Consolidation" in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the "Two-Step Acquisition")" below requires the special resolution at a shareholders' meeting prescribed in Article 309, Paragraph (2) of the Companies Act. The minimum number of shares to be purchased (16,928,034 shares) is the number of shares calculated by multiplying (i) the number of voting rights (764,558 voting rights) equivalent to two-thirds of the number of voting rights (1,146,837 voting rights) represented by the number of shares (114,683,767 shares) equal to the total number of issued shares of the Target Company as of September 30, 2021 (115,051,049 shares) stated in the Target Company's Quarterly Report, minus the number of treasury shares held by the Target Company as of that date (367,282 shares), by (ii) one unit of the Target Company Shares (100 shares) (76,455,800 shares), then subtracting the number of the Target Company Shares held by the Tender Offeror (59,527,766 shares). Since the price of purchase, etc. of the Target Company Shares in the Tender Offer (the "**Tender Offer Price**") is the share price of the Target Company to which enough premium is added as stated in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below, the Tender Offeror judges that the shares that exceeds the minimum number of shares to be purchased (16,928,034 shares) will be tendered in the Tender Offer and does not execute an agreement on tendering the shares in the Tender Offer with particular shareholders upon conducting the Tender Offer.

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Target Company Shares through the Tender Offer, the Tender Offeror intends to acquire all of the Target Company Shares by implementing the series of procedures (the "**Squeeze-Out**

**Procedures**”) stated in “(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the “Two-Step Acquisition”)” below to become the sole shareholder of the Target Company.

If the Tender Offer is successfully completed, the Tender Offeror plans to cover funds required for the settlement pertaining to the Tender Offer by the Business Day immediately preceding the commencement date of that settlement by borrowing funds up to 123 billion yen from Sumitomo Mitsui Banking Corporation. No collateral will be provided with respect to that borrowing.

Also, according to “Announcement of Opinion Supporting Tender Offer for Shares in the Company by Mitsui O.S.K. Lines, Ltd., the Controlling Shareholder, and Recommendation for our Shareholders to Tender their Shares in Tender Offer” (the “**Target Company’s Press Release**”) released today by the Target Company, the Target Company resolved at its board of directors meeting held today to express an opinion in support of the Tender Offer and to recommend to the Target Company’s shareholders to tender their Target Company Shares in response to the Tender Offer.

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

At its board of directors’ meeting held on November 30, 2021, the Tender Offeror also resolved to acquire Utoc Corporation (“**Utoc**”)’s common stock through a tender offer (the “**Utoc Tender Offer**”) as is the case in the Transactions, as part of the transaction in which the Tender Offeror makes Utoc, a consolidated subsidiary of the Tender Offeror, a wholly-owned subsidiary of the Tender Offer. However, the Tender Offeror considered both transactions independently from each other and decided to implement the Transactions and the Utoc Tender Offer as a result of separate discussion with the Target Company and Utoc. Therefore, each of the Transactions and the Utoc Tender Offer are independent transactions (for the background that the Tender Offeror began deliberating the Utoc Tender Offer and other details of the Utoc Tender Offer, please refer to the “Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of Utoc Corporation (Securities Code 9358)” released on today).

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

The Tender Offeror was formed under its current trade name in April 1999, through the merger of Navix Line, Ltd. and Mitsui O.S.K. Lines, Ltd. the latter of which was formed by the merger of Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. in April 1964. Osaka Shosen Kaisha was a shipowner and liner service operator (see Note 1) founded in May 1884 with a capital stock of 1.2 million yen through a large-scale merger of shipowners based in the Kansai region. Mitsui Steamship Co., Ltd. originated as the

shipping department of MITSUI & CO., LTD., which had operated shipping business in the late 19th Century; the shipping department was spun off into an independent corporation on December 28, 1942, with a capital stock of 50 million yen. Due to the Second World War, both Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. lost the bulk of their ships and the right to do shipping business on their own account, but after the shipping industry was re-privatized in April 1950, due to their efforts to regain their shipping rights and rebuild their fleets, they were able to restore their main prewar routes by the early 1950s. Following the merger of Osaka Shosen Kaisha and Mitsui Steamship Co., Ltd. in April 1964 described above, the new entity (named Mitsui O.S.K. Lines, Ltd.) strove to expand and diversify its business in response to the development of Japanese trade and the growing variety of shipping methods and cargoes.

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

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

- I. Dry Bulker Transport: The Tender Offeror Group owns and operates dry bulkers (see Note 2) (excluding coal carriers which transport coal for power plants) with which it transports cargo around the globe.
- II. Energy Transport: The Tender Offeror Group owns and operates coal carriers (which transport coal for power plants), tankers, offshore business, LNG carriers, and other ships with which it transports cargo around the globe.
- III. Product Transport: The Tender Offeror Group owns and operates car carriers (see Note 3) with which it transports cargo around the globe. They also provide total logistics solutions including owning and operating container ships, container terminals operation, air and ocean freight forwarding (see Note 4), trucking, warehousing, and heavyweight and oversized cargo transport. The Tender Offeror’s consolidated affiliates MOL Ferry Co., Ltd. and Ferry Sunflower Limited operate ferries for passenger and freight transport, mainly on Japan’s Pacific coast and Seto Inland Sea.
- IV. Associated Businesses: In addition to the real estate business mainly centered on the Target Company, the Tender Offeror Group operates passenger cruises, tugboats, general trading (including the sale of fuel, shipbuilding materials, and machinery), and other businesses.
- V. Other: The Tender Offeror Group operates businesses including ship management (for ships other than tankers and LNG carriers), finance (for group-internal financing), information services, accounting, and maritime business consulting, through its consolidated affiliates including MOL Ship Management Co., Ltd.

- Note 1: A liner ship is a ship operating on a regular route under a regular schedule, with the port of departure, ports of call, port of destination, planned dates of departure and arrival, and ship name published in advance.
- Note 2: A dry bulker is a cargo ship designed to carry unpackaged grain, ore, cement, and other bulk cargo in its hold.
- Note 3: A car carrier is a specialized ship for the transportation of automobiles.
- Note 4: Freight forwarding is the service of providing support for trade paperwork and specialized operations that arise in connection with arranging transportation, as an agent between the entity that requests shipping (the consignor) and the actual shipping provider (the carrier).

According to the Target Company's Press Release, the Target Company was established in October 1923 as Osaka Building Co., Ltd., a joint venture between Osaka Shosen Kaisha, Ujigawa Denki Kabushiki Kaisha, and Nippon Denryoku Kabushiki Kaisha, and changed its name to Osaka Tatemono Co., Ltd. in October 1945. It listed on the OSE in December 1950 and the First Section of the TSE in December 1983, and adopted its current trade name in January 1992. The Target Company delisted from the OSE upon the merger of the TSE and the OSE in July 2013, and is currently listed solely on the First Section of the TSE.

As of September 30, 2021, the Target Company has 15 consolidated affiliates (all of which are consolidated subsidiaries) (the Target Company and its consolidated affiliates collectively, the "**Target Company Group**"). The Target Company Group's main business is office building leasing, and its aim is to provide high-quality, customer-focused office spaces and contribute to the development of economic society while improving profits and corporate value, under the corporate principles of "constructing buildings, creating towns, and pioneering the new era." The Target Company Group's business is classified into three business segments – Leasing, Facility Management, and Other – and outline of each business is as follows.

- I. Leasing: The Target Company and its consolidated subsidiaries own and lease out office buildings, hotels, apartments, and other land and buildings.
- II. Facility Management: The Target Company's consolidated subsidiaries undertake building management for buildings owned by the Target Company and buildings, etc. and other than those owned by the Target Company.
- III. Other: The Target Company and its consolidated subsidiaries conduct design and supervision, construction, and construction management for the construction of buildings and facilities.

The capital relationship between the Target Company and the Tender Offeror is as follows. Osaka Shosen Kaisha, one of the precursors of the Tender Offeror, established the Target Company in October 1923 as a joint venture with Ujigawa Denki Kabushiki Kaisha and Nippon Denryoku Kabushiki Kaisha (then under the trade name of Osaka Building Co., Ltd.), and as of September 30, 2004, the Tender Offeror held 32,235,531 shares of the Target Company Shares (shareholding ratio (meaning the ratio of the total issued shares of the Target Company excluding treasury shares represented by the Target Company Shares

held at a given time, rounded to two decimal places; the same applies to references to “shareholding ratio” below in this paragraph) as of September 30, 2004: 27.62%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 143,397 shares). The Tender Offeror conducted a tender offer for the Target Company Shares in September 2004 for the purpose of clarifying the Target Company’s status as a member of the Tender Offeror Group in order to strengthen the corporate group and promote group operations, especially in the core business area of shipping (tender offer period: September 15 to October 14, 2004; maximum number of shares to be purchased: 27,300,000 shares; minimum number of shares to be purchased: N/A); as of October 21, 2004, the Tender Offeror acquired 27,300,000 shares of the Target Company Shares, bringing its shareholding to 59,535,531 shares (shareholding ratio as of October 15, 2004: 51.01%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 145,674 shares), and making the Target Company a consolidated subsidiary of the Tender Offeror. On March 24, 2006, the Tender Offeror’s shareholding was reduced to 59,527,766 shares of the Target Company Shares (shareholding ratio as of March 24, 2006: 51.03%; total issued shares as of that date: 116,851,049 shares; treasury shares as of that date: 205,873 shares) through the exercise of put option rights with respect to shares of less than one unit by Tender Offeror, and it holds 59,527,766 shares of the Target Company Shares (ownership ratio: 51.91%) as of today.

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

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

The Tender Offeror Group's core business area of shipping is cyclical by nature due to demand being strongly affected by fluctuations in the market and the broader economy, and its position in the medium- to long-term is subject to uncertainties, including profit instability, due to the effects of decarbonization – particularly the decreasing demand for transportation of fossil fuels like coal and oil, the switch from heavy fuel oil to LNG and other clean alternatives which will require additional investment to refit ships, and the variability of alternative fuel prices. In this context, the Tender Offeror believes that making the Target Company a wholly-owned subsidiary of the Tender Offeror will increase the proportion of its portfolio that is represented by the real estate business – which has different properties and a different business cycle to the shipping business – and reduce the Tender Offeror Group's dependence on traditional shipping, and to reinforce its business and allow consistent, and stable earnings, and will also diversify its access to new business areas by enabling it to leverage the strengths and network that the Tender Offeror Group has built up in the shipping business. In addition, the real estate business in which the Target Company Group operates has many similarities to the shipping business, and will allow the Tender Offeror Group to leverage its strengths, including its expertise, experience regarding different countries' business practices and economies, and its long relationships with local companies to expand its business in countries around the world. Shipping and real estate share aspects such as the acquisition and holding of assets on a long-term basis with consideration for market conditions, and both involve providing services to users even though the details of the business differ; given the many points of similarity between its main business of shipping and real estate, the Tender Offeror Group will be able to utilize its management know-how from shipping, including in the building of service provision systems, in this new business area. By making the Target Company a wholly-owned subsidiary of the Tender Offeror, the two companies will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company. Through such collaboration and the sharing of networks between the Target Company Group and the Tender Offeror Group, the Tender Offeror Group expects to be able to utilize each other's expertise and management resources and improve its overall asset efficiency and expand its investments into logistics facilities and other related real estate, and high-growth overseas real estate.

The Tender Offeror believes that, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, the Target Company Group will be able to make swifter decisions without concern for the effects of temporary increases in investment burdens and short-term decreases in performance on the shareholders, and the two companies will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company, which will allow them to implement growth strategies with a stronger focus on the medium- to long-term. The Target Company Group's main business of office building leasing may likely face ongoing hurdles, including in the balance of supply and demand, due to the economic effects of the Covid-19 pandemic and the associated changes in work styles. However, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror after the Transactions, the Target Company Group will no longer have to consider the effect of temporary increases in investment burden or short-term dips in performance on the general shareholders of the Target Company, and will therefore be able to make growth investments in office buildings and implement proactive environmental strategies with a medium- to long-term focus that goes beyond short-term performance and profits. In addition, under its current medium-term management plan "Design 100" Project Phase-II ("**Phase-II**"), which it formulated as of April 27, 2018 and



which will remain in place for the five-year period from April 2018 through March 2023, the Target Company group's main policies include "Investment in high-end office properties in CBD" and "Expansion of investment targets," and it will be able to make swifter decisions and continue to pursue domestic redevelopment projects and other project after the Transactions by further leveraging the management resources of the Tender Offeror Group such as networks and capital, in the absence of the former restrictions to maintain independence as a listed company. At the same time, the Target Company Group will be able to consider large-scale, diverse new development investments and strategic alliances that will contribute to its growth, such as expanding into real estate areas that are linked to the logistics business of the Tender Offeror Group, and that related to the decarbonization business encouraged under the Tender Offeror Group's management plan (Rolling Plan 2021; the "**Rolling Plan**"), which it announced on April 5, 2021 and which will remain in place for FY 2021 and the MOL Group Environmental Vision 2.1. The Target Company Group's overseas business in Vietnam and Australia will also be able to leverage the overseas personnel and other resources, and global information network of the Tender Offeror Group to acquire and develop properties that match the Tender Offeror Group's business strategy and the Rolling Plan and to deliberate and execute alliances with other companies, enabling the expansion of its business into overseas regions where the office market is expected to grow in the future. The Tender Offeror Group's relationships with financial institutions and other partners and financing methods can also be used to help the Target Company Group acquire the necessary financing for the above growth investments and environmental strategies, and the Tender Offeror Group's credit lines can be used to source funds even for large investments.

The Tender Offeror has managed the Target Company as a member of the Tender Offeror Group and achieved synergies while respecting the Target Company's independence as a listed company since acquiring it as a consolidated subsidiary on October 15, 2004. However, the Tender Offeror has carefully considered the capital relationship between the Tender Offeror Group and the Target Company Group since its acquisition as a consolidated subsidiary, given that there is currently a limit on how far customer bases, business bases, financial bases, and other management resources can be shared and optimized between to implement the above measures from the standpoint of maintaining independence as a listed company. The Tender Offeror believes that if the Target Company's listing is maintained, it will be difficult to carry out the initiatives that the Tender Offeror intends to carry out after the Tender Offer as described in the preceding two paragraphs, including: growth investment and proactive environmental strategy related to office buildings; leveraging the network and management resources of the Tender Offeror Group; diverse, large-scale new business investments and strategic alliances including expansion into real estate areas related to the logistics business of the Tender Offeror Group; expansion of the overseas business in regions where the office market is expected to grow; and financing using the Tender Offeror's credit lines. The Tender Offeror believes that while the above initiatives will contribute to the medium- to long-term corporate value of the Target Company Group, they may cause investment increases and instability in the Target Company Group's performance in the short term, and it is therefore anticipated that the Target Company's management strategy may not necessarily align with the interests of its existing general shareholders in the short term. After formulating the Rolling Plan, which was announced on April 5, 2021, the Tender Offeror accelerated its internal deliberations of the capital relationship between itself and the Target Company with a view to achieving those initiatives and the implementation of growth strategies and management strategies for the Target Company with a medium- to long-term view. As a result, in early August 2021, the Tender Offeror concluded that making the Target Company a wholly-owned subsidiary

of the Tender Offeror and making the Tender Offeror the only shareholder of the Target Company is the most appropriate way of consolidating the management of the Tender Offeror Group, including the Target Company Group, and achieving the above initiatives, and is the best choice for enhancing the corporate value of both the Tender Offeror Group and the Target Company Group. The Tender Offeror believes, with respect to eliminating the dual listing of parent and subsidiary, that making the Target Company a wholly-owned subsidiary through the Tender Offer is consistent with recent trends in group governance discussion demanding greater fairness and transparency in the governance of listed companies (notably the Ministry of Economy, Trade and Industry's publication of the "Practical Guidelines for Corporate Governance Systems" on June 28, 2019).

Based on this understanding, in early August 2021, the Tender Offeror appointed Goldman Sachs Japan Co., Ltd. ("**Goldman Sachs**") as its financial advisor and Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror Group and the Target Company Group, and began deliberating the Transactions in earnest. The Tender Offeror, having concluded that it would be appropriate to offer the minority shareholders of the Target Company a reasonable opportunity to sell their shares by acquiring the Target Company Shares through a tender offer as part of the Transactions, initially approached the Target Company on August 31, 2021 indicating that the Transactions would be conducted through the Tender Offer and requesting to begin discussions between the Tender Offeror and the Target Company with respect to the possibility and conditions of the Transactions, and the two companies agreed to begin discussions. Following that, the Tender Offeror received the Target Company's business plan for the Y.E. March 2022 through the Y.E. March 2028 (the "**Target Company's Business Plan**") from the Target Company on September 16, 2021 and received an explanation from the Target Company regarding the Target Company's Business Plan on September 22, 2021. On September 30, 2021, following comprehensive consideration of the inherent corporate value of the Target Company based on analyses including the market share price analysis of the Target Company Shares and financial forecast model analysis based on the Target Company's Business Plan, and the possibility of endorsement of the Tender Offer by the Target Company and the prospect of successful completion of the Tender Offer, the Tender Offeror made a formal proposal to the Target Company regarding the Transactions, including deciding on Tender Offer Price of 2,000 yen per share. On October 18, 2021, the Target Company requested that the Tender Offeror reconsider the content of its proposal because the premium offered over the market price of the Target Company Shares was not sufficient in comparison to similar transactions where a controlling shareholder made the target a wholly-owned subsidiary and the price could not be considered reasonable in light of the results of the share valuations conducted by the financial advisor of the Target Company and its special committee, and on October 27 the Tender Offeror made a proposal to set the Tender Offer Price at 2,050 yen. However, on November 8, the Target Company again requested that the Tender Offeror reconsider its proposal for the same reasons as above. On November 17, the Tender Offeror made a final proposal with a Tender Offer Price of 2,100 yen per share. On November 24, the Target Company proposed raising the Tender Offer Price to 2,200 yen for the same reasons as above. On November 25, the Tender Offeror accepted the Target Company's proposal provided that the board of directors of the Target Company resolves to support the Tender Offer and recommend that the general shareholders of the Target Company tender their shares in the Tender Offer, and that no matter occurs or is discovered on or before the date of the announcement of the Tender Offer that would have a material adverse effect on the decision to implement the Tender Offer.

As described above, at the board of directors meeting held on today, the Tender Offeror resolved to implement the Tender Offer for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, considering legal advice from Mori Hamada & Matsumoto, and advice from a financial point of view from Goldman Sachs and a financial analysis report dated November 30, 2021 (“**the Analysis Report (GS)**”) received from Goldman Sachs, after confirming based on public information and confirmation with the Target Company that no matter had occurred or been discovered between November 24 and November 30 that would have a material adverse effect on the decision of the Tender Offeror, and on the condition that the board of directors of the Target Company resolves to support the Tender Offer and recommend that the general shareholders of the Target Company tender their shares in the Tender Offer. For an outline of the Analysis Report (GS), see “(A) Basis of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below.

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

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

According to the Target Company’s Press Release, after being initially approached by the Tender Offeror regarding the Transactions on August 31, 2021, the Target Company formed the Special Committee (defined below) by a resolution of the board of directors meeting of the Target Company held on September 16 in order to proactively consider the proposal, and agreed to proceed with discussions with the Tender Offeror, and then began specific consultations between the staff of the Target Company and the Tender Offeror regarding the Transactions as described above. When beginning discussions with the Tender Offeror with respect to the Transactions, in light of the fact that the Target Company is a consolidated subsidiary of the Tender Offeror and the Transactions therefore constitute transactions which typically have issues including a structural conflict of interest and information asymmetry, in early September 2021 the Target Company appointed Nomura Securities Co., Ltd. (“**Nomura Securities**”) as its financial advisor and third-party appraiser and Anderson Mori & Tomotsune (“**Anderson Mori & Tomotsune**”) as its legal advisor independent of the Target Company and the Tender Offeror in order to address those issues, and immediately began constructing a system to deliberate, negotiate and make decisions regarding the Transactions from the perspective of enhancing the corporate value of the Target Company Group and protecting the interests of the Target Company’s general shareholders, from a standpoint independent of the Tender Offeror, based on the advice of that law firm.

Specifically, the Target Company began preparations toward establishing a special committee comprising its outside directors and outside corporate auditors in early September 2021, and established a four-member special committee consisting of Mr. Atsushi Oi (independent outside director of the Target Company), Mr. Atsushi Miyano (independent outside director of the Target Company), Mr. Shigeki Taenaka (independent outside corporate auditor of the Target Company), and Mr. Tomoyuki Nishida (independent outside corporate auditor of the Target Company) (the “**Special Committee**”) by a resolution of its board of directors meeting held on September 16, 2021 (for details, see “(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below), and asked the Special Committee (i) whether the objectives of

the Transactions are appropriate and reasonable (including whether the Transactions will contribute to enhancing the corporate value of the Target Company), (ii) whether the fairness and appropriateness of the terms of the Transactions (including the purchase, etc. price in the Tender Offer) is ensured, (iii) whether sufficient consideration has been made for the interests of the shareholders of the Target Company, by fair procedures, in connection with the Transactions, (iv) whether, in addition to (i) through (iii) above, the decision of the Target Company's board of directors with respect to the Transactions is not disadvantageous to the minority shareholders of the Target Company, and (v) whether the Target Company's board of directors should support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer (collectively, the "**Consulted Matters**"). In addition, when establishing the Special Committee, the Target Company's board of directors gave the Special Committee the status of an organ of the Target Company independent of the board of directors, and resolved that (i) the decision-making of the Target Company's board of directors with respect to the Transactions will, to the extent maximum possible, respect the content of the Special Committee's judgment as delegated by the Target Company's board of directors, and that in particular, if the Special Committee judges the terms of the Transactions to be inappropriate, the Target Company's board of directors will not support the Transactions under those terms, (ii) when negotiating the Tender Offer Price and other terms of the Transactions with the Tender Offeror, the Target Company will make timely reports to the Special Committee and receive its opinions, instructions and requests at important junctures, (iii) the Special Committee may, as it considers necessary, appoint its own attorneys-at-law, valuation organization, certified public accountants, financial advisors, and other advisors at the Target Company's cost, (iv) the Special Committee may conduct investigations in connection with its duties (including asking questions and requesting explanations and advice from the officers and employees of the Target Company involved in the Transactions and the advisors of the Target Company involved in the Transactions, regarding matters of necessity for the Special Committee's duties) at the Target Company's cost, and (v) the Target Company grants to the Special Committee the authority to negotiate directly with the Tender Offeror regarding the Tender Offer Price and other terms of the Transactions, as necessary (with respect to the board of directors resolution, see "(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below). As stated in "(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below, using the powers described above, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor, and Plutus Consulting Co., Ltd. ("**Plutus**") as its own financial advisor on September 16, 2021.

As stated in "(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer" below, it was confirmed at the first meeting of the

Special Committee on September 16, 2021 that there are no issues with respect to the independence and expertise of Nomura Securities as the financial advisor and third-party valuation organization of the Target Company and Anderson Mori & Tomotsune as the legal advisor of the Target Company, and the Target Company received approval for their appointment.

In addition, the Tender Offeror constructed an internal system to deliberate, negotiate and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror (including the extent of involvement and duties of officers and employees of the Tender Offeror in deliberation, negotiation, and decision-making regarding the Transactions), and received the Special Committee's confirmation to the effect that there are no issues from the perspective of the independence or fairness of that deliberation system (for the details of that deliberation system, see "(vii) Establishment of an Independent Structure for Review at the Target Company" in "(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)" in "(B) Background of Valuation" in "(4) Basis of Valuation of the Tender Offer Price, Etc." in "2. Overview of the Tender Offer".

#### (ii) Background of Deliberation and Negotiation

The Target Company received a report on the results of valuation of the Target Company Shares and advice on the negotiation policy with the Tender Offeror and other advice from a financial standpoint from Nomura Securities, and guidance on measures to ensure the fairness of procedures related to the Transactions and other legal advice from Anderson Mori & Tomotsune, based on which it carefully deliberated the merits of the Transactions and the appropriateness of the transaction terms.

After receiving an initial proposal from the Tender Offeror on August 31, 2021, and forming the Special Committee by a resolution of the board of directors meeting of the Target Company held on September 16, the Target Company consulted and negotiated with the Tender Offeror on an ongoing basis regarding the terms of the Transactions. Specifically, on September 30, the Target Company received a proposal from the Tender Offeror for a Tender Offer Price of 2,000 yen per share. On October 18, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price because the premium offered on the share price of the Target Company Shares is not sufficient compared to other similar transactions to the Transactions in which a controlling shareholder makes the target company its wholly owned subsidiary, and the Tender Offer Price cannot be considered reasonable in light of the results of share valuation by the financial advisor of the Target Company and its special committee, and on October 27 it received a proposal from the Tender Offeror for a Tender Offer Price of 2,050 yen per share. On November 8, the Target Company again requested that the Tender Offeror reconsider its proposal for the same reasons as above. On November 17, the Target Company received a final proposal from the Tender Offeror for a Tender Offer Price of 2,100 yen per share. On November 24, the Target Company made a counter-offer requesting that the Tender Offer Price be increased to 2,200 yen for the same reasons as above, and the Tender Offeror responded on November 25 to the effect that it would accept that counter-offer on the condition that that the board of directors of the Target Company resolves to support the Tender Offer and recommend that the general shareholders of the Target Company tender their shares in the Tender Offer, and that no matter occurs or is discovered on or before the date of the announcement of the Tender Offer that would have a material adverse effect on the decision of the Tender Offeror. On November 29, the parties agreed on a Tender Offer Price of

2,200 yen per share, subject to approval by the Special Committee at the Target Company's board of directors meeting to be held on November 30, 2021.

(iii) Determinations

Based on the above background, at its board of directors meeting held on today, the Target Company carefully discussed and deliberated the series of procedures involved in the Transactions including the Tender Offer and the terms of the Transactions, concerning whether the Transactions would contribute to enhancing the corporate value of the Target Company and whether the terms of the Transactions, including the Tender Offer Price, are appropriate, based on the legal advice received from Anderson Mori & Tomotsune, the advice from a financial standpoint and the content of the report on the results of valuation of the Target Company Shares dated November 29, 2021 (the "**Share Valuation Report (Nomura Securities)**") received from Nomura Securities, and the content of the share valuation report dated November 29, 2021 (the "**Share Valuation Report (Plutus)**") and opinion on the rationality of the Tender Offer Price from a financial standpoint (the "**Fairness Opinion**") prepared by Plutus that it received from the Special Committee, and while respecting the content of the report submitted by the Special Committee (the "**Committee Report**") to the maximum possible extent.

As a result, as stated below, the Target Company concluded that its becoming a wholly-owned subsidiary of the Tender Offeror could be expected to create synergies and would contribute to enhancing the corporate value of the Target Company.

The Target Company, as a listed company, has respected the interests of the Target Company's minority shareholders and has made efforts to secure its independence as a Target Company. For this reason, there is a concern of conflicts of interest between the Tender Offeror Group and the Target Company's minority shareholders with respect to the sharing of the know-how, management infrastructure, etc. held by the Tender Offeror Group, and it has been difficult to promote the sharing of such know-how, management infrastructure, etc. in a prompt and smooth manner from the perspective of ensuring the Target Company's independence. After the Transaction, by becoming a wholly-owned subsidiary of the Tender Offeror, the concerns of conflicts of interest between the Tender Offeror Group and the minority shareholders of the Target Company will be resolved, and it is expected that the Target Company will be able to enhance its corporate value and the medium- to long-term corporate value of the Tender Offeror Group will be enhanced, while promoting the efficient use of Tender Offeror Group's management resources, etc. in a prompt and smooth manner in cooperation with the Tender Offeror Group and avoiding the restrictions for ensuring its independence.

The specific synergies that the Target Company believes to be feasible through the Transactions are as follows.

(a) Further "expanding investment targets" in Japan

The Target Company Group has established "expanding investment targets" as one of the key measures under its current medium-term management plan, Phase-II. Under the previous medium-term management plan, "Design 100" Project Phase-I, the Target Company's main investment targets were large office buildings around the 40 billion-yen range located in three wards of central Tokyo (Chiyoda, Chuo, and Minato); however, there are limited opportunities to acquire that kind of property, and acquisition is made more difficult by increased competition from domestic and international investors when tendering procedures are required.

In light of this situation, Phase-II aims to expand the Target Company's investment targets to include other territories, purposes, and scales. "Territories" means the Japanese regional centers outside Tokyo and Osaka (Sapporo, Sendai, Nagoya, Hiroshima, and Fukuoka), but due to limitations in the Target Company Group's information-gathering, this expansion has so far only resulted in the acquisition of a property in Sapporo in 2019.

As a shipping company, the Tender Offeror Group has extensive personal and business connections including the foremost companies and local governments of various regional centers in Japan, which it intends to utilize to further improve the Target Company's investments in regional centers. In terms of "purposes," the Tender Offeror Group also owns logistics facilities and similar properties that the Target Company has no exposure to, and has operating know-how as a logistics provider, which the Target Company Group may be able to leverage in order to increase its investments in logistics facilities and related properties and expand its investment targets into other purposes.

In terms of "scale," the Target Company currently raises all financing independently from the Tender Offeror Group, but with the growing size of investment matters in Tokyo, Osaka and other regional centers, there have been investments that it has not been able to handle independently; as a wholly owned subsidiary of the Tender Offeror through the Transactions, the Company will be able to use the Tender Offeror Group's relationships with financial institutions and financing methods to carry out large-scale investments by using the Tender Offeror Group's credit lines for financing.

(b) Enhancing overseas business

The Japan Statistics Bureau projects an ongoing decline in Japan's population through 2050, but continued growth is expected in Vietnam and Australia, which the Target Company Group is invested in, and which the UN predicts will see continuing population growth through 2050 and thereafter.

The Target Company Group began considering overseas business in 2007, and has continued to expand its overseas presence since its first overseas investment, the acquisition of Saigon Tower Co., Ltd. (owner of Saigon Tower in Ho Chi Minh City, Vietnam) as a subsidiary in January 2012. In December 2014, the Target Company Group acquired VIBANK-NGT., Ltd. (owner of the Cornerstone Building in Hanoi, Vietnam) as a subsidiary, and in September 2018 it acquired the 275 George Street office development project (Sydney, Australia) via Daibiru Holdings Australia Pty Ltd (now Daibiru Australia Pty Ltd). Construction of 275 George Street was completed in December 2020.

As the Target Company Group seeks to sustainably enhance its corporate value going forward, "enhancing overseas business" will be one of the most important measures introduced in Phase-II.

The Tender Offeror Group has spent many years growing its overseas business, and possesses an extensive global network that the Target Company Group does not, as well as personnel with rich experience and strong knowledge and skills in international business.

Through the Transactions, the Tender Offeror Group and the Target Company Group will be able to leverage each other's customer bases, business bases, financial bases and other management resources, which were formerly subject to restrictions to maintain independence as a listed company, affording the Target Company Group better access to the Tender Offeror Group's personnel and network and enabling it to expand and enhance its overseas business.

Although overseas business is subject to different risks than domestic business, the Tender Offeror Group's rich expertise, including the management of foreign exchange risk, will strengthen the Target Company Group's risk management.

The Target Company determined at its board of directors meeting held on November 30, 2021 that, based on the following points, the Tender Offer Price of 2,200 yen per share is an appropriate price that ensures the benefits of general shareholders, and the Tender Offer provides a reasonable opportunity for the Company's general shareholders to tender the Target Company's Shares at a premium price.

- (I) The Tender Offer Price was agreed through multiple and sufficient negotiations with the Tender Offeror, with the substantial involvement of the Special Committee, and with sufficient measures being taken to ensure the fairness of the terms of the Transactions including the Tender Offer Price as indicated in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased” below.
- (II) Of the valuation results of the Company's Shares in the Share Valuation Report (Nomura Securities), the Tender Offer Price exceeds the range of valuation of the Target Company's Shares calculated by the average market price method and comparable company analysis method by Nomura Securities, as described in “(F) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”, and falls within the range of valuation of the Company's Shares calculated by the DCF Method (Defined in “(ii) Summary of Valuation of the Target Company Shares,” “(F) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”).
- (III) Of the valuation results of the Company's Shares in the Share Valuation Report (Plutus), the Tender Offer Price exceeds the range of valuation of the Target Company's Shares calculated by the average market price method and comparable company analysis method by Plutus as indicated in “(D) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender



Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased” and falls within the range of valuation of the Company’s Shares calculated by the DCF Method. Furthermore, the Fairness Opinion has been issued by Plutus which contains Plutus’s judgment that the Tender Offer Price of 2,200 yen per share is fair to the Target Company’s shareholders (excluding the Tender Offeror) from a financial perspective, as indicated in “(D) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”.

- (IV) The Tender Offer Price has a premium added thereto at a rate of 47.75% (rounded to the second decimal place, hereinafter the same for the calculation of the premium rates) of the closing price of 1,489 yen of the Company’s Shares on the First Section of the TSE for November 29, 2021, which is the Business Day immediately preceding the announcement date of the Tender Offer, 44.55% of the simple average of the closing price of 1,522 yen (figures less than decimal rounded to whole number; hereinafter the same for the calculation of simple average of the closing price) for the recent one month counted from November 29, 2021, 43.51% of the simple average of the closing price of 1,533 yen for the recent three (3) months counted from November 29, 2021, and 50.27% of the simple average of the closing price of 1,464 yen for the recent six (6) months counted from November 29, 2021, and given that the Transactions are transactions by a listed parent company to make its listed subsidiary a wholly-owned subsidiary, it is comparable to the level of premiums in the 24 other examples of tender offers by listed parent companies to make their listed subsidiaries wholly-owned subsidiaries since January 2019 (by comparison of the median (approximately 42% to 44%) and mean (approximately 46% to 49%) of premiums on the closing price as of the Business Day immediately preceding the announcement date of the Tender Offer (provided, regarding the cases where leak is made, the Business Day immediately preceding the date on which such leak is made) and the simple averages for the preceding one-month, three-month, and six-month periods) and is considered to be a reasonable level.
- (V) The Special Committee judged that the Tender Offer Price is appropriate as stated in the Committee Report, as indicated in “(B) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee,” “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest),” “Background of Valuation,” “(2) Price of Tender Offer,” “4. Period and Price of the Tender Offer and Number of Share Certificates, Etc. to be Purchased”

Based on this judgment, the Target Company determined that the Transactions would contribute to enhancing the corporate value of the Target Company Group and that the

terms of the Transactions, including the Tender Offer Price, are appropriate, and resolved at its board of directors meeting held on today to support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

With respect to the method by which Target Company made the board of directors resolution, see “(viii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Corporate Auditors that They Had No Objection at the Target Company” in “(Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest)” in “(B) Background of Valuation” in “(4) Basis of Valuation of the Tender Offer Price, Etc.” in “2. Overview of the Tender Offer” below.

(B) Management Policy After the Tender Offer

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

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

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

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

Since the Tender Offeror holds 59,527,766 Target Company Shares (ownership ratio: 51.91%) as of today as set out in “(1) Outline of the Tender Offer” above, the Tender Offeror believes that, if the minimum number of Share Certificates, Etc. to be purchased is set to the so-called “majority of minority” in the Tender Offer, it would increase the uncertainty as to whether the Tender Offer will be completed and, on the contrary, it would not contribute to the interests of general shareholders who wish to tender their shares in

response to the Tender Offer. For this reason, in the Tender Offer, the Tender Offeror does not set the minimum number of Share Certificates, Etc. to be purchased to the so called “majority of minority.” However, the Tender Offeror and the Target Company have implemented the measures described in the items (i) through (x) below, and thus the Tender Offeror believes that the interests of general shareholders of the Target Company have been adequately taken into account.

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

- (i) Procurement by the Tender Offeror of the financial analysis report from independent financial advisor.
- (ii) Establishment by the Target Company of an independent special committee and Procurement by the Target Company of the report from the special committee.
- (iii) Procurement by the special committee of advice from an independent legal advisor.
- (iv) Procurement by the special committee of a share valuation report and fairness opinion from a third-party appraiser.
- (v) Procurement by the Target Company of advice from an independent legal advisor.
- (vi) Procurement by the Target Company of a share valuation report from an independent financial advisor and third-party appraiser.
- (vii) Establishment of an independent structure for review at the Target Company.
- (viii) Approval of all disinterested directors of the Target Company and opinion of all disinterested corporate auditors that they had no objection at the Target Company.
- (ix) No transaction protection clause
- (x) Measures to ensure that the Target Company’s shareholders have the opportunity to make appropriate judgments as to whether or not to tender in the Tender Offer.

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

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

The Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror as set out in “(1) Outline of the Tender Offer” above, and if the Tender Offeror is unable to acquire all of the Target Company Shares under the Tender Offer, the Tender Offeror intends, after the successful completion of the Tender Offer, to carry out procedures for the purpose of acquiring all of the Target Company Shares by the following methods.

- (A) Demand for Shares Cash-Out

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Target Company owned by the Tender Offeror becomes 90% or more of the number of the voting rights of all shareholders of the Target Company, and the Tender Offeror becomes a special controlling shareholder as provided for in Article 179, paragraph (1) of the Companies Act, the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company; the same applies to item (A)) to sell all of the Target Company Shares they hold (the “**Demand for Shares Cash-Out**”) under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act.

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

(B) Share Consolidation

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Target Company owned by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Target Company, the Tender Offeror will promptly after the completion of the settlement of the Tender Offer request the Target Company to schedule to hold an extraordinary shareholders’ meeting (the “**Extraordinary Shareholders’ Meeting**”) at which the Share Consolidation and an amendment to the Target Company’s Articles of Incorporation that would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be proposed. According to the Target Company’s Press Release, as of November 30, 2021, the Target Company plans to hold the Extraordinary Shareholders’ Meeting upon the request of the Tender Offeror and the Extraordinary Shareholders’ Meeting is scheduled to be held around March 2022. The Tender Offeror intends to approve each of the above proposals at the Extraordinary Shareholders’ Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders’ Meeting. If, due to the Share Consolidation, the number of shares each shareholder of the company receives includes a fraction less than one share, such shareholder will receive an amount of cash

obtained by selling the Target Company Shares equivalent to the total sum of the fractions less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. The purchase price for the number of shares equivalent to the total sum of the fractions less than one share in the Target Company Shares will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. The Tender Offeror intends to request the Target Company to file a petition to the court for permission to sell such Target Company Shares on this basis. Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of today, it is intended that shareholders (excluding the Tender Offeror) who hold shares in the Target Company and do not tender in the Tender Offer will have a fraction of less than one share in order for the Tender Offeror to become the only owners of all of the Target Company Shares (excluding treasury shares held by the Target Company).

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

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

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

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

a petition for determination of the sale price regarding the Demand for Shares Cash-Out or determination of a price regarding a share purchase demand in relation to the Share Consolidation is filed, the court will finally determine the sale price of the Target Company Shares held by shareholders of the Target Company who file the petition or a price regarding the share purchase demand.

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

(5) Prospects and Reasons for Delisting

The Target Company Shares are currently listed on the First Section of the TSE as of today. However, since the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria set out by the TSE, depending on the results of the Tender Offer. Also, even in the case that the delisting criteria are not met upon completion of the Tender Offer, the Tender Offeror plans to carry out the procedures stated in “(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the “Two-Step Acquisition”)” above upon the successful completion of the Tender Offer, in which case the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After delisting, the Target Company Shares will be unable to be traded on the TSE.

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

N/A

**2. Overview of the Tender Offer**

(1) Outline of the Target Company

(i) Name	DAIBIRU CORPORATION
(ii) Location	3-6-32, Nakanoshima, Kita-ku, Osaka
(iii) Title and name of representative	Toshiyuki Sonobe, Representative Director, President Chief Executive Officer
(iv) Type of business	Ownership, operation, management, and leasing of real estate
(v) Stated capital	12,227 million yen
(vi) Date of incorporation	October 15, 1923
(vii) Principal	Mitsui O.S.K. Lines, Ltd. 51.90%

shareholders and shareholding ratios  (As of September 30, 2021)	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.60%
	Sumitomo Mitsui Banking Corporation	4.99%
	Custody Bank of Japan, Ltd. (Trust Account)	4.67%
	The Kansai Electric Power Company, Incorporated	2.57%
	CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank)	1.55%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)	0.95%
	Custody Bank of Japan, Ltd. (Trust Account 9)	0.76%
	STATE STREET BANK AND TRUST COMPANY FOR DWS RREEF REAL ASSETS FUND (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)	0.75%
	AVI JAPAN OPPORTUNITY TRUST PLC (Standing proxy: Mizuho Bank, Ltd.)	0.74%

(viii) Relationship between the listed company and the Target Company

Capital relationship	As of the date hereof, the Tender Offeror owns 59,527,766 shares (ownership ratio: 51.91%) of the Target Company Shares.
Personnel relationship	As of the date hereof, three of the six directors of the Target Company (Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota) and one of the three corporate auditors of the Target Company (Mr. Hideo Horiguchi) formerly worked for the Tender Offeror.  In addition to the foregoing, as of the date hereof, one employee of the Tender Offeror has been seconded to the Target Company, and one employee of the Target Company has been seconded to the Tender Offeror.
Business relationship	The Tender Offeror Group rents the buildings owned by the Target Company from the Target Company Group.
Status as a related party	The Target Company is a consolidated subsidiary of the Tender Offeror; therefore, the Tender Offeror and the Target Company constitute related parties with respect to each other.

(2) Schedule, Etc.

(A) Schedule

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

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

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

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

N/A

(3) Price of Tender Offer

2,200 yen per common stock

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

(A) Basis of Valuation

In determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, its financial advisor, to perform financial analyses of the value of the Target Company Shares, and subsequently received the financial analysis report relating thereto dated November 30, 2021 (the "Analysis Report (GS)") prepared by Goldman Sachs (Note 1). Goldman Sachs is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. Further, the Tender Offeror has not obtained from Goldman Sachs, and Goldman Sachs has not expressed, any opinion concerning the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion).

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



### 1. Market Price Analysis: 1,188 yen – 1,652 yen

In performing the market price analysis, Goldman Sachs used November 29, 2021 as the base date and reviewed the closing prices of the Target Company Shares for the 52-week period ending on such date. Based on this review, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 1,188 yen to 1,652 yen.

### 2. DCF Analysis: 1,239 yen – 2,813 yen

In performing the DCF analysis, Goldman Sachs analyzed the value of the Target Company Shares by discounting the Target Company's future free cash flow estimates reflected in the Forecasts (Tender Offeror) to present value using a range of discount rates from 3.25% to 3.75%, reflecting an estimate of the Target Company's weighted average of cost of capital. Goldman Sachs calculated illustrative terminal values by applying a range of perpetuity growth rates of 0.50% to 1.00%. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 1,239 yen to 2,813 yen. The Forecasts (Tender Offeror), which consist of seven fiscal years (fiscal years ending from March 2022 to March 2028), were used by Goldman Sachs for the DCF analysis. The Forecasts (Tender Offeror), which cover the fiscal years ending March 2022 to March 2028 and were used by Goldman Sachs for the DCF analysis, include fiscal years during which a significant increase or decrease in profit are expected. Specifically, profit attributable to owners of parent for the fiscal year ending March 2025 is forecasted to significantly increase from the previous fiscal year because profit attributable to owners of parent for the fiscal year ending March 2024 is expected to be temporarily at a low level due to extraordinary loss on building reconstruction. In addition, the Forecasts (Tender Offeror) were prepared on a stand-alone basis and do not reflect synergies because it is difficult to specifically estimate the synergies expected to be realized upon consummation of the Transaction.

### 3. Present Value of Future Stock Value Analysis: 1,008 yen – 2,180 yen

In performing the present value of future stock value analysis, Goldman Sachs derived implied stock values of the Target Company Shares as of March 31 for each year from 2022 to 2025, by applying a range of one-year forward EV/EBITDA multiples of 15.0x to 19.0x to future EBITDA of the Target Company for each of the fiscal years ending March 2023 to March 2026 estimated in the Forecasts (Tender Offeror) and discounted each stock value back to its present value using a discount rate of 7.50%, reflecting the Target Company's estimated cost of equity. To derive stock values as of March 31 for each year from 2022 to 2025, Goldman Sachs subtracted the amount of the Target Company's projected net debt as of March 31 for each year, as provided in the Forecasts (Tender Offeror). Goldman Sachs then added the cumulative present values of dividends expected to be paid by the Target Company in each of the fiscal years ending March 2022 to March 2025 in the Forecasts (Tender Offeror) and derived a range of implied values per share for the Target Company Shares of 1,008 yen to 2,180 yen.

#### 4. Premia Analysis: 1,905 yen – 2,256 yen

In performing the premia analysis, Goldman Sachs reviewed and analyzed, using publicly available information, the acquisition premia for tender offer transactions in Japan with the aim of acquiring the remaining minority stake of a listed subsidiary by its parent company announced during the referenced period. For the entire period, Goldman Sachs calculated the 25th percentile and 75th percentile premia of the price paid in the tender offers relative to the target's last undisturbed closing stock price prior to announcement of the tender offer. This analysis indicated a 25th percentile premium of 27.9% and 75th percentile premium of 51.5% across the period. Goldman Sachs then applied a range of the premia of 27.9% to 51.5% to the closing price of the Target Company Shares as of November 29, 2021. Based on the analysis, Goldman Sachs derived a range of implied values per share for the Target Company Shares of 1,905 yen to 2,256 yen.

The Tender Offer Price of 2,200 yen per share has a premium added thereto at a rate of 47.75% of the closing price of 1,489 yen of the Target Company Shares on the First Section of the TSE for November 29, 2021, which is the Business Day immediately preceding the announcement date of the Tender Offer by the Tender Offeror, 44.55% of the simple average of the closing price of 1,522 yen for the recent one month counted from November 1, 2021 to November 29, 2021, 43.51% of the simple average of the closing price of 1,533 yen for the recent three months counted from August 30, 2021 to November 29, 2021, and 50.27% of the simple average of the closing price of 1,464 yen for the recent six months counted from May 31, 2021 to November 29, 2021.

#### (B) Background of Valuation

##### (Background of the Decisions on the Tender Offer Price)

As stated in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” of “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” in “1. Purpose of the Tender Offer” above, after appointing Goldman Sachs as its financial advisor and Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror Group and the Target Company Group in early August 2021, the Tender Offeror began deliberating the Transactions in earnest. The Tender Offeror, having concluded that it would be appropriate to offer the minority shareholders of the Target Company a reasonable opportunity to sell their shares by acquiring the Target Company Shares through a tender offer as part of the Transactions, initially approached the Target Company on August 31, 2021 indicating that the Transactions would be conducted through the Tender Offer and requesting to begin discussions between the Tender Offeror and the Target Company with respect to the possibility and conditions of the Transactions, and the two companies agreed to begin discussions. Following that, the Tender Offeror received the Target Company's Business Plan from the Target Company on September 16, 2021 and received an explanation from the Target Company regarding the Target Company's Business Plan on September 22, 2021. On September 30, 2021, following comprehensive consideration of the inherent corporate value of the Target Company based on analyses including the market

share price analysis of the Target Company Shares and financial forecast model analysis based on the Target Company's Business Plan, and the possibility of endorsement of the Tender Offer by the Target Company and the prospect of successful completion of the Tender Offer, the Tender Offeror made a formal proposal to the Target Company regarding the Transactions, including deciding on the Tender Offer Price of 2,000 yen per share. On October 18, 2021, the Target Company requested that the Tender Offeror reconsider the content of its proposal because the premium offered over the market price of the Target Company Shares was not sufficient in comparison to similar transactions where a controlling shareholder made the target a wholly owned subsidiary and the price could not be considered reasonable in light of the results of the share valuations conducted by the financial advisor of the Target Company and its special committee, and on October 27 the Tender Offeror made a proposal to set the Tender Offer Price at 2,050 yen per share. However, on November 8, the Target Company again requested that the Tender Offeror reconsider its proposal for the same reasons as above. On November 17, the Tender Offeror made a final proposal with a Tender Offer Price of 2,100 yen per share. On November 24, the Target Company proposed raising the Tender Offer Price to 2,200 yen for the same reasons as above. On November 25, the Tender Offeror accepted the Target Company's proposal provided that the board of directors of the Target Company resolves to support the Tender Offer and recommend that the general shareholders of the Target Company tender their shares in the Tender Offer, and that no matter occurs or is discovered on or before the date of the announcement of the Tender Offer that would have a material adverse effect on the decision to implement the Tender Offer.

As described above, at the board of directors meeting held on today, the Tender Offeror resolved to implement the Tender Offer for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, considering legal advice from Mori Hamada & Matsumoto, and advice from a financial point of view from Goldman Sachs and the Analysis Report (GS) received from Goldman Sachs, after confirming based on public information and confirmation with the Target Company that no matter had occurred or been discovered between November 24 and November 30 that would have a material adverse effect on the decision of the Tender Offeror, and on the condition that the board of directors of the Target Company resolves to support the Tender Offer and recommend that the general shareholders of the Target Company tender their shares in the Tender Offer.

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

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

In determining the Tender Offer Price, the Tender Offeror requested Goldman Sachs, its financial advisor, to perform financial analyses of the value of the Target Company Shares, and subsequently received the Analysis Report (GS) relating thereto dated November 30, 2021. Goldman

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

(ii) Overview of the Financial Analysis Report

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

1. Market Price Analysis: 1,188 yen – 1,652 yen
2. DCF Analysis: 1,239 yen – 2,813 yen
3. Present Value of Future Stock Value Analysis: 1,008 yen – 2,180 yen
4. Premia Analysis: 1,905 yen – 2,256 yen

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

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

Given the results of negotiations and discussions with the Target Company, after comprehensively considering that the Tender Offer is expected to be

supported at the meeting of Target Company's board of directors, the contents of the Analysis Report (GS), trends of the market price of the Target Company Shares and the prospects that shareholders would tender their shares in the Tender Offer, the Tender Offeror determined by resolution at the meeting of its board of directors held today that the Tender Offer Price shall be JPY 2,200 per share. The Tender Offer Price is above the range of implied values per share of the Target Company Shares derived by the market price analysis and the present value of future stock value analysis and within the range of implied values per share of the Target Company Shares derived by the DCF analysis and the premia analysis in the Analysis Report (GS). For details, please refer to "Basis for the Valuation" above.

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

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

As stated in "(1) Outline of the Tender Offer" of "1. Purpose of the Tender Offer" above, since the Tender Offeror owns 59,527,766 Target Company Shares (ownership ratio: 51.91%) as of today, the Tender Offeror believes that, if the minimum number of Share Certificates, Etc. to be purchased is set to the so-called "majority of minority" in the Tender Offer, it would increase the uncertainty as to whether the Tender Offer will be completed and, on the contrary, it would not contribute to the interests of general shareholders who wish to tender their shares in response to the Tender Offer. For this reason, in the Tender Offer, the Tender Offeror does not set the minimum number of Share Certificates, Etc. to be purchased to be the so-called "majority of minority." However, the Tender Offeror and the Target Company have implemented the measures described in (i) through (x) below, and thus the Tender Offeror believes that the interests of general shareholders of the Target Company have been adequately taken into account.

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

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

In order to ensure the fairness of the Tender Offer Price, the Tender Offeror, in determining the Tender Offer Price, requested Goldman Sachs, its financial advisor who is independent from the Tender Offeror and the Target

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

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

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

- (I) Circumstances Leading to the Establishment of the Special Committee, etc.

As described in “(c) Decision-Making Process and Reasoning of the Target Company” in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” in “1. Purpose of the Tender Offer” above, the Target Company established a Special Committee, pursuant to a resolution at the meeting of the board of directors held on September 16, 2021. However, from early September, and prior to establishing the Special Committee and for the purpose of establishing a structure to review, negotiate and make decisions on the Transactions in terms of improving the Target Company’s corporate value and protecting the interests of the Target Company’s general shareholders in the capacity independent from the Tender Offeror, the Target Company, with the advice from Anderson Mori & Tomotsune, provided all independent outside directors and independent outside corporate auditors of the Target Company, as of that time, on an individual basis, with an explanation to the effect that the Target Company had received an initial inquiry from the Tender Offeror and that it was necessary to implement sufficient measures to ensure the fairness of the terms of the Transactions, such as the establishment of a Special Committee, when considering and negotiating the Transactions, given that the Transactions is of a kind in which structural conflict of interest and asymmetry of information issues are typically present. In addition, with the advice from Anderson Mori & Tomotsune, the Target Company confirmed that the Target Company’s independent outside directors and independent outside corporate auditors, who would become candidates for the member of the Special Committee were independent of the Tender Offeror, that they did not have a material interest in the consummation of the Transactions that did not align with those of general shareholders, and that they were qualified to be members of the Special Committee. Following this, in order to ensure a balance of knowledge, experience and ability within the Special Committee and to adequately size the Special Committee, the Target Company established, pursuant to a resolution at the meeting of the board of directors held on September 16, 2021, the Special Committee comprising four members, namely, Mr. Atsushi Oi (independent outside director of the

Target Company), Mr. Atsushi Miyanoya (independent outside director of the Target Company), Mr. Shigeki Taenaka (independent outside corporate auditor of the Target Company), and Mr. Tomoyuki Nishide (independent outside corporate auditor of the Target Company) (the membership of the Special Committee has not changed since its establishment; in addition, remuneration of the members of the Special Committee will be paid in a fixed amount as consideration for their duties regardless of the matters reported by them, and the Target Company has not adopted a contingent fee system), and consulted with the Special Committee on the Consulted Matters and requested it to submit the Report.

In addition, when establishing the Special Committee, the Target Company's board of directors resolved that (i) the decision-making of the Target Company's board of directors with respect to the Transactions will respect the content of the Special Committee's judgment as delegated by the Target Company's board of directors, and that in particular, if the Special Committee judges the terms of the Transactions to be inappropriate, the Target Company's board of directors will not the Transactions under those terms, (ii) when negotiating the Tender Offer Price and other terms of the Transactions with the Tender Offeror, the Target Company will make timely reports to the Special Committee and receive its opinions, instructions and requests at important junctures, (iii) the Special Committee may, as it considers necessary, appoint its own attorneys-at-law, valuation organization, certified public accountants, financial advisors, and other advisors at the Target Company's cost, (iv) the Special Committee may conduct investigations in connection with its duties (including asking questions and requesting explanations and advice from the officers and employees of the Target Company involved in the Transactions and the advisors of the Target Company involved in the Transactions, regarding matters of necessity for the Special Committee's duties) at the Target Company's cost, and (v) the Target Company grants to the Special Committee the authority to negotiate directly with the Tender Offeror regarding the Tender Offer Price and other terms of the Transactions, as necessary. Using the powers described above, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor, and Plutus as its own financial advisor on September 16, 2021.

Since, of the six directors of the Target Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota have held positions at the Tender Offeror in the past, the three directors of the Target Company other than such three directors stated above (namely, Mr. Hideki Tainaka, Mr. Atsushi Oi, and Mr. Atsushi Miyanoya) participated in deliberation and passed a resolution as stated above by unanimous approval at the Target Company's board of directors meeting stated above, from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a full-time corporate auditor of the Target Company, has held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated

above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions.

There is a possibility that the three directors who did not participate in the resolution, namely, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, do not have special interests provided for in the Companies Act in relation to the proposal stated above. In that case, the quorum for the board of directors meeting may not have been satisfied in relation to that proposal, and therefore in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who have held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Target Company was corporate auditor) conducted deliberation, and again took a vote on that proposal and passed a resolution by unanimous approval. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a full-time corporate auditor of the Target Company, has held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions.

## (II) Process of Review

The Special Committee held nine meetings for 16 hours in total during the period from September 16, 2021 to November 29, 2021 and carefully examined and discussed the Consulted Matters.

After first examining the independence, expertise, accomplishments, and other aspects of the candidates for legal advisor and financial advisor and third-party appraiser, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its legal advisor and Plutus as its financial advisor and third-party appraiser independent of the Tender Offeror and the Target Company on September 16, 2021. The Special Committee confirmed that Nakamura, Tsunoda & Matsumoto and Plutus are not parties affiliated with the Tender Offeror or the Target Company and do not have any material interest in the Transactions, including the Tender Offer, and that there are no other issues with respect to their independence in the Transactions.

In addition, the Special Committee approved the appointment of Nomura Securities, the Target Company's financial advisor and third-party appraiser, and Anderson Mori & Tomotsune, the Target Company's legal advisor, after confirming that they are not parties affiliated with the Tender Offeror or the Target Company and do not have any material interest in the Transactions, including the Tender Offer, and that there are no other issues with respect to their independence and expertise in the Transactions.

Furthermore, as stated in "(vii) Establishment of an Independent Structure



for Review at the Target Company” below, the Special Committee confirmed that there is no concern with respect to the internal structure for reviewing the Transactions (including the scope of officers and employees of the Target Company involved in deliberating, negotiating, and making decisions regarding the Transactions) established by the Target Company from the standpoint of independence and fairness. Subsequently, the Special Committee examined measures that should be taken to ensure the fairness of procedures in the Transactions, taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto and the opinions obtained from Anderson Mori & Tomotsune. Also, the Special Committee received an explanation from the Target Company regarding the details, material assumptions, and process of preparation of the Target Company’s Business Plan, and confirmed and approved the rationality of those elements, taking into account the advice from a financial standpoint received from Plutus.

The Special Committee received explanations from the Target Company about matters such as the purpose and significance of the Transactions and effects on the Target Company’s business to be caused by the Transactions, and held question-and-answer sessions regarding these matters. In addition, the Special Committee presented questions to the Tender Offeror and held question-and-answer sessions with the Tender Offeror through interviews and questionnaires about matters such as the purpose and background of the Transactions and the management policy after the Transactions. Furthermore, in addition to the question-and-answer sessions above, the Special Committee presented questions to Mr. Toshiyuki Sonobe and Mr. Takehiko Ota and held question-and-answer sessions with them through interviews with respect to examining whether the Tender Offeror’s proposal regarding the Transactions would contribute to enhancing the corporate value of the Target Company, even though Mr. Toshiyuki Sonobe and Mr. Takehiko Ota did not participate in the deliberation, negotiation, and decision-making regarding the Transactions at the Target Company, having determined that hearing the opinions of Mr. Toshiyuki Sonobe and Mr. Takehiko Ota, who play a central role in business execution as the Target Company’s representative director and director, regarding the Transactions would contribute to the Special Committee’s examination from the perspective of gathering information.

In addition, the Special Committee obtained the Share Valuation Report (Plutus) from Plutus, received an explanation from Plutus as to the matters such as the valuation methods of the Target Company’s share value conducted by Plutus, major assumptions for each valuation method, and the results of valuation, and confirmed the rationality of those matters after holding question-and-answer sessions with Plutus. The Special Committee obtained the Fairness Opinion from Plutus and received an explanation and held question-and-answer sessions regarding the procedures towards issuing the Fairness Opinion and other matters. For the details of the Fairness Opinion obtained from Plutus by the Special Committee that the Tender Offer Price is fair to the holders of the Target Company Shares (other than the Tender Offeror) from a financial perspective, please refer to “(III) Summary of the Fairness Opinion” in “(iv)

Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser” below.

Also, after the Target Company received the initial proposal from the Tender Offeror on September 30, 2021 for a Tender Offer Price of 2,000 yen per share, and each subsequent time that the Target Company received a further proposal from the Tender Offeror, the Special Committee was substantially involved in the negotiation process concerning the terms of the Transactions, including receiving timely reports from Nomura Securities, which was in charge of the negotiation with the Tender Offeror on the Target Company’s side, concerning matters such as the content of the relevant proposal and the progress of negotiations, deliberating and discussing the proposals based on the advice from a financial standpoint received from Plutus and the opinion from a financial standpoint received from Nomura Securities, receiving explanations from Nomura Securities regarding the negotiation policy with the Tender Offeror and the content of written responses in advance, expressing its opinion as necessary, giving approval after question-and-answer sessions, and providing instructions and requests to Nomura Securities. As a result, the Target Company received a final written response from the Tender Offeror on November 25, 2021 to set the Tender Offer Price at 2,200 yen per share, and reached an agreement with the Tender Offeror on November 29, 2021, including an agreement to set the Tender Offer Price at 2,200 yen per share.

Furthermore, the Special Committee has received multiple explanations from Nomura Securities regarding the content of the Target Company’s Press Release with respect to the Tender Offer, which is to be disclosed or released by the Target Company, and has confirmed based on legal advice from Nakamura, Tsunoda & Matsumoto that sufficient information will be disclosed.

### (III) Determinations

Based on the above, the Special Committee carefully discussed and deliberated the Consulted Matters in line with the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice from Plutus from a financial standpoint and the content of the Share Valuation Report (Plutus) and the Fairness Opinion that it received from Plutus on November 29, 2021. Accordingly, as of the same date, the Special Committee submitted the Report substantially in the manner set out below based on the unanimous opinion of the committee members.

#### (a) Matters reported

- (i) The Special Committee believes that the Transactions will contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are fair and reasonable.
- (ii) The Special Committee believes that the fairness and appropriateness of the terms of the Transactions including the

Tender Offer Price have been ensured.

- (iii) The Special Committee believes that the interests of the shareholders of the Target Company have been adequately taken into account in the Transactions through fair procedures.
  - (iv) The Special Committee believes that the decisions by the board of directors of the Target Company regarding the Transactions (specifically, (a) the decision to express an opinion in support of the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer, and (b) decisions pertaining to procedures to make the Target Company a wholly-owned subsidiary by way of Demand for Shares Cash-Out or Share Consolidation to be conducted after the Tender Offer as part of the Transactions) would not be disadvantageous to the minority shareholders of the Target Company.
  - (v) The Special Committee believes that it is appropriate for the board of directors of the Target Company to express an opinion in support of the Tender Offer and expressing an opinion to the effect that it recommends that the shareholders of the Target Company tender their shares in the Tender Offer.
- (b) Deliberations
- (i) For the following reasons, the Special Committee believes that the Transactions will contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are fair and reasonable.
    - The following views were indicated by the management team of the Target Company in response to the proposal by the Tender Offeror: (A) that the Tender Offeror understands the target business and it is expected that becoming a wholly-owned subsidiary of the Tender Offeror through the Transactions will create an environment in which the Target Company will be able to focus on business activities such as office building development and office building management without undue concern for temporary cost increases or the possibility of making leading investments that do not directly result in profits for the Target Company; (B) that the logistics center business is an area requiring further study after the Transactions given that the management team believes that the Target Company can achieve synergies that have been unable to conceive in its current form by utilizing the insight and know-how of the Tender Offeror Group as a logistics services provider, that the Target Company itself has determined “providing eco-friendly buildings to the next generation” as one of its materialities (priority issues), and that by strengthening coordination between the Target Company and the Tender

Offeror the management team believes it would be possible to expand and enhance the business domains of the Target Company that relate to reducing environmental impacts; (C) that if after the Transactions the Target Company is able to achieve even closer coordination and information sharing with the Tender Offeror than currently, the management team believes it will be possible to further promote expansion of its business in overseas regions; (D) that although the Transactions are expected to result in a deterioration in direct funding terms due to a downgraded credit rating, the management team expects that the broad network of financial institutions and high degree of insight into financing methods possessed by the Tender Offeror Group will result in a positive effect for indirect finance that exceeds the negative effect for direct finance, and that the management team expects that using the credit line of the Tender Offeror Group after the Transactions will lead to expanded investment opportunities such as acquisition of large-scale properties located in central Tokyo; (E) that because the Target Company currently has independence as a listed company and endeavors not to create any conflict of interests between its parent company the Tender Offeror and other minority shareholders, there are parts of their respective management resources that are duplicated, and the management team believes that after the Transactions it will be possible to utilize and share and achieve optimization of their mutual management resources; and (F) that the management team can understand why the proposal was made at this time given the recent trends such as globalization of share markets and revisions of the market categories of the TSE.

- Meanwhile, while the management team of the Target Company believes as described above that the Transactions may result in a certain degree of negative outcomes, such as deterioration in funding terms for direct finance due to a downgraded credit rating and issues relating to human resources such as hiring and employee motivation issues due to the delisting as part of the Transactions, the management team expects that after the Transactions it is also possible for the Target Company to be differentiated and clarified as a core business of the real estate business of the Tender Offeror Group and will thereby also be able to adopt a position in which it is able to assert itself to a certain degree within the Tender Offeror Group, and that in addition to this the sharing of more opportunities for initiatives such as personnel exchanges and employee education will lead to a skilling-up of the employees of the Target Company and contribute to maintaining and improving motivation.
- The management team has concerns related to issues such

as the level of commercial trust as owner that the Target Company is known for as a listed company being diminished when soliciting tenants for leased offices after the Transactions, but the management team believes that as countermeasures against this it will be more important than ever to utilize the name of the Tender Offeror Group as necessary and to improve the name recognition and brand value of the Tender Offeror Group and maintain its financial soundness.

- The Special Committee is able to understand all of the views of the management team of the Target Company related to the advantages and disadvantages of the Transactions as set out above, and based on the explanation by the Tender Offeror to the effect that it will adopt a basic policy of respecting the current management team of the Target Company after the Transactions in respect of management policies, management team structure, and governance, and that the Tender Offeror is not contemplating making any material changes regarding management policies or the like, the Special Committee believes that the Transactions would contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are fair and reasonable because, as a result of comprehensively taking into account the advantages and disadvantages described above, the Special Committee expects that delisting the Target Company through the Transactions would make it possible to engage in investment and development activities from a long-term perspective, and that achieving mutual utilization and optimization of management resources by becoming a wholly-owned subsidiary of the Tender Offeror Group would enable the Target Company to further realize management in line with its management philosophy of “constructing buildings, creating towns, and pioneering the new era” such as by making it possible for the Target Company to make large-scale investments and developments or investments in new areas and regions that are difficult for the Target Company to accomplish on its own.
- (ii) For the following reasons, the Special Committee believes that fair procedures have been taken from the perspective of securing the interests of general shareholders and that the interests of the shareholders of the Target Company have been adequately taken into account in the Transactions through fair procedures: (A) the independent Special Committee was established by the Target Company and is considered to be functioning effectively; (B) the Special Committee has obtained independent expert advice from outside experts and

also considers that the Target Company has obtained independent expert advice from outside experts; (C) the Special Committee and the Target Company have obtained share price valuation reports, etc. from independent third-party appraisers with expertise as the basis for their decisions regarding the Transactions; (D) the Target Company developed a system that enables it to examine, negotiate, and otherwise handle the Transactions from a standpoint independent from the Tender Offeror and which excludes interested directors, etc. from the examination and negotiation processes regarding the Transactions to the extent possible; (E) it is considered that a so-called indirect market check was conducted as part of the Tender Offer; (F) it is considered that opportunities will be secured for appropriate decision-making in the Tender Offer by general shareholders based on adequate information; and (G) it is considered that practical measures considered desirable to eliminate coerciveness from the Transactions have been taken and that coerciveness has been eliminated from the Transactions.

Further, although it is not planned to impose a so-called “majority of minority” condition in the Tender Offer, the Special Committee believes that imposing such a condition would cause the completion of the Tender Offer to become uncertain and thereby instead possibly not contribute to the interests of minority shareholders who desire to tender their shares in the Tender Offer, and that, in addition, since adequate other measures to ensure fairness have been taken, not imposing such a condition would of itself not diminish the fairness of the procedures in the Transactions.

- (iii) For the following reasons, the Special Committee believes that the method of the Transactions and the type of purchase consideration are appropriate and that the fairness and appropriateness of the Tender Offer Price has been secured.
  - The acquisition method in this Transaction of conducting the Tender Offer as the first stage and then conducting a squeeze-out through the Shares Cash-Out Demand or the Share Consolidation as the second stage is one of the typical methods adopted in transactions like the Transactions in which a parent company makes a target company its wholly-owned subsidiary. Further, in light of the fact that the Tender Offeror and the Target Company have different businesses and that it will be possible to avoid a risk of a fall in share price of the Tender Offeror, the Special Committee believes that the type of purchase consideration is also appropriate in that cash will be delivered as the purchase consideration rather than shares of the Tender Offeror being delivered as consideration in a one-stage transaction like a

share exchange (*kabushiki kokan*).

- The Special Committee finds that there are no unreasonable points in particular in the formulation process and content of the business plan of the Target Company that forms an assumption in the calculations using DCF Analysis in the Share Valuation Report (Plutus) and the calculations using DCF Analysis in the Share Valuation Report (Nomura Securities).
- As no unreasonable points in particular can be found in respect of the methods or content of the calculations in the Share Valuation Report (Plutus) and it is judged to be reliable, the Special Committee finds that the Tender Offer Price is a price that exceeds the calculation results obtained by the market price method and comparable companies method by Plutus and is within the scope of the calculation results obtained by DCF Analysis.
- It is considered that the level of the premium in the Tender Offer Price exceeds the average and median of premiums added in similar examples (meaning examples of tender offers by parent companies toward listed subsidiaries that were publicly announced between June 28, 2019 (the date the “Fair M&A Guidelines” formulated by the Ministry of Economy, Trade and Industry was announced in June 2019) and September 30, 2021).
- The Special Committee is substantively involved in the consultation and negotiation processes between the Target Company and the Tender Offeror relating to the terms of the Transactions such as the Tender Offer Price, and it is considered that earnest negotiations have taken place after securing a situation in which reasonable efforts are made with the aim of the Transactions being conducted under terms and conditions that are as advantageous as possible for general shareholders—namely, a situation that can be considered the same as a transaction between independent parties.
- The Special Committee has received the Fairness Opinion from Plutus, and the Fairness Opinion contains an opinion by Plutus to the effect that the Tender Offer Price is fair from a financial perspective for the minority shareholders of the Target Company. The Special Committee finds that there are no unreasonable points in particular in the issuance process or content of the Fairness Opinion, and that the appropriateness of the Tender Offer Price is supported by the Fairness Opinion as well.
- The Target Company plans to continue its business as a going concern even after the Transactions, and therefore the Special Committee believes it is reasonable not to place importance on the adjusted net asset value when examining

the share price of the Target Company.

- For reasons such as the following, the Special Committee believes that the fairness and appropriateness of the Tender Offer Price is secured: the Tender Offer Price exceeds the upper limit of the calculation results obtained by the market price method and the comparable companies method and is within the scope of the calculation results obtained by DCF Analysis in the Share Valuation Report (Plutus); the level of the premium on the market value of the Target Company Shares added in the Tender Offer Price exceeds the average and median of premiums added in similar examples; an agreement was reached between the Target Company and the Tender Offeror following earnest negotiations after securing a situation that can substantively be considered the same as a transaction between independent parties; and the Fairness Opinion includes an opinion to the effect that the Tender Offer Price is fair from a financial standpoint for the minority shareholders of the Target Company.
- (iv) For the following reasons, the Special Committee believes that the decisions by the board of directors of the Target Company regarding the Transactions (specifically, (a) the decision to express an opinion in support of the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer, and (b) decisions pertaining to procedures to make the Target Company a wholly-owned subsidiary by way of the Demand for Shares Cash-Out or the Share Consolidation to be conducted after the Tender Offer as part of the Transactions) would not be disadvantageous to the minority shareholders of the Target Company: as described in (i) above it is considered that the Transactions would contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are fair and reasonable; as described in (ii) above it is considered that the interests of the shareholders of the target Company have been adequately taken into account in the Transactions through fair procedures; and as described in (iii) above the fairness and appropriateness of the terms of the Transactions have been ensured.
- (v) For the following reasons, the Special Committee believes it is appropriate that the board of directors of the Target Company expresses an opinion in support of the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer: as described in (i) above, it is considered that the Transactions would contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are fair and



reasonable; as described in (ii) above it is considered that the interests of the shareholders of the Target Company have been adequately taken into account in the Transactions through fair procedures; as described in (iii) above the fairness and appropriateness of the terms of the Transactions have been ensured; and as described in (iv) above the decisions by the board of directors of the Target Company regarding the Transactions would not be disadvantageous to the minority shareholders of the Target Company.

(iii) Procurement by the Special Committee of Advice from an Independent Legal Advisor

As stated in “(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” above, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor independent from the Target Company and the Tender Offeror, from which it receives legal advice, including advice regarding measures to be taken to ensure the fairness of the procedures for the Transactions and the method and process of deliberation of the Special Committee for the Transactions.

Nakamura, Tsunoda & Matsumoto is not a party affiliated with the Target Company or the Tender Offeror and does not have any material interest in the Transactions, including the Tender Offer. For other information regarding the independence of Nakamura, Tsunoda & Matsumoto, please see “(II) Process of Review” in “(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” above.

(iv) Procurement by the Special Committee of a Share Valuation Report and Fairness Opinion from a Third-Party Appraiser

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

To ensure fairness in the terms of the Transactions, including the Tender Offer Price, in considering the Consulted Matters, the Special Committee asked Plutus, its financial advisor and third-party appraiser independent of the Target Company and the Tender Offeror, to conduct a valuation of the Target Company Shares and a financial analysis to accompany it, as well as to present the Fairness Opinion, and obtained the Share Valuation Report (Plutus) and Fairness Opinion on November 29, 2021.

Plutus is not a party affiliated with the Target Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. The remuneration of Plutus for the Transactions does not include contingency fees to be paid subject to a condition such as the completion of the Transactions.

(II) Summary of Valuation of the Target Company Shares

Plutus considered the methods to be used for calculating the share value of the Target Company Shares from among multiple calculation methods and ultimately calculated it using the following methods: (a) the market price method, because the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange, (b) the comparable company method, because there are several listed companies it can compare the Target Company to and analytical inference of the share value of the Target Company based on comparable companies is possible, and (c) DCF Analysis, to reflect future business activity conditions of the Target Company in the calculation, based on the premise that the Target Company is a going concern and from the perspective that it would be appropriate to evaluate the Target Company Shares from various aspects.

According to the Share Valuation Report (Plutus), the range of values per Target Company Share calculated by each of the above methods is as follows.

Market price method: From 1,464 yen to 1,533 yen

Comparable company method: From 1,011 yen to 1,681 yen

DCF Analysis: From 1,602 yen to 2,911 yen

The range of values per Target Company Share obtained from the market price method is 1,464 yen to 1,533 yen, which is calculated based on 1,489 yen, the closing price of the Target Company Shares quoted on the First Section of the Tokyo Stock Exchange as of the evaluation reference date of November 29, 2021 and 1,522 yen, 1,533 yen, and 1,464 yen, the simple average closing prices over the one-month, three-month, and six-month periods, respectively.

The range of values per Target Company Share obtained from the comparable company method is 1,011 yen to 1,681 yen, which is derived by evaluating the Target Company's share value by selecting Tokyo Tatemono Co., Ltd., HEIWA REAL ESTATE CO., LTD., and Keihanshin Building Co., Ltd. as listed companies engaged in businesses that are relatively similar, albeit not completely identical, to those that the Target Company operates and using multiples of PBR (price book-value ratio), adjusted PBR (multiples of the adjusted net asset value (net asset value reflecting market value after taking into account tax on leased real estate) against share prices), EBIT (earnings before interest and tax), and EBITDA (earnings before interest, tax, depreciation, and amortization) to value the Target Company Shares.

The range of values per Target Company Share obtained from the DCF Analysis is 1,602 yen to 2,911 yen, which is derived by evaluating the Target Company's share value as calculated by discounting to the present value at a certain discount rate, the free cash flow that the Target Company is expected to generate based on revenue forecasts and investment plans set out in the Target Company's business plan for the period of seven fiscal years from the fiscal year ending March 2022 to the fiscal year ending 2028,

as well as other factors such as publicly available information. The weighted average cost of capital is used to calculate the discount ratio and 3.0% to 3.5% is adopted as the discount ratio. In calculating the terminal value, the perpetual growth method has been adopted. The perpetual growth rate used to value the Target Company Shares is 0%.

The financial forecast based on the Target Company's Business Plan used by Plutus as a premise for the calculation under the DCF Analysis is as shown below. The Target Company's Business Plan used by Plutus in the calculation covers a certain fiscal year in which significant increases in profits year-on-year are expected. Specifically, while a decrease in the net income attributable to the shareholders of the parent company is expected in the fiscal year ending March 2024 since extraordinary losses resulting from losses related to the reconstruction of buildings held by the Target Company are expected in that fiscal year, a significant increase is expected in the fiscal year ending March 2025 due to the dissipation of such transient factor and the contribution of the newly constructed buildings through the fiscal period, among other factors. While free cash flow is expected to become negative because large-scale investment, including investment in large buildings in Japan, and the ongoing relatively large-scale rebuilding investments in Sapporo, Midosuji and Yaesu are expected to continue over the period from the fiscal year ending March 2023 to the fiscal year ending March 2027, free cash flow is expected to become positive in the fiscal year ending March 2028 due to the decrease in investment cash flow, because large-scale investment will come to an end.

The expected synergies achieved by carrying out the Transactions are not reflected in the financial forecasts below, because it is difficult to make a detailed estimate of their effects on revenues at the present time, and only the effects of reduction in listing-related expenses are considered. As stated in "(B) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" above, the special committee has confirmed the business plan in terms of the reasonableness of its details, material assumptions, and the preparation process.

(Unit: million yen)

	Y. E. March 2022  (six-month period)	Y. E. March 2023	Y. E. March 2024	Y. E. March 2025
Operating revenue	20,943	44,905	44,900	46,905
EBIT	4,257	12,758	12,797	14,979
EBITDA	8,877	20,759	20,092	23,892

Free Cash Flow	7,891	-35,340	-23,454	-7,845
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	Y. E. March 2026	Y. E. March 2027	Y. E. March 2028
Operating revenue	49,326	51,851	54,269
EBIT	15,622	17,043	18,520
EBITDA	25,203	27,581	29,778
Free Cash Flow	-24,788	-10,555	15,132

### (III) Summary of the Fairness Opinion

The Special Committee has received from Plutus, as of November 29, 2021, a Fairness Opinion to the effect that a price of 2,200 yen per share as the Tender Offer Price is fair to the holders of the Target Company Shares (other than the Tender Offeror) from a financial perspective (see Note 2). According to Plutus, this Fairness Opinion expresses the opinion that the price of 2,200 yen per share as the Tender Offer Price is fair to minority holders of the Target Company Shares from a financial perspective in light of the results of the valuations of the Target Company Shares based on the Target Company's business prospects, among other factors. Further, this Fairness Opinion was issued (a) based on the results of the valuations of the Target Company Shares conducted by Plutus upon Plutus obtaining from the Target Company disclosures of information, such as current status and prospects of the business of the Target Company Group, together with explanations therefor from the Target Company, in addition to holding question-and-answer sessions with the Target Company about the summary, background, and purpose of the Tender Offer, and examination of the business environment, economy, market, financial circumstances and other factors surrounding the Target Company Group within the scope deemed necessary by Plutus and (b) after reviewing processes conducted by a review board independent from Plutus's engagement team.

### (v) Advice from an Independent Legal Advisor at the Target Company

As stated in "(ii) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee" above, the Target Company appointed Anderson Mori & Tomotsune as its legal advisor independent of the Target Company and the Tender Offeror, from which it received legal advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the procedures for the Transactions, and the method and process of decision-making by the Target Company regarding the

Transactions and other legal advice.

Anderson Mori & Tomotsune is not a party affiliated with the Target Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer.

- (vi) Procurement by the Target Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Appraiser
- (I) Name of the Appraiser and its Relationship with the Target Company and the Tender Offeror

To ensure fairness in the decision-making regarding the Tender Offer Price presented by the Tender Offeror, in relation to the announcement of its opinion on the Tender Offer, the Target Company asked Nomura Securities, its financial advisor and third-party appraiser independent of the Target Company and the Tender Offeror, to conduct a valuation of the Target Company Shares, and obtained the Share Valuation Report (Nomura Securities) dated as of November 29, 2021 (see Note 3).

Nomura Securities is not a party affiliated with the Target Company or the Tender Offeror and does not have a material interest in the Transactions, including the Tender Offer. In addition, remuneration of Nomura Securities includes contingent fees to be paid subject to the completion of the Transactions and other related outcomes. After taking into account matters including customary practices in similar kinds of transactions and the appropriateness of a compensation structure that would cause considerable financial burden to the Target Company in case the Transactions are not successfully completed, and deciding that the inclusion of contingency fees to be paid subject to the completion of the Tender Offer would not deny the independence of Nomura Securities, the Target Company appointed Nomura Securities as its financial advisor and third-party appraiser based on the compensation structure above.

- (II) Summary of Valuation of the Target Company Shares

Nomura Securities considered the methods to be used for calculating the share value of the Target Company Shares from among multiple calculation methods and ultimately calculated it using the following methods: (a) the market price method, because the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange, (b) the comparable company method, because there are several listed companies it can compare the Target Company to and analytical inference of the share value of the Target Company based on comparable companies is possible, and (c) the discount cash flow method (the “**DCF Analysis**”), to reflect future business activity conditions of the Target Company in the calculation, based on the premise that the Target Company is a going concern and from the perspective that it would be appropriate to evaluate the Target Company Shares from various aspects. The Target Company obtained the Share Valuation Report (Nomura Securities) from Nomura Securities on November 29, 2021.

According to the Share Valuation Report (Nomura Securities), the range of

values per Target Company Share calculated by each of the above methods is as follows.

Market price method: From 1,464 yen to 1,533 yen

Comparable company method: From 915 yen to 1,799 yen

DCF Analysis: From 1,211 yen to 2,448 yen

The range of values per Target Company Share obtained from the market price method is 1,464 yen to 1,533 yen, which is calculated based on 1,489 yen, the closing price of the Target Company Shares quoted on the First Section of the Tokyo Stock Exchange as of the evaluation reference date of November 29, 2021 and 1,512 yen, 1,522 yen, 1,533 yen, and 1,464 yen, the simple average closing prices over the preceding five-Business Day, one-month, three-month, and six-month periods, respectively.

The range of values per Target Company Share obtained from the comparable company method is 915 yen to 1,799 yen, which is derived by evaluating the Target Company's share value by selecting Tokyo Tatemono Co., Ltd., HEIWA REAL ESTATE CO., LTD., and Keihanshin Building Co., Ltd. as listed companies engaged in businesses that are relatively similar, albeit not completely identical, to those that the Target Company operates, by employing the multiples of the earnings before interest and tax ("EBIT") against the corporate value of those companies and multiples of the EBIT before depreciation and amortization ("**EBITDA Multiples**"), multiples of the market net asset value (market net asset value reflecting unrealized profits or losses after taking into account tax on real estate held by those companies) plus net interest bearing liabilities against the corporate value of those companies, multiples of net profit against the market capitalization of those companies, and multiples of net asset value against the market capitalization of those companies and by making certain financial adjustments, including the addition of the value of the entire cash equivalents held by the Company.

The range of values per Target Company Share obtained from the DCF Analysis is 1,211 yen to 2,448 yen, which is derived by evaluating the Target Company's share value as calculated by discounting to the present value at an appropriate discount rate that takes into account business risks, the free cash flow that the Target Company is expected to generate based on revenue forecasts and investment plans set out in the Target Company's business plan for the period of seven fiscal years from the fiscal year ending March 2022 to the fiscal year ending 2028, as well as other factors such as publicly available information. The weighted average cost of capital is used to calculate the discount ratio, and 3.0% to 3.5% is adopted as the discount ratio. In calculating the terminal value, the adopted perpetual growth rate is -0.25% to 0.25% and the EBITDA multiple rate used to value the Target Company Shares is 15.5x to 17.5x.

The financial forecast based on the Target Company's Business Plan used by Nomura Securities as a premise for the calculation under the DCF

Analysis is as shown below. The Target Company's Business Plan used by Nomura Securities in the calculation covers a certain fiscal year in which significant increases in profits year-on-year are expected. Specifically, while a decrease in the net income attributable to the shareholders of the parent company is expected in the fiscal year ending March 2024 since extraordinary losses resulting from losses related to the reconstruction of buildings held by the Target Company are expected in that fiscal year, a significant increase is expected in the fiscal year ending March 2025 due to the dissipation of such transient factor and the contribution of the newly constructed buildings through the fiscal period. While free cash flow is expected to become negative because large-scale investment, including investment in large buildings in Japan, and the ongoing relatively large-scale rebuilding investments in Sapporo, Midosuji and Yaesu are expected to continue over the period from the fiscal year ending March 2023 to the fiscal year ending March 2027, free cash flow is expected to become positive in the fiscal year ending March 2028 due to the decrease in investment cash flow, because large-scale investment will come to an end.

The expected synergies achieved by carrying out the Transactions are not reflected in the Target Company's Business Plan used by Nomura Securities in the calculation and are not considered in the financial forecasts below, because it is difficult to make a detailed estimate of their effects on revenues at the present time.

(Unit: million yen)

	Y. E. March 2022 (six- month period)	Y. E. March 2023	Y. E. March 2024	Y. E. March 2025
Operating revenue	20,943	44,905	44,900	46,905
EBIT	4,257	12,758	12,797	14,979
EBITDA	8,219	20,791	20,902	22,822
Free Cash Flow	4,706	-36,089	-24,200	-8,615

	Y. E. March 2026	Y. E. March 2027	Y. E. March 2028
Operating revenue	49,326	51,851	54,269
EBIT	15,622	17,043	18,520
EBITDA	24,222	26,188	28,272

Free Cash Flow	-25,560	-11,339	14,339
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(vii) Establishment of an Independent Structure for Review at the Target Company

As stated in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” in “1. Purpose of the Tender Offer” above, the Target Company constructed an internal system to deliberate, negotiate and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror from the standpoint of avoiding, to the extent possible, any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions. Specifically, after receiving notice of the Tender Offeror’s intent to consider making the Target Company a wholly-owned subsidiary through the Tender Offer on August 31, 2021, the Target Company established a structure for review consisting of a total of 11 members, including three directors and two corporate auditors of the Target Company (excluding the Target Company’s representative director Mr. Toshiyuki Sonobe, the Target Company’s representative director Mr. Takashi Maruyama, the Target Company’s director Mr. Takehiko Ota, and the Target Company’s full-time corporate auditor Mr. Hideo Horiguchi) and six of the Target Company’s executive officers and employees who have not held positions in the past as officers or employees of a company in the Tender Offeror Group other than the Target Company Group, as officers and employees to deliberate, negotiate, and make decisions regarding the Transactions, and the structure has implemented negotiations on the terms of the Transactions, including the Tender Offer Price, between the Target Company and Tender Offeror and the drafting of the Target Company’s Business Plan, which is used as a basis for the valuation of the Target Company Shares (however, as stated in “(iv) Establishment by the Target Company of an Independent Special Committee and Procurement by the Target Company of the Report from the Special Committee” above, the Target Company’s director Mr. Takehiko Ota participated only in each of the second stages of the board of directors meetings of the Target Company held on September 16, 2021 and September 30, 2021 in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made). The Target Company’s Business Plan, which is used as a basis for the valuation of the Target Company Shares by the Tender Offeror, Nomura Securities, and Plutus, was prepared after the Target Company received notice of the Tender Offeror’s intent to consider making the Target Company a wholly-owned subsidiary through the Tender Offer on August 31, 2021 under the structure for review stated above from the standpoint of avoiding any structural conflict of interest and asymmetry of information problems, and the financial figures in the business plan have not been unjustly distorted based on the existence of the Transactions. Of the six directors of the Target Company, a total of three directors (excluding representative director Mr. Toshiyuki Sonobe, representative director Mr.



Takashi Maruyama, and director Mr. Takehiko Ota) conducted deliberations and passed a resolution by unanimous approval to approve the Target Company's Business Plan at the Target Company's board of directors meeting held on September 16, 2021. In addition, in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Target Company was corporate auditor) conducted deliberation and again passed a resolution by unanimous approval to approve the Target Company's Business Plan.

Of the directors of the Target Company, representative director Mr. Toshiyuki Sonobe, representative director Mr. Takashi Maruyama, director Mr. Takehiko Ota, and full-time corporate auditor Mr. Hideo Horiguchi have not participated in the Target Company's decision-making regarding the Transactions (including the approval of the Target Company's Business Plan) from the standpoint of avoiding any possible impact of structural conflict of interest and asymmetry of information problems in the Transactions. However, the Target Company's director Mr. Takehiko Ota participated only in each of the second stages of the board of directors meetings of the Target Company held on September 16, 2021 and September 30, 2021 in order to ensure that a valid resolution that meets the quorum required under the Companies Act was made.

The Special Committee has confirmed that the internal structure for reviewing the Transactions (including the scope of the Target Company's officers and employees involved in deliberating, negotiating, and making decisions regarding the Transactions, and their duties) established by the Target Company is based on the advice received from Anderson Mori & Tomotsune and that there is no concern with respect thereto from the standpoint of independence and fairness, including the exclusion of the Target Company's officers and employees as stated above.

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

The Target Company's board of directors carefully discussed and deliberated the series of procedures involved in the Transactions including the Tender Offer and the conditions of the Transactions, concerning whether the Transactions would contribute to enhancing the corporate value of the Target Company and whether the terms of the Transactions, including the Tender Offer Price, are appropriate, based on the legal advice received from Anderson Mori & Tomotsune on decision-making processes and methods for, and other matters to be noted in relation to, the Transactions including the Tender Offer, the advice from a financial standpoint and the content of the Share Valuation Report (Nomura Securities) received from Nomura Securities, and the content of the Share Valuation Report (Plutus) and the Fairness Opinion prepared by Plutus that it received from the Special Committee, and while respecting the content of the Report submitted by the

Special Committee to the maximum possible extent. As a result, as stated in “(a) Further ‘expanding investment targets’ in Japan” and “(b) Enhancing overseas business” in “(A) Background, Purpose, and Decision-Making Process with respect to the Tender Offeror Deciding to Conduct the Tender Offer” in “(2) Background, Purpose, and Decision-Making Process with respect to Conducting the Tender Offer, and Management Policy After the Tender Offer” in “1. Purpose of the Tender Offer” above, given the Target Company’s determination that the Transactions could be expected to create synergies and would contribute to enhancing the corporate value of the Target Company Group and that the conditions of the Transactions, including the Tender Offer Price, were appropriate conditions that ensure the interests of the Target Company’s general shareholders, and that they provide a reasonable opportunity for the Target Company’s general shareholders to tender the Target Company Shares at a premium price, the Target Company resolved at its board of directors meeting held today, by a unanimous vote of all three directors who participated in the deliberation and the resolution process, of the six directors of the Target Company, to express its opinion to support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

Since, of the six directors of the Target Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota have held positions at the Tender Offeror in the past, the three directors of the Target Company other than the three directors stated above (namely, Mr. Hideki Tainaka, Mr. Atsushi Oi, and Mr. Atsushi Miyanoya) participated in deliberation and passed a resolution as stated above by unanimous approval at the Target Company’s board of directors meeting stated above, from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions. All corporate auditors other than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a full-time corporate auditor of the Target Company, has held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions.

There is a possibility that the three directors who did not participate in the resolution, namely, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, do not have special interests provided for in the Companies Act in relation to the proposal stated above. In that case, the quorum for the board of directors meeting may not have been satisfied in relation to that proposal, and therefore in order to ensure that a valid resolution that satisfies the quorum under the Companies Act was made, four directors including Mr. Takehiko Ota (who, of the three directors who have held positions at the Tender Offeror in the past, has ceased to be employed by the Tender Offeror since June 2017 and whose position at the Tender Offeror immediately before his transfer to the Target Company was corporate auditor) conducted deliberation, and again took a vote on that proposal and passed a resolution by unanimous approval. All corporate auditors other

than Mr. Hideo Horiguchi expressed their opinion that they have no objection to the resolution stated above at the board of directors meeting stated above. Since Mr. Hideo Horiguchi, a full-time corporate auditor of the Target Company, held a position at the Tender Offeror in the past, he did not attend the board of directors meeting stated above and refrained from expressing his opinion from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions.

Since, of the directors of the Target Company, Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota, and full-time corporate auditor Mr. Hideo Horiguchi have held positions at the Tender Offeror in the past, they have not participated in any deliberations or resolutions at the meetings of the board of directors of the Target Company for the Transactions, including the board of directors meetings of the Target Company held on September 16, 2021 and today, nor have they participated in the discussions and negotiations with the Tender Offeror regarding the Transactions on behalf of the Target Company (except for Mr. Takehiko Ota having participating in the deliberations and resolutions in each of the second stages of the board of directors meetings of the Target Company held on September 16, 2021 and today), from the standpoint of avoiding to the extent possible any possible impact of structural conflict of interest and asymmetry of information issues in the Transactions.

(ix) No Transaction Protection Clause

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

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

As stated in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating the "Two-Step Acquisition")" in "1. Purpose of the Tender Offer" above, the Tender Offeror ensures an opportunity for the Target Company's shareholders (excluding the Tender Offeror and the Target Company) to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Target Company's shareholders (excluding the Tender Offeror and the Target Company) by (i) employing methods ensuring the right of the Target Company's shareholders (excluding the Tender Offeror) to request purchase of shares or to petition for a determination of the price of shares, wherein depending on the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, either

will make the Demand for Shares Cash-Out for all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and treasury shares owned by the Target Company) or will make a demand to the Target Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for the Share Consolidation and a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, and (ii) clarifying that the amount of money to be delivered to the Target Company's shareholders (excluding the Tender Offeror and the Target Company) as consideration for each Target Company Share in the Demand for Shares Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by those shareholders (excluding the Tender Offeror and the Target Company). In addition, although the shortest tender offer period under laws and ordinances is 20 Business Days, the Tender Offeror has set the tender offer period of the Tender Offer (the "**Tender Offer Period**") to be 30 Business Days. The Tender Offeror has set a comparatively long tender offer period to ensure an appropriate opportunity for the shareholders of the Target Company to make a decision about the tendering of shares in response to the Tender Offer while ensuring an opportunity for competing offers by parties other than the Tender Offeror as a means to guarantee the fairness of the Tender Offer Price.

Note 1: The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target Company Shares and preparing the Analysis Report (GS).

Goldman Sachs and its affiliates (collectively, "**Goldman Sachs Group**") are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs Group and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Tender Offeror, the Target Company and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the Tender Offer. Goldman Sachs has acted as financial advisor to the Tender Offeror in connection with, and has participated in certain of the negotiations leading to, the Tender Offer. Goldman Sachs expects to receive fees for its services in connection with the Tender Offer, the principal portion of which is contingent upon consummation of the Tender Offer, and the Tender Offeror has agreed to reimburse certain of Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. Goldman Sachs has provided from time to time, and is concurrently providing, certain financial advisory and/or underwriting services to the Tender Offeror and/or its affiliates for which its Investment

Banking Division has received, and may receive, compensation, including acting as co-manager with respect to a public offering by the Tender Offeror of its 1.60% hybrid corporate bonds due 2056 (aggregate principal amount ¥50,000,000,000) in April 2021. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to the Tender Offeror, the Target Company and their respective affiliates for which Goldman Sachs' Investment Banking Division may receive compensation.

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

The Analysis Report (GS) does not address the underlying business decision of the Tender Offeror to engage in the Tender Offer, or the relative merits of the Tender Offer as compared to any strategic alternatives that may be available to the Tender Offeror; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs does not express any view on any term or aspect of the Tender Offer or any term or aspect of any other agreement or instrument contemplated by the Tender Offer or entered into or amended in connection with the Tender Offer, including, the fairness of the

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

Note 2: In preparing and submitting the Fairness Opinion and evaluating the share value underlying it, Plutus relied on information and basic materials that were provided by, or discussed with, the Target Company and publicly available materials, on the assumption that they were accurate and complete, and that there were no facts that had not been disclosed to Plutus that could materially affect the analysis and evaluation of the value of the Target Company Shares, and Plutus has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

Plutus has assumed that the Target Company's business prospects and other materials used as the basis for the Fairness Opinion have been reasonably prepared by the Target Company's management (excluding Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota who held positions at the Tender Offeror in the past) based on the best projections and judgements at present, and Plutus does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or premises on which they are based.

The Fairness Opinion expresses Plutus's opinion as of the date of preparation as to whether the Tender Offer Price is fair from a financial point of view to the Target Company's minority shareholders, based on financial and capital markets, economic, conditions, and other circumstance as of the date of preparation, and information available to Plutus up to the date of preparation,

and while the content of the Fairness Opinion may be affected by subsequent changes in conditions, Plutus has no obligation to amend, change or supplement the content of the Fairness Opinion even in such cases. The Fairness Opinion does not infer or indicate any opinion, other than that expressly stated in the Fairness Opinion, or with respect to any matter after the date of submission of the Fairness Opinion.

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

The Fairness Opinion was provided by Plutus for the purpose of being used as a basis for decisions made by the Target Company's board of directors and the Special Committee regarding the Tender Offer Price, and is not to be relied upon by any other party.

Note 3: In calculating the share value of the Target Company Shares, Nomura Securities has used publicly available information and information provided to it by the Target Company as presented; Nomura Securities has assumed that all of that information is accurate and complete and did not independently verify the accuracy and completeness thereof. Nomura Securities has not conducted an independent evaluation, appraisal, or assessment, nor has it made any request to a third-party institution for any appraisal or assessment, in connection with any assets or liabilities (including derivatives, off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company, including the analysis or valuation of individual assets or liabilities. Nomura Securities has assumed that the financial forecasts (including profit plans and other information) of the Target Company have been reasonably prepared based on the best faithful forecasts and judgments obtainable from the management of the Target Company at present (excluding Mr. Toshiyuki Sonobe, Mr. Takashi Maruyama, and Mr. Takehiko Ota who held positions at the Tender Offeror in the past). The calculation by Nomura Securities is based on the information available to Nomura Securities and economic conditions as of November 29, 2021, and the purpose of the calculation by Nomura Securities is only to serve as reference for the board of directors of the Target Company in reviewing the share value of the Target Company Shares.

(C) Relationship with the Appraiser

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

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

Class of Share Certificates, Etc.	Number of Share Certificates, Etc. to be purchased	Minimum number of Share Certificates, Etc. to be purchased	Maximum number of Share Certificates, Etc. to be purchased
Common stock	55,156,001 shares	16,928,034 shares	– shares
Total	55,156,001 shares	16,928,034 shares	– shares

(Note 1): If the total number of Tendered Share Certificates, Etc. is less than the minimum number of the Share Certificates, Etc. to be purchased (16,928,034 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or more than the minimum number of the Share Certificates, Etc. to be purchased (16,928,034 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2): In the Tender Offer, the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased, and thus the number of Share Certificates, Etc. to be purchased is stated as the maximum number of Target Company Shares to be purchased by the Tender Offeror in the Tender Offer (55,156,001 shares). The maximum number of Share Certificates, Etc. to be purchased in the Tender Offer is the number of shares (55,156,001 shares) representing (i) the total number of issued shares (115,051,049 shares) of the Target Company as of September 30, 2021), as stated in the Target Company’s Quarterly Report, minus (ii) the 367,282 treasury shares held by the Target Company as of September 30, 2021 and the number of Target Company Shares (59,527,766 shares) held by the Tender Offeror.

(Note 3): Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own treasury shares during the Tender Offer Period in accordance with procedures under laws and regulations.

(Note 4): The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

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

Number of voting rights represented by the Share Certificates, Etc. held by the Tender Offeror before the Tender Offer	595,277 voting rights	(Ownership ratio of Share Certificates, Etc. before the Tender Offer: 51.91%)
Number of voting rights represented by the Share Certificates, Etc. held by specially related parties before the Tender Offer	0 voting rights	(Ownership ratio of Share Certificates, Etc. before the Tender Offer: -%)



Number of voting rights represented by the Share Certificates, Etc. held by the Tender Offeror after the Tender Offer	1,146,837 voting rights	(Ownership ratio of Share Certificates, Etc. after the Tender Offer: 100.00%)
Number of voting rights represented by the Share Certificates, Etc. held by specially related parties after the Tender Offer	0 voting rights	(Ownership ratio of Share Certificates, Etc. after the Tender Offer: -%)
Total number of voting rights of all shareholders, etc. of the Target Company	1,146,404 voting rights	

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

Note 2: “Total number of voting rights of all shareholders, etc. of the Target Company” is the number of voting rights of all shareholders, etc. of the Target Company as of September 30, 2021 stated in the Target Company’s Quarterly Report submitted by the Target Company on November 12, 2021. However, since the shares less than one unit are subject to the Tender Offer, when calculating “Ownership ratio of Share Certificates, Etc. before the Tender Offer” and “Ownership ratio of Share Certificates, Etc. after the Tender Offer,” the number of voting rights (1,146,837) represented by 114,683,767 shares, which is the total number of issued shares (115,051,049 shares) of the Target Company as of September 30, 2021 stated in the Target Company’s Quarterly Report less the number of treasury shares held by the Target Company (367,282 shares) as of September 30, 2021, is used as “Total number of voting rights of all shareholders, etc. of the Target Company.”

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

(7) Purchase Price 121,343 million yen

Note: Purchase price shows the amount obtained by multiplying the number of shares to be purchased (55,156,001 shares) by the Tender Offer Price (2,200 yen).

(8) Method of Settlement

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

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

(B) Commencement Date of Settlement

January 25, 2022 (Tuesday)

(C) Method of Settlement

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

The purchase will be settled in cash. The tender offer agent will remit the sales proceeds of the Share Certificates, Etc. purchased to the address designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Non-Resident Shareholders, Etc.) in accordance with the instructions given by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Non-Resident Shareholders, Etc.) and without delay after the commencement date of the settlement.

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

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

(9) Other Conditions and Methods of Purchase

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

If the total number of Tendered Share Certificates, Etc. is less than the minimum number of Share Certificates, Etc. to be purchased (16,928,034 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or more than the minimum number of Share Certificates, Etc. to be purchased (16,928,034 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

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

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

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

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

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

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

purchase price is reduced, the Tender Offeror will also purchase the Share Certificates, Etc. tendered on or before the date of the public notice at the reduced purchase price.

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

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

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

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

Party authorized to receive the Cancellation Document:

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

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

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

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

The Tender Offeror may change the conditions, etc. of the Tender Offer during the Tender Offer Period unless such change is prohibited under Article 27-6, Paragraph 1 of the Act or Article 13, Paragraph 2 of the Enforcement Order. If the Tender Offeror intends to change any conditions, etc. of the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement. If the conditions, etc. of the Tender Offer are changed, the Tender Offeror will also purchase the Share Certificates, Etc. tendered on or before the date of the public notice in accordance with the changed conditions, etc. of the Tender Offer.

(F) Method of Disclosure if Amendment Statement is Filed

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

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

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

(10) Date of Public Notice

December 1, 2021 (Wednesday)

(11) Tender Offer Agent

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

**3. Policy After the Tender Offer and Future Prospects**

(1) Policy After the Tender Offer

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

(2) Future Prospects

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

**4. Other**

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

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

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

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

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

N/A

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

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

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

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

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

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

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

End

### **Restrictions on Solicitation**

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

### **Future Prospects**

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

### **US Regulations**

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

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

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

This press release and its reference documents include “forward-looking statements” as defined

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

**Other Countries**

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