August 19, 2026

To whom it may concern

Company Name: Baudroie Inc.
Representative: Shigehiro Tominaga, President and CEO
(Prime Market of Tokyo Stock Exchange, Securities Code 4413)
Contact: Kazuya Fujii, Representative Director
(Tel: +81-3-6807-4525)

Entity: BCPE Neon Cayman, LP
Representative: BCPE Neon GP, LLC
(General Partner)

Notice Concerning Commencement of Tender Offer for Shares of Baudroie Inc. (Securities Code: 4413) by BCPE Neon Cayman, LP

We hereby notify you that BCPE Neon Cayman, LP has decided to acquire share certificates of Baudroie Inc. through a tender offer as described in the attachment.

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This document has been published by BCPE Neon Cayman, LP (the Offeror) under Article 30, paragraph (1), item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act, based on a request made to Baudroie Inc. (the target of the Tender Offer).

(Attachment)

“Notice Concerning Commencement of Tender Offer for Share Certificates of Baudroie Inc. (Securities Code: 4413)” dated August 19, 2026

August 19, 2026

To whom it may concern

Entity: BCPE Neon Cayman, LP
Representative: BCPE Neon GP, LLC
(General Partner)

Notice Concerning Commencement of Tender Offer for Share Certificates of Baudroie Inc.
(Securities Code: 4413)

BCPE Neon Cayman, LP (the "Offeror") decided on August 18, 2026 to acquire all of the common shares (the "Target Shares") and the Share Acquisition Rights (as defined in "(ii) Share Acquisition Rights" in "(2) Type of Share Certificates to be Purchased" below, hereinafter the same) of Baudroie Inc. (the "Target"), a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") (including the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target), through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"), and hereby gives notice as follows.

1. Details of the Tender Offer

(1) Name of the Target

Baudroie Inc.

(2) Type of Share Certificates to be Purchased

(i) Common shares

(ii) Share Acquisition Rights (the Share Acquisition Rights described in a. through f. below, the "Share Acquisition Rights," the holders of the Share Acquisition Rights, the "Share Acquisition Rights Holders," and the price of purchase, etc. per Share Acquisition Right in the Tender Offer, individually or collectively, the "Share Acquisition Rights Purchase Price")

a. Series 2 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on February 24, 2020 (the "Series 2 Share Acquisition Rights") (exercise period from February 28, 2022 to February 18, 2030)

b. Series 3 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on February 27, 2021 (the “Series 3 Share Acquisition Rights”) (exercise period from March 1, 2023 to February 18, 2030)

c. Series 4 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on December 13, 2022 (the “Series 4 Share Acquisition Rights”) (exercise period from June 1, 2026 to December 12, 2032)

d. Series 5 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on March 27, 2024 (the “Series 5 Share Acquisition Rights”) (exercise period from June 1, 2027 to April 17, 2034)

e. Series 6 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on August 1, 2025 (the “Series 6 Share Acquisition Rights”) (exercise period from June 1, 2028 to August 28, 2035)

f. Series 7 share acquisition rights issued pursuant to a resolution at the meeting of the Target's board of directors held on May 25, 2026 (the “Series 7 Share Acquisition Rights”) (exercise period from June 1, 2029 to June 29, 2036)

(3) Tender Offer Period

August 19, 2026 (Wednesday) to October 5, 2026 (Monday) (31 business days)

(4) Tender Offer Price

(i) 2,970 yen per share of common shares (the “Tender Offer Price”)

(ii) Share acquisition rights

a. 1 yen per Series 2 Share Acquisition Right

b. 1 yen per Series 3 Share Acquisition Right

c. 1 yen per Series 4 Share Acquisition Right

d. 1 yen per Series 5 Share Acquisition Right

e. 1 yen per Series 6 Share Acquisition Right

f. 1 yen per Series 7 Share Acquisition Right

(5) Number of Share Certificates to be Purchased

Class of Share Certificates	Number of Share Certificates to be Purchased	Minimum Number of Share Certificates to be Purchased	Maximum Number of Share Certificates to be Purchased
Common shares	15,066,853 shares	3,135,200 shares	– shares

(6) Commencement Date of Settlement

October 13, 2026 (Tuesday)

(7) Tender Offer Agent

Nomura Securities Co., Ltd., 1-13-1 Nihonbashi, Chuo-ku, Tokyo

2. Overview of the Tender Offer

The Offeror is a limited partnership formed under the laws of the Cayman Islands on July 9, 2026, primarily for the purpose of investing in the Target, all of the interests in which are held, and which is operated, by investment funds that receive investment advice from Bain Capital Private Equity, LP, and its group (individually or collectively, "Bain Capital"). As of today, neither Bain Capital nor the Offeror owns any Target Shares or Share Acquisition Rights.

Bain Capital is an international investment firm with approximately USD 225 billion in assets under management worldwide as of December 31, 2025, and since establishing its Tokyo office in Japan in 2006, has been engaged in initiatives to enhance the corporate value of its portfolio companies with a staff of over approximately 80 employees as of June 30, 2026. Bain Capital's employees are primarily individuals with experience in operating companies and consulting firms and who have a track record, as recognized by Bain Capital itself, of not only providing the capital and financial support offered by general investment firms but also executing steady growth strategies through on-site operational support, successfully leading the following value enhancement initiatives. In Japan, Bain Capital has invested in a total of 45 companies as of June 30, 2026, including Fine Today Holdings Co., Ltd., INFORICH Inc., MCJ Co., Ltd., Rezil Inc., York Holdings Co., Ltd., Nissin Corporation, Mitsubishi Tanabe Pharma Corporation (currently known as Tanabe Pharma Corporation), JAMCO Corporation, Red Baron Co., Ltd., T-Gaia Corporation, TRANCOM Co., Ltd., Snow Peak Inc., OUTSOURCING Inc. (currently known as BREXA Holdings Inc.), T&K TOKA CO., LTD., IDAJ Co., LTD., EVIDENT CORPORATION (the successor to the former Scientific Solutions business of Olympus Corporation), Impact HD Inc., MASH Holdings Co., Ltd., Hitachi Metals, Ltd. (currently known as Proterial, Ltd.), Linc'well Inc., IGNIS LTD., Kirindo Holdings Co., Ltd., Hey Kabushiki Kaisha (currently known as STORES, Inc.), Showa Aircraft Industry Co., Ltd., Cheetah Digital Kabushiki Kaisha (currently known as EmberPoint Co., Ltd.), and Works Human Intelligence Co., Ltd. Globally, Bain Capital has invested in approximately 400 companies as of December 31, 2025, or approximately 1,450 companies or more when including additional investments, since its establishment in 1984.

The Offeror is implementing the Tender Offer as part of a series of transactions for a so-called management buyout (MBO) (Note 1) (the "Transactions"), for the purpose of acquiring all of the Target Shares listed on the Prime Market of Tokyo Stock Exchange, Inc. (including any Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target) and all of the Share Acquisition Rights.

(Note 1) A management buyout (MBO) refers to a tender offer in which the purchaser is an officer of the target company (including tender offers in which the purchaser conducts a tender offer pursuant to the request of an officer of the target company and has common interests with an officer of the target company) (please see Rule 441 of the Securities Listing Regulations of the Tokyo Stock Exchange). In the Transactions, Mr. Shigehiro Tominaga ("Mr. Tominaga"), the representative director and president of the Target and its largest shareholder as of February 28, 2026, Mr. Kazuya Fujii ("Mr. Fujii"), representative director of the Target and its second largest shareholder as of that date, and Mr. Yoshiaki Hodoshima ("Mr. Hodoshima"), director of the Target and its fifth largest shareholder as of that date, plan to continue to be involved in the overall management of the Target to drive its business growth even after the completion of the Tender Offer, and since the Transactions are being carried out based on an agreement among the Offeror, Mr. Tominaga, Mr. Fujii, and Mr. Hodoshima, the Transactions constitute a so-called management buyout (MBO).

In preparation for the Tender Offer, if the Tender Offer is successfully completed, the Offeror will acquire all of the Target Shares owned by the Founding Shareholders (as defined below) with the purchase price per share at 2,350 yen that is lower than the price per share of the Target Shares to be purchased in the Tender Offer, on the same date as the commencement date of settlement for the Tender Offer, by way of a share transfer other than through the Tender Offer pursuant to the proviso to Article 27-2, paragraph 1 of the Act and Article 7, paragraph 1, item (xiii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended).

Specifically, on August 18, 2026, the Offeror entered into an agreement with each of Mr. Tominaga (number of shares owned: 12,176,000 shares; Ownership Percentage (Note 2): 37.09%), Mr. Fujii (number of shares owned: 4,539,000 shares; Ownership Percentage: 13.83%), and Mr. Hodoshima (number of shares owned: 1,224,600 shares; Ownership Percentage: 3.73%) (collectively, the "Founding Shareholders") to transfer all of their Target Shares to the Offeror (the share transfer agreement with Mr. Hodoshima, the "Share Transfer Agreement (Mr. Hodoshima)"; collectively, the share transfer agreements with each of Mr. Tominaga, Mr. Fujii, and Mr. Hodoshima, the "Share Transfer Agreements"), and the Offeror and the Founding Shareholders have agreed that all of the Target Shares owned by Mr. Tominaga, all of the Target Shares owned by Mr. Fujii, and all of the Target Shares owned by Mr. Hodoshima (the "Shares to be Transferred (Mr. Hodoshima)") (collectively, the “Shares to be Transferred”) (a total of 17,939,600 shares; total Ownership Percentage: 54.65%) will be transferred to the Offeror (the execution of the transfer of the Target Shares by the Founding Shareholders under the Share Transfer Agreements is individually or collectively referred to as the “Parallel Purchase”). For details of the Share Transfer Agreements, see “(6) Material Agreements Concerning the Tender Offer” in “4. Purpose of the Tender Offer” in “I. Terms of the Tender Offer” of the tender offer registration statement to be submitted by the Offeror on August 19, 2026 in connection with the Tender Offer (the “Tender Offer Registration Statement”).

(Note 2) “Ownership Percentage” means the percentage that a shareholder's shareholdings represents of 32,825,253 shares (the “Reference Number of Shares”), which is the result of 32,148,708, which is the total number of issued and outstanding shares as of May 31, 2026, as set forth in the “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2027 (Under IFRS)” (the “Target Earnings Report”) announced by the Target on July 15, 2026, plus 1,630,000 shares, which is the number of Target Shares underlying the remaining 14,115 Share Acquisition Rights (Note 3) as of June 30, 2026, as reported by the Target, resulting in 33,778,708 shares, less 953,455, which is the number of treasury shares owned by the Target as of May 31, 2026, as set forth in the Target Earnings Report (rounded to the second decimal place; hereinafter the same in the calculation of Ownership Percentages).

(Note 3) The breakdown of the Share Acquisition Rights remaining as of June 30, 2026, as reported by the Target, is as follows.

Class of Share Acquisition Rights	Number of Share Acquisition Rights	Number of underlying Target Shares
Series 2 Share Acquisition Rights	13	67,600 shares
Series 3 Share Acquisition Rights	7	16,800 shares
Series 4 Share Acquisition Rights	152	60,800 shares
Series 5 Share Acquisition Rights	905	181,000 shares
Series 6 Share Acquisition Rights	4,197	419,700 shares
Series 7 Share Acquisition Rights	8,841	884,100 shares

Total	14,115	1,630,000 shares

In the Tender Offer, the Offeror has set the minimum number of shares to be purchased at 3,135,200 shares (Ownership Percentage: 9.55%), and if the total number of share certificates, etc. tendered in the Tender Offer (the "Tendered Share Certificates, Etc.") does not reach the minimum number of shares to be purchased (3,135,200 shares), none of the Tendered Share Certificates, Etc. will be purchased. On the other hand, as described above, the Offeror aims to take the Target Shares private by acquiring all of the Target Shares (including the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target), and therefore, no maximum number of shares to be purchased has been set, and if the sum of the Tendered Share Certificates, Etc. reaches, or is greater than, the minimum number of shares to be purchased (3,135,200 shares), all Tendered Share Certificates, Etc. will be purchased.

The minimum number of shares to be purchased (3,135,200 shares) is the number of shares obtained by subtracting from (a) 208,936, which is two-thirds of the number of voting rights (313,404 voting rights; rounded up to the nearest whole number) attached to the number of shares obtained by subtracting from the Reference Number of Shares (32,825,253 shares) the number of shares (1,484,800 shares) underlying the 13,943 Share Acquisition Rights remaining as of June 30, 2026, as reported by the Target (excluding the Series 2 Share Acquisition Rights, Series 3 Share Acquisition Rights, and Series 4 Share Acquisition Rights, which are exercisable as of June 30, 2026, as reported by the Target) (Note 4), multiplied by (y) 100, which is the number of shares in one share unit of the Target (which comes to 20,893,600 shares), (b) the number of the Transferred Shares as of today to be purchased through the Parallel Purchase at the same time as the commencement of settlement for the Tender Offer (however, excluding the shares underlying the Call Options (as defined in below, hereinafter the same) remaining as of July 31, 2026 (181,200shares) in the Shares to be Transferred (Mr. Hodoshima)). This is because, since the Offeror aims in the Tender Offer and the Parallel Purchase to acquire all of the Target Shares (including the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target) and all of the Share Acquisition Rights, and to take the Target Shares private, and since a special resolution at a general meeting of shareholders as provided in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") is required when implementing the procedures for the Share Consolidation (as defined in "(ii) Share Consolidation" in "3. Policy on organizational restructuring after the Tender Offer" below; hereinafter the same) under Article 180 of the Companies Act, the Offeror is seeking to ensure that the Offeror will own two-thirds or more of the total number of voting rights of all shareholders of the Target after the completion of the Tender Offer and the implementation of the Parallel Purchase in order to reliably carry out the series of procedures for taking the Target Shares private (the "Squeeze-Out Procedures").

(Note 4) Among the Share Acquisition Rights, since the exercise period has not yet commenced for the Series 5 Share Acquisition Rights, the Series 6 Share Acquisition Rights, and the Series 7 Share Acquisition Rights, it is not anticipated that those Share Acquisition Rights will be exercised during the period of the purchase, etc. in the Tender Offer (the "Tender Offer Period"), and that the Target Shares will be delivered to the Share Acquisition Rights Holders of these Share Acquisition Rights. Also, if the Tender Offer is successfully completed, the Offeror plans to request the Target to implement, or itself implement, procedures reasonably necessary to carry out the Transactions, such as the acquisition and cancellation of the Share Acquisition Rights or the solicitation of the Share Acquisition Rights Holders to waive the Share Acquisition Rights, and since the Target intends to cooperate if so requested, the Offeror has not taken into account, in setting the minimum number of shares to be purchased, the number of Target Shares underlying the Series 5 Share Acquisition Rights, the Series 6 Share Acquisition Rights, and the Series 7 Share Acquisition Rights (a total of 1,484,800 shares). Also, regarding the Series 2 Share Acquisition Rights, the Series 3 Share Acquisition Rights, and the Series 4 Share Acquisition Rights, the exercise period has commenced as of today, and, according to the Target, it is understood that all such rights are exercisable as of today, as the exercise conditions, including that the holder be a director, corporate auditor, or employee of the Target or its subsidiaries, have been satisfied.

Further, Mr. Hodoshima has executed with multiple employees of the Target an agreement regarding call options dated December 28, 2022 (the "First Series Call Option Agreement") and an agreement regarding call options dated September 11, 2023 (the "Second Series Call Option Agreement," and together with the First Series Call Option Agreement, the "Call Option Agreements"), and Mr. Hodoshima granted call options pertaining to the Target Shares (hereinafter, the call options granted under the First Series Call Option Agreement (underlying number of shares 77,200 shares; Ownership Percentage: 0.24%) are referred to as the "First Series Call Options," and the call options granted under the Second Series Call Option Agreement (underlying number of shares 104,000 shares; Ownership Percentage: 0.32%) are referred to as the "Second Series Call Options," and the First Series Call Options and the Second Series Call Options, collectively, the "Call Options") as a performance-linked incentive for the employees of the Target who are parties to the Call Option Agreements (collectively, the "Call Option Holders"), and the Call Option Agreements provide that the Call Option Holders may demand that Mr. Hodoshima transfer to the Call Option Holders some of the Target Shares owned by Mr. Hodoshima at a certain value by exercising the Call Options if the exercise period has commenced and certain exercise conditions have been met. Under the Share Transfer Agreement (Mr. Hodoshima) it is provided that (i) Mr. Hodoshima is obligated to, with respect to the exercise by the Call Option Holders of all of the Call Options and the tendering by the Call Option Holders in the Tender Offer of all of the Target Shares obtained upon the exercise of the Call Options, obtain prior written approval from the Call Option Holders within 15 business days from the execution date of the Share Transfer Agreement (Mr. Hodoshima) and use his best efforts to ensure that tendering takes place during the Tender Offer Period, (ii) Mr. Hodoshima is obligated to, with respect to the Call Option Holders pertaining to the Second Series Call Options, with respect to which the exercise period has not commenced and it is expected the conditions for the exercise of the Call Options will not be satisfied during the Tender Offer Period (the First Series Call

Options are exercisable and those conditions for the exercise of call options have been satisfied as of today), on the condition that those Call Option Holders give approval under (i) above, use his best efforts to ensure that those Call Option Holders are able to exercise all of the Call Options during the Tender Offer Period by waiving those conditions for the exercise of the Call Options under those Call Option Agreements within 15 business days from the execution date of the Share Transfer Agreement (Mr. Hodoshima) by amending those Call Option Agreements or by other means (however, on or after the date following the day that is 15 business days after the execution date of the Share Transfer Agreement (Mr. Hodoshima), Mr. Hodoshima will not waive those conditions for exercise without the prior written approval of the Offeror), and (iii) (a) Mr. Hodoshima may exclude the Target Shares corresponding to the number of shares underlying the Call Options as of the date on which Mr. Hodoshima transfers the Shares to be Transferred (Mr. Hodoshima) to the Offeror in accordance with the Share Transfer Agreement (Mr. Hodoshima) from the purpose of that transfer and (b) with respect to the Target Shares owned by Mr. Hodoshima on the record date of the Extraordinary General Meeting of Shareholders (as defined in "3. Policy on organizational restructuring after the Tender Offer" below, hereinafter the same), Mr. Hodoshima will vote in favor of the proposal regarding the Share Consolidation at the Extraordinary General Meeting of Shareholders.

Therefore, if Mr. Hodoshima does not transfer part of the Target Shares he holds to the Offeror in accordance with those Call Option Agreements and the Share Transfer Agreement (Mr. Hodoshima) and continues to hold those shares, it is possible the minimum number of shares to be purchased will be lowered, at the Extraordinary General Meeting of Shareholders where the proposal on the Squeeze-Out Procedures will be submitted, by only the number of shares, from among those Target Shares, corresponding to the voting rights pertaining to the Target Shares underlying the Second Series Call Options, which Mr. Hodoshima is reliably expected to be able to exercise, by the time 10 business days can be secured, counting from the last day of the Tender Offer Period. Further, according to the response from the Target, none of the Call Option Holders is a person that constitutes a special related party of the Offeror.

3. Policy on Organizational Restructuring After the Tender Offer

If the Offeror is unable to acquire all of the Target Shares (including the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target) and all of the Share Acquisition Rights through the Tender Offer and the Parallel Purchase, the Offeror plans, after the completion of the Tender Offer and the implementation of the Parallel Purchase, to implement the Squeeze-Out Procedures using the following method.

(i) Demand for the Sale of Shares

If, after the successful completion of the Tender Offer and the execution of the Parallel Purchase, the total number of voting rights of the Target owned by the Offeror is equal to or exceeds 90% of the number of voting rights of all shareholders of the Target and the Offeror becomes a special controlling shareholder as prescribed in Article 179, paragraph (1) of the Companies Act, the Offeror will, promptly after the completion of the settlement of the Tender Offer and under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, make a demand to all of the shareholders of the Target (excluding the Offeror and the Target) (the “Selling Shareholders”) to sell all of the Target Shares they own (that demand, the “Demand for Sale of Shares”) and make a demand to all of the Share Acquisition Rights Holders (the “Selling Share Acquisition Rights Holders”) to sell all of the Share Acquisition Rights they hold (that demand, the “Demand for Sale of Share Acquisition Rights,” and together with the Demand for Sale of Shares, the “Demand for Sale of Shares, Etc.”).

In a Demand for Sale of Shares, the Offeror intends to provide that an amount equivalent to the Tender Offer Price will be delivered to the Selling Shareholders as consideration for each of the Target Shares, and in a Demand for Sale of Share Acquisition Rights, the Offeror intends to provide that an amount equivalent to the Share Acquisition Rights Purchase Price will be delivered to the Selling Share Acquisition Rights Holders as consideration for each of the Share Acquisition Rights. In that case, the Offeror intends to notify the Target to that effect and request the Target's approval for the Demand for Sale of Shares, Etc. If the Target approves a Demand for Sale of Shares, Etc. by a resolution of its board of directors, the Offeror will, in accordance with the procedures prescribed by relevant laws and regulations and without requiring the individual approval of the Selling Shareholders or the Selling Share Acquisition Rights Holders, acquire on the acquisition date specified in the Demand for Sale of Shares, Etc. all of the Target Shares owned by all of the Selling Shareholders and all of the Share Acquisition Rights owned by all of the Selling Share Acquisition Rights Holders. In that case, the Offeror intends to deliver to each Selling Shareholder an amount equivalent to the Tender Offer Price as consideration for each of the Target Shares owned by that shareholder and to deliver to each Selling Share Acquisition Rights Holder an amount equivalent to the Share Acquisition Rights Purchase Price as consideration for each Share Acquisition Right owned by that holder. Further, if the Target's board of directors receives a notice from the Offeror of its intention to make a Demand for Sale of Shares, Etc. and of the matters set out in each item of Article 179-2, paragraph (1) of the Companies Act, the Target's board of directors intends to approve that Demand for Sale of Shares, Etc.

In order to protect the rights of general shareholders and the Share Acquisition Rights Holders in relation to the Demand for Sale of Shares, Etc., the Companies Act provides that any of the Selling Shareholders and the Selling Share Acquisition Rights Holders may file a petition with a court for determination of the purchase price of the Target Shares or Share Acquisition Rights held in accordance with the provisions of Article 179-8 of the Companies Act and other applicable laws and regulations. It is further noted that if such petition is filed, the purchase price of the Target Shares or the Share Acquisition Rights will ultimately be decided by the court.

(ii) Share Consolidation

If, after the successful completion of the Tender Offer and the execution of the Parallel Purchase, the total number of voting rights of the Target owned by the Offeror is less than 90% of the number of voting rights of all shareholders of the Target, the Offeror plans to request the Target, promptly after the completion of the settlement of the Tender Offer, to hold an extraordinary general meeting of shareholders (the "Extraordinary General Meeting of Shareholders") with an agenda that includes (i) a resolution to consolidate the Target Shares in accordance with Article 180 of the Companies Act (the "Share Consolidation") and (ii) a resolution to partially amend the Target's articles of incorporation to abolish the provisions on the number of shares constituting one unit on the condition that the Share Consolidation becomes effective.

As of today, the Extraordinary General Meeting of Shareholders is expected to be held in mid-December 2026. Further, the Offeror plans to vote in favor of the above proposals at the Extraordinary General Meeting of Shareholders.

If the proposal for the Share Consolidation is approved at the Extraordinary General Meeting of Shareholders, the shareholders of the Target will, on the effective date of the Share Consolidation, hold the number of Target Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary General Meeting of Shareholders.

If, due to the Share Consolidation, the numbers of shares that shareholders of the Target receive include fractions less than one share, such shareholders will receive an amount of cash obtained by selling the Target 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 or the Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. With respect to the selling price for the number of shares equivalent to the total sum of the fractions less than one share in the Target, the Offeror intends to request the Target to file a petition with the court for permission to sell such Target Shares by private contract on the basis that they will be valued so that the amount of cash received by each shareholder that did not tender its shares in the Tender Offer (excluding the Offeror and the Target) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Shares held by each such shareholder. Although the ratio of the consolidation of the Target Shares has not been determined as of today, the Offeror intends to request the Target to make a decision so that the Offeror will hold all of the Target Shares (including the Target Shares to be delivered upon the exercise of the Share Acquisition Rights, but excluding the treasury shares owned by the Target) and that shareholders (excluding the Offeror and the Target) who do not tender their shares in the Tender Offer will have a fraction of less than one share.

As a provision under the Companies Act intended to protect the rights of general shareholders in relation to the Share Consolidation, the Companies Act provides that if any fraction of less than one share arises as a result of the Share Consolidation, the shareholders of the Target (excluding the Offeror and the Target) may, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, request that the Target purchase all of their fractional shares at a fair price, and may also file a petition with the court for a determination of the price of the Target Shares. As stated above, in the Share Consolidation, it is expected that the number of the Target Shares held by the shareholders of the Target (excluding the Offeror and the Target) that did not tender their shares in the Tender Offer will result in a fraction of less than one share, and it is therefore expected that the shareholders of the Target (excluding the Offeror and the Target) that oppose the Share Consolidation will be able to file the petition described above.

Further, if such petition is filed, the purchase price of the Target Shares will ultimately be decided by the court.

With regard to the above procedures for the Demand for Sale of Shares and the Share Consolidation, the methods and timing of implementation may be altered depending on circumstances such as amendments to relevant laws and regulations, their enforcement, or their interpretation by authorities. However, even in that case, it is intended that a method will ultimately be adopted whereby cash is delivered to the shareholders of the Target (excluding the Offeror and the Target) that did not tender their shares in the Tender Offer, and the amount of cash to be delivered to each such shareholder in that case is intended to be calculated so as to be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Shares held by that shareholder.

(iii) Acquisition and cancellation of the Share Acquisition Rights

If despite the successful completion of the Tender Offer, the Offeror is unable to acquire all of the Share Acquisition Rights through the Tender Offer, and the Share Acquisition Rights remain unexercised, the Offeror plans to request the Target to implement, or itself implement, procedures reasonably necessary to carry out the Transactions, such as the acquisition and cancellation of the Share Acquisition Rights or the solicitation of the Share Acquisition Rights Holders to waive the Share Acquisition Rights, and the Target intends to cooperate if so requested.

The specific procedures, the timing of their implementation, and other related matters in the cases described above will be determined by the Offeror through consultation with the Target, and the Target will announce them promptly once determined.

The Tender Offer is not intended in any way to solicit the approval of the Target's shareholders at the Extraordinary General Meeting of Shareholders. Further, the shareholders of the Target and the Share Acquisition Rights Holders are requested to confirm, at their own responsibility, with professional advisors such as tax accountants, the tax treatment applicable to tendering their shares in the Tender Offer or to the procedures described above.

4. Possibility of Delisting, Etc. and the Reasons Therefor

The Target Shares are listed on the Prime Market of the Tokyo Stock Exchange as of today. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, the Target Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange, depending on the result of the Tender Offer. In addition, even if the delisting criteria are not met at the time of the completion of the Tender Offer, if the Squeeze-Out Procedures described above in “3. Policy on Organizational Restructuring After the Tender Offer” are implemented after the completion of the Tender Offer, the Target Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. After delisting, the Target Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange.

For the specific details of the Tender Offer, please refer to the Tender Offer Registration Statement.

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