

November 5, 2025

To all parties concerned.

Company: Fukoku Co., Ltd.

Representative: Ikuo Oshiro, President & CEO

Securities Code: 5185, TSE Prime Market

Contact: Yoshisuke Matsuoka, Director and
Corporate Officer, CFO

Tel: 048-615-4400

Notice Regarding Acquisition by the Company of its Own Shares and Tender Offer for Own Shares

At the Board of Directors meeting held today, the Company resolved, based on the provisions of its Articles of Incorporation in accordance with Article 459, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”), to acquire its own shares and to conduct a tender offer for its own shares (the “Tender Offer”) as a specific method of that acquisition, so we hereby give notice as follows.

1. Purpose of the Tender Offer

The Company regards returning profits to its shareholders as one of its key management priorities. While taking into account internal reserves and other factors in consideration of future business development and growth, the Company aims to return profits to shareholders in line with its business performance, while maintaining a stable dividend. As a basic policy, the Company pays dividends of surplus twice a year, as interim and year-end dividends, and its Articles of Incorporation provide that “the Company may, by resolution of the Board of Directors, pay dividends of surplus, with March 31 (year-end dividend) and September 30 (interim dividend) of each year as record dates” in accordance with Article 459, paragraph (1) of the Companies Act. Accordingly, in order to enable flexible profit returns, both year-end and interim dividends are determined by resolution of the Board of Directors. The amount of dividends is determined with a target consolidated dividend payout ratio of 30%, and except in cases where business performance declines significantly due to a sudden change in the business environment, the Company has set an annual dividend of JPY 20 per share (JPY 10 per share for both the interim and year-end dividends) as the minimum dividend level.

Based on the above policy, for the fiscal year ending March 31, 2025, the Company paid an interim dividend of JPY 37.50 per share and a year-end dividend of JPY 37.50 per share, for a total annual dividend of JPY 75.00 per share (consolidated dividend payout ratio: 41.2%, rounded to one decimal place; hereinafter the same in the calculation of consolidated dividend payout ratios). For the fiscal year ending March 31, 2026, the Company plans to pay an interim dividend of JPY 42.50 per share and a year-end dividend of JPY 42.50 per share, for a total annual dividend of JPY 85.00 per share (projected consolidated dividend payout ratio: 39.1%).

The Company's Articles of Incorporation provide, in accordance with Article 459, paragraph (1) of the Companies Act, that the Company may acquire its own shares by resolution of the Board of Directors. That provision is intended to enable the Company to implement financial policies and other management measures in a flexible manner by making the decision to acquire its own shares through market transactions and other means a matter within the authority of the Board of Directors. The Company has made the following acquisitions of its own shares over the past ten years.

- (i) Acquisition of the Company's common shares through an off-auction own share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") based on a resolution of the Board of Directors meeting held on February 28, 2017 (number of shares acquired: 124,700 shares; ownership ratio at the time of acquisition (Note 1): 0.75%; acquisition date: March 1, 2017; total acquisition cost: JPY 118,465,000)
- (ii) Acquisition of the Company's common shares through an off-auction own share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange based on a resolution of the Board of Directors meeting held on October 29, 2021 (number of shares acquired: 500,000 shares; ownership ratio at the time of acquisition (Note 2): 3.01%; acquisition date: November 1, 2021; total acquisition cost: JPY 494,500,000)

(Note 1) The ownership ratio is calculated by dividing the shares acquired (124,700 shares) by 16,687,833 shares, which is the total number of issued shares as of September 30, 2016 (17,609,130 shares) after deducting the number of treasury shares held by the Company as of that date (921,297 shares) (rounded to two decimal places (hereinafter the same in the calculation of ownership ratios at the time of acquisition)).

(Note 2) The ownership ratio is calculated by dividing the shares acquired (500,000 shares) by 16,595,698 shares, which is the total number of issued shares as of September 30, 2021 (17,609,130 shares) after deducting the number of treasury shares held by the Company as of that date (1,013,432 shares).

Against the backdrop of that basic capital policy described above, in mid-July 2025, the Company began considering the acquisition of its own shares with the objectives of further enhancing shareholder returns, enabling flexible implementation of capital policies, and improving capital efficiency. The Company considered that acquiring its common shares as treasury shares would contribute to improving capital efficiency, including return on equity (ROE), from the perspective of management with an awareness of capital cost, and would enhance shareholder returns. The Company also considered that, if it were to acquire common shares owned by asset management companies of the founding family, which are major shareholders, it could acquire a substantial number of its own shares within a relatively short period without impairing market liquidity. Accordingly, the Company decided to approach the following major shareholders: KAWAMOTO CMK Co., Ltd. ("KAWAMOTO CMK"), the Company's second-largest shareholder, which holds

1,173,700 common shares of the Company (ownership ratio (Note 3): 7.28%); J Kawamoto Co., Ltd. (“J Kawamoto”), the Company’s third-largest shareholder, which holds 1,104,600 common shares of the Company (ownership ratio: 6.85%); and MW Holdings Co., Ltd. (“MW Holdings”), the Company’s seventh-largest shareholder, which holds 626,000 common shares of the Company (ownership ratio: 3.88%) (KAWAMOTO CMK, J Kawamoto, and MW Holdings are collectively referred to as the “Prospective Tendering Shareholders”). The Company carefully examined specific methods for acquiring its own shares on the premise that it would acquire its own common shares from the Prospective Tendering Shareholders. As a result, the Company determined that a tender offer would be the most appropriate method, taking into account (i) equality among shareholders, (ii) transaction transparency, (iii) the fact that purchasing the Company’s common shares at a price discounted from the market price would help prevent the outflow of the Company’s assets, and (iv) the ability to provide shareholders other than the Prospective Tendering Shareholders with a reasonable period to consider and an opportunity to tender their shares in light of market price movements.

In determining the purchase price for the Tender Offer (the “Tender Offer Price”), the Company considered the fact that its common shares are listed on a financial instruments exchange and that share repurchases by listed companies are often conducted through market transactions on financial instruments exchanges since it is possible to make flexible purchases at price levels formed based on market supply and demand. Emphasizing clarity and objectivity in setting the reference price for the purchase, the Company concluded that the Tender Offer Price should be based on the market price of its common shares. Furthermore, the Company determined that it would be desirable to purchase its common shares at a price discounted from the market price from the perspective of respecting the interests of shareholders that choose not to tender their shares and will continue to hold their shares, and in order to minimize the outflow of the Company’s assets.

Based on that approach, from early August to early September 2025, the Company approached the Prospective Tendering Shareholders to inquire whether they would be willing to tender their shares if the Company were to conduct a tender offer at a price discounted from the market price of its common shares on the Prime Market of the Tokyo Stock Exchange. Each of the Prospective Tendering Shareholders provided an initial response in early August to early September 2025 indicating that they would positively consider tendering their shares in the Tender Offer.

(Note 3) The ownership ratio is calculated by dividing the shares acquired by 16,126,968 shares, which is the total number of issued shares as of September 30, 2025 (17,609,130 shares) as stated in the “Consolidated Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending March 31, 2026 (Japanese GAAP)” announced by the Company on November 5, 2025 (the “Second Quarter Financial Results”), after deducting the number of treasury shares held by the Company as of that date (1,482,162 shares) (rounded to two decimal places; hereinafter the same in the calculation of ownership ratios).

In early September 2025, the Company reviewed 81 tender offers for own shares (the “Reference

Cases”) that had been settled since January 1, 2022 and completed by July 31, 2025, in which a discount rate to the market price was applied. Among those cases, 64 adopted a discount rate of approximately 10% (9–10%), the most common rate, and the Company determined that adopting a similar discount rate would be appropriate.

The Company also considered that, rather than basing the discount on the market share price at a specific point in time, it would be more appropriate to use an averaged value such as the average market price over a certain period, as this would eliminate temporary price fluctuations and other special factors, thereby ensuring greater objectivity and reasonableness in the calculation basis. On the other hand, the Company considered that adopting an average share price over an extended period, such as the simple average of the closing prices of the common shares of the Company over the past three months or the past six months, would increase the likelihood that the price would fail to reflect the Company’s recent corporate value and market assessment. Furthermore, in order to reduce the possibility that the market price might fluctuate during the period of the Tender Offer (the “Tender Offer Period”) and fall below the Tender Offer Price, the Company considered it necessary for the Tender Offer Price to remain at a level discounted even compared to the most recent market price. Based on this reasoning, in mid-September 2025, the Company determined that it would be appropriate to set the Tender Offer Price based on whichever is lower of (i) the closing price of the Company’s common shares on November 4, 2025, the business day immediately preceding the date of the Board of Directors’ resolution to conduct the Tender Offer (November 5, 2025), or (ii) the simple average of the closing prices of the Company’s common shares over the one-month period ending on November 4, 2025.

Following that, from mid- to late September 2025, the Company proposed to the Prospective Tendering Shareholders (the “Proposal”) that the Tender Offer Price be set at a 10% discount on whichever is lower of (i) the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on November 4, 2025, the business day immediately preceding the date of the Board of Directors’ resolution to conduct the Tender Offer (November 5, 2025), or (ii) the simple average of the closing prices of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange over the one-month period ending on November 4, 2025. Taking into account the respective funding needs of each Prospective Tendering Shareholder, the Company received the following responses from each of those shareholders indicating that they would tender the following shares if the Tender Offer were to be conducted based on the Proposal: (i) on September 19, 2025, J Kawamoto indicated its intention to tender all of the 1,104,600 common shares of the Company it holds (ownership ratio: 6.85%); (ii) on September 24, 2025, MW Holdings indicated its intention to tender 200,000 shares (ownership ratio: 1.24%) of the 626,000 common shares it holds (ownership ratio: 3.88%); and (iii) on October 6, 2025, KAWAMOTO CMK indicated its intention to tender 500,000 shares (ownership ratio: 3.10%) of the 1,173,700 common shares it holds (ownership ratio: 7.28%), for a total of 1,804,600 shares (ownership ratio: 11.19%).

Further, on October 29, 2025, the Company received an inquiry from KAWAMOTO CMK as to

whether, in light of its future funding needs, it could increase the number of shares it will tender in the Tender Offer from 500,000 shares (ownership ratio: 3.10%) to 600,000 shares (ownership ratio: 3.72%), and on that day, the Company responded to KAWAMOTO CMK that it would accept the tendering of 600,000 shares (ownership ratio: 3.72%) by KAWAMOTO CMK in the Tender Offer (total number of shares to be tendered by the Prospective Tendering Shareholders: 1,904,600 shares, ownership ratio: 11.81%, the “Shares to be Tendered”).

From the perspective of providing shareholders other than the Prospective Tendering Shareholders with the opportunity to participate in the Tender Offer, and with reference to the Reference Cases, the Company set the maximum number of shares to be purchased at 2,095,060 shares (ownership ratio: 12.99%), which is 10% higher than the 1,904,600 shares (ownership ratio: 11.81%) expected to be tendered by the Prospective Tendering Shareholders, as 33 of the Reference Cases adopted a planned number of shares to be purchased that was increased by 10% over the number of shares expected to be tendered, making it the most common approach. If the total number of share certificates, etc. tendered in the Tender Offer (the “Tendered Share Certificates”) exceeds the number of shares to be purchased, the purchase, etc. will be conducted on a pro rata method as prescribed in Article 27-13, paragraph (5) of the Financial Instruments and Exchange Act as applied *mutatis mutandis* under Article 27-22-2, paragraph (2) of that Act, and Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (the “Ordinance”). As a result, some of the Shares to be Tendered might not be purchased. With respect to the holding policy for any Shares to be Tendered that are not acquired by the Company despite being tendered in the Tender Offer, as well as for shares not tendered in the Tender Offer, J Kawamoto has indicated that it will consider and make a decision based on future circumstances, while MW Holdings and KAWAMOTO CMK have indicated that they intend to continue holding their shares.

The funds required for the Tender Offer are expected to be provided entirely from the Company’s own funds. As stated in the Annual Securities Report for the 72nd Fiscal Year submitted by the Company on June 23, 2025 (the “Annual Securities Report”), the Company’s consolidated short-term liquidity (cash and deposits) as of March 31, 2025 amounted to JPY 12,422 million (short-term liquidity ratio: 1.7 months (Note 4)). Even after taking into account that the implementation of the Tender Offer will require approximately JPY 3,512 million, the Company expects to retain around JPY 8,910 million in cash and deposits (short-term liquidity: 1.2 months). Further, given that the consolidated cash flow from operating activities for the fiscal year ended March 31, 2025 was JPY 6,631 million, the Company expects to continue accumulating a certain level of cash flow from its operations, and therefore believes that it will continue to be financially sound and stable.

(Note 4) The short-term liquidity ratio is calculated by dividing the Company’s consolidated short-term liquidity as of March 31, 2025, as stated in the Annual Securities Report, by the Company’s monthly consolidated net sales (calculated by dividing the consolidated net sales for the fiscal year ended March 31, 2025 by 12) (rounded to one decimal place).

Following the above review and consideration, at the meeting of the Board of Directors held on November 5, 2025, the Company passed a resolution to acquire its own shares based on the provisions of its Articles of Incorporation in accordance with Article 459, paragraph (1) of the Companies Act, to conduct the Tender Offer as the specific method of that acquisition, and to set the Tender Offer Price at JPY 1,661 (rounded to the nearest whole number; hereinafter the same in the calculation of the Tender Offer Price), which represents a 10% discount on JPY 1,845, the simple average of the closing prices of the Company's common shares on the Prime Market of the Tokyo Stock Exchange over the one-month period ending on November 4, 2025, the business day immediately preceding the date of the Board of Directors' resolution to conduct the Tender Offer (rounded to the nearest whole number; hereinafter the same in the calculation of the simple average of closing prices).

In addition, on November 5, 2025, together with the decision to implement the Tender Offer, the Company entered into tender agreements (the "Tender Agreements") with each of the Prospective Tendering Shareholders, under which, if the Company conducts the Tender Offer, (i) J Kawamoto will tender all of the 1,104,600 common shares of the Company it holds (ownership ratio: 6.85%), (ii) MW Holdings will tender 200,000 shares (ownership ratio: 1.24%) of the 626,000 common shares of the Company it holds (ownership ratio: 3.88%), and (iii) KAWAMOTO CMK will tender 600,000 shares (ownership ratio: 3.72%) of the 1,173,700 shares it holds (ownership ratio: 7.28%), for a total of 1,904,600 shares (ownership ratio: 11.81%).

The Company currently plans to cancel a certain number of the treasury shares acquired through the Tender Offer, together with the treasury shares it already holds, by the end of March 2026; however, the Company is considering disposing of the treasury shares as restricted stock units, and it has not decided whether to implement that disposition and, if it does implement that disposition, it has not determined the number of shares that will be subject to that disposition. Should a specific decision be made, the Company will promptly make an announcement.

2. Details of the Resolution of the Board of Directors Regarding the Acquisition by the Company of its Own Shares

(1) Details of the Resolution

Class of Share Certificates	Number of Share Certificates	Total Acquisition Value
Common shares	2,095,160 shares	JPY 3,480,060,760

(Note 1) The number of shares to be acquired represents 11.90% of the total number of issued shares as of November 5, 2025 (17,609,130 shares), rounded to two decimal places.

(Note 2) The total number of shares to be acquired represents the maximum number of shares approved for acquisition by the Company by resolution of the meeting of its Board of Directors held on November 5, 2025.

(Note 3) As a result of a unit adjustment due to pro rata allocation, the total number of shares tendered could exceed the planned number of shares to be purchased, so one trading unit (100 shares) has been added to the planned number of shares to be purchased in the total number approved by resolution of the Board of Directors of the Company at its meeting held on November 5, 2025.

(Note 4) The total acquisition amount is the maximum amount for the acquisition of the shares resolved at the meeting of the Board of Directors held on November 5, 2025.

(Note 5) The period during which shares can be acquired is from November 6, 2025 to December 31, 2025.

(2) Listed Share Certificates, Etc. Pertaining to Own Shares Already Acquired Based on That Resolution

Not applicable.

3. Outline of the Tender Offer

(1) Schedule

(i) Date of Resolution of the Board of Directors	November 5, 2025 (Wednesday)
(ii) Date of Public Notice of Commencement of the Tender Offer	November 6, 2025 (Thursday) Public notices will be made electronically via the Internet, and a notice to that effect will be published in the Nihon Keizai Shimbun. (URL of electronic notices: https://disclosure2.edinet-fsa.go.jp/)
(iii) Submission Date of Tender Offer Registration Statement	November 6, 2025 (Thursday)
(iv) Tender Offer Period	From November 6, 2025 (Thursday) to December 4, 2025 (Thursday) (20 business days)

(2) Tender Offer Price

JPY 1,661 per share of common stock

(3) Basis for the Calculation of the Tender Offer Price

(i) Basis of Calculation

In determining the Tender Offer Price, the Company considered the fact that its common

shares are listed on a financial instruments exchange and that share repurchases by listed companies are often conducted through market transactions on financial instruments exchanges since it is possible to make flexible purchases at price levels formed based on market supply and demand. Emphasizing clarity and objectivity in setting the reference price for the purchase, the Company concluded that the Tender Offer Price should be based on the market price of its common shares. Furthermore, the Company determined that it would be desirable to purchase its common shares at a price discounted from the market price from the perspective of respecting the interests of shareholders that choose not to tender their shares and will continue to hold their shares, and in order to minimize the outflow of the Company's assets.

In early September 2025, the Company reviewed 81 Reference Cases in which a discount rate to the market price was applied. Among those cases, 64 adopted a discount rate of approximately 10% (9–10%), the most common rate, and the Company determined that adopting a similar discount rate would be appropriate.

The Company also considered that, rather than basing the discount on the market share price at a specific point in time, it would be more appropriate to use an averaged value such as the average market price over a certain period, as this would eliminate temporary price fluctuations and other special factors, thereby ensuring greater objectivity and reasonableness in the calculation basis. On the other hand, the Company considered that adopting an average share price over an extended period, such as the simple average of the closing prices of the common shares of the Company over the past three months or the past six months, would increase the likelihood that the price would fail to reflect the Company's recent corporate value and market assessment. Furthermore, in order to reduce the possibility that the market price might fluctuate during the Tender Offer Period and fall below the Tender Offer Price, the Company considered it necessary for the Tender Offer Price to remain at a level discounted even compared to the most recent market price. Based on this reasoning, in mid-September 2025, the Company determined that it would be appropriate to set the Tender Offer Price based on whichever is lower of (i) the closing price of the Company's common shares on November 4, 2025, the business day immediately preceding the date of the Board of Directors' resolution to conduct the Tender Offer (November 5, 2025), or (ii) the simple average of the closing prices of the Company's common shares over the one-month period ending on November 4, 2025.

Following the above review and consideration, at the meeting of the Board of Directors held on November 5, 2025, the Company passed a resolution to acquire its own shares based on the provisions of its Articles of Incorporation in accordance with Article 459, paragraph (1) of the Companies Act, to conduct the Tender Offer as the specific method of that acquisition, and to set the Tender Offer Price at JPY 1,661, which represents a 10% discount on JPY 1,845, the simple average of the closing prices of the Company's common shares on the Prime Market of the Tokyo Stock Exchange over the one-month

period ending on November 4, 2025, the business day immediately preceding the date of the Board of Directors' resolution to conduct the Tender Offer.

The Tender Offer Price of JPY 1,661 is the amount obtained by applying a discount of 11.08% to the closing price of the common shares of the Company of JPY 1,868 on November 4, 2025, which is the business day immediately preceding the date of the resolution of the Board of Directors to implement the Tender Offer (November 5, 2025), and a discount of 10.00% to JPY 1,845, the simple average of the closing prices of the common shares of the Company over the one-month period ending on that date.

(ii) Process of Calculation

In light of the review in Basis of Calculation above, from mid- to late September 2025, the Company made the Proposal to the Prospective Tendering Shareholders. Taking into account the respective funding needs of each Prospective Tendering Shareholder, the Company received the following responses from each of those shareholders indicating that they would tender the following shares if the Tender Offer were to be conducted based on the Proposal: (i) on September 19, 2025, J Kawamoto indicated its intention to tender all of the 1,104,600 common shares of the Company it holds (ownership ratio: 6.85%); (ii) on September 24, 2025, MW Holdings indicated its intention to tender 200,000 shares (ownership ratio: 1.24%) of the 626,000 shares it holds (ownership ratio: 3.88%); and (iii) on October 6, 2025, KAWAMOTO CMK indicated its intention to tender 500,000 shares (ownership ratio: 3.10%) of the 1,173,700 shares it holds (ownership ratio: 7.28%), for a total of 1,804,600 shares (ownership ratio: 11.19%).

Further, on October 29, 2025, the Company received an inquiry from KAWAMOTO CMK as to whether, in light of its funding needs, it could increase the number of shares it will tender in the Tender Offer from 500,000 shares (ownership ratio: 3.10%) to 600,000 shares (ownership ratio: 3.72%), and on that day, the Company responded to KAWAMOTO CMK that it would accept the tendering of 600,000 shares (ownership ratio: 3.72%) by KAWAMOTO CMK in the Tender Offer (total number of shares to be tendered by the Prospective Tendering Shareholders: 1,904,600 shares, ownership ratio: 11.81%).

Following the above review and consideration, at the meeting of the Board of Directors held on November 5, 2025, the Company passed a resolution to acquire its own shares based on the provisions of its Articles of Incorporation in accordance with Article 459, paragraph (1) of the Companies Act, to conduct the Tender Offer as the specific method of that acquisition, and to set the Tender Offer Price at JPY 1,661, which represents a 10% discount on JPY 1,845, the simple average of the closing prices of the Company's common shares on the Prime Market of the Tokyo Stock Exchange over the one-month period ending on November 4, 2025, the business day immediately preceding the date of the Board of Directors' resolution to conduct the Tender Offer.

(4) Number of Shares Certificates to be Purchased

Class of Share Certificates	Number of Shares to be Purchased	Expected Number of Excess Shares	Total
Common shares	2,095,060 shares	- shares	2,095,060 shares

(Note 1) If the total number of Tendered Share Certificates does not exceed the number of shares to be purchased (2,095,060 shares), all of the Tendered Share Certificates will be purchased. If the total number of Tendered Share Certificates exceeds the number of shares to be purchased (2,095,060 shares), the portion exceeding that number will not be purchased, either in whole or in part, and the settlement and other procedures related to the purchase of shares will be conducted in accordance with the pro rata method set forth in Article 27-13, paragraph (5) of the Financial Instruments and Exchange Act and Article 21 of the Ordinance as applied *mutatis mutandis* under Article 27-22-2, paragraph (2) of that Act.

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

(5) Funds Required for the Tender Offer

JPY 3,511,894,660

(Note) The amount stated above is the total of the purchase price for acquiring all of the shares to be purchased (2,095,060 shares) plus the estimated amount of the purchase commission and other expenses (including costs for public notices related to the Tender Offer and printing costs for the explanatory statement and other required documents related to the Tender Offer).

(6) Method of Settlement

- (i) Name and Location of the Head Office of the Financial Instruments Business Operator or Bank, etc. Responsible for Settlement of the Tender Offer

(Tender Offer Agent)

SMBC Nikko Securities Inc.

3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo

- (ii) Commencement Date of Settlement

December 26, 2025

(iii) Method of Settlement

The Tender Offeror will send by mail a notice of purchase through the Tender Offer to the address or location of each person that has consented to an application to purchase share certificates in the Tender Offer or has made an offer to sell those share certificates (the “Tendering Shareholders”) (in the case of a shareholder residing outside of Japan (including corporate shareholders, “Foreign Shareholder”), to its standing proxy in Japan (“Standing Proxy”)) without delay after the expiration of the Tender Offer Period.

The purchase will be settled in cash. After deducting the applicable withholding tax amount (Note) from the purchase price, the balance will be remitted without delay after the commencement date of settlement by the Tender Offer Agent to the location designated by each Tendering Shareholder (or, in the case of a Foreign Shareholder, to its Standing Proxy).

(Note) Tax treatment of the shares purchased in the Tender Offer

* Please consult with a tax expert such as a certified tax accountant when making any decision with respect to specific tax treatment.

- i. In the case of individual shareholders who are residents of Japan or non-residents with a permanent establishment in Japan

If the amount of money received in connection with the Tender Offer exceeds the amount corresponding to the shares that form the basis for the payment, which is part of the Company’s capital, the excess amount will be treated as dividend income and taxed accordingly. The amount deemed to be dividend income will, in principle, be subject to withholding tax at a rate of 20.315% (comprising 15.315% for income tax and special reconstruction income tax, and 5% for inhabitants tax). (Non-residents with a permanent establishment in Japan are not subject to special collection of the 5% inhabitants tax.) However, if a shareholder constitutes a “large shareholder” as defined in Article 4-6-2, paragraph (38) of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, as amended) (“Large Shareholder”), the amount withheld will be 20.42% (comprising income tax and special reconstruction income tax only). In addition, if the proportion of shares held by a Tendering Shareholder, combined with the proportion held by a corporation that constitutes a family company under the Corporation Tax Act if the Tendering Shareholder is treated as the shareholder that is used as the basis for that judgment, represents 3% or more of the total number of issued shares, the amount deemed to be dividend income will be subject to comprehensive taxation as dividend income.

The portion of the amount received other than the above will be treated as income arising from the transfer of shares, and the difference between that amount and the

acquisition cost, etc. will, in principle, be subject to separate self-assessment taxation.

If shares in a tax-exempt account (“Tax-Exempt Account”) as defined in Article 37-14 (Tax Exemption of Capital Gains, Etc. Pertaining to Small Listed Shares in a Tax-Exempt Account) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) are tendered in the Tender Offer, the capital gains arising from the Tender Offer will, in principle, be exempt from taxation if the financial instruments business operator etc. where the Tax-Exempt Account has been opened is SMBC Nikko Securities Inc. If that Tax-Exempt Account has been opened at a financial instruments business operator etc. other than SMBC Nikko Securities Inc., those capital gains might be subject to different treatment.

- ii. In the case of individual shareholders who are non-residents without a permanent establishment in Japan

The amount deemed to be dividend income will, in principle, be subject to withholding tax at a rate of 15.315% (comprising only income tax and special reconstruction income tax). However, if the shareholder constitutes a Large Shareholder, that will be subject to withholding tax at a rate of 20.42% (comprising income tax and special reconstruction income tax only).

- iii. In the case of corporate shareholders

If the amount of money received in connection with the Tender Offer exceeds the amount corresponding to the shares that form the basis for the payment, which is part of the Company’s capital, the excess amount will be treated as dividend income and will, in principle, be subject to withholding tax at a rate of 15.315% (comprising only income tax and special reconstruction income tax).

Furthermore, if, on the record date of the dividend payment, a Tendering Shareholder directly holds more than one-third of the total number of the Company’s issued shares (limited to corporations having their head office or principal office in Japan), the amount deemed to be dividend income paid by the Company will not be subject to income tax or special reconstruction income tax, and no withholding tax will be applied.

In addition, if a Foreign Shareholder wishes to receive a reduction or exemption from income tax and special reconstruction income tax on any such deemed dividend amount under an applicable tax treaty, it should submit the necessary tax treaty-related documentation to the tender offer agent on or before the last day of the Tender Offer Period.

(7) Other Matters

- (i) The Tender Offer is not being conducted, directly or indirectly, in or targeted at the United States, and will not be conducted using the United States postal service or any other means or instrumentality of interstate or foreign commerce of the United States (including, but not limited to, telephone, telex, facsimile, email, or internet communication), nor will it be conducted through any securities exchange facilities in the United States. Shares may not be tendered in the Tender Offer through any of the above-mentioned means or facilities, or from within the United States.

In addition, the Tender Offer Registration Statement and any related tender offer documents must not be sent or distributed, by mail or by any other means, in or into the United States, or from the United States, and may not be sent or distributed to the United States. Any tendering of shares in the Tender Offer in violation, directly or indirectly, of the above restrictions will not be accepted.

Each person applying to tender shares in the Tender Offer (or, in the case of a Foreign Shareholder, its Standing Proxy) will be required to make the following representations and warranties.

The applicant represents and warrants that, at both the time of application and the time of sending the Tender Offer application form, it is not located in the United States, it has not received or sent any information or documents related to the Tender Offer within, to, or from the United States, it has not used, directly or indirectly, any postal services or other methods of interstate or international commerce in the United States (including, but not limited to, telephone, telex, facsimile, email, or internet communication) or facilities of securities exchanges in the United States in connection with the tendering of shares or signing or delivery of the Tender Offer application form, and it is not acting as an agent or fiduciary for another person without discretionary authority (except where that person has given all instructions related to the Tender Offer from outside the United States).

- (ii) The Company entered into the Tender Agreements with the Prospective Tendering Shareholders on November 5, 2025.
- (iii) The Company announced its Second Quarter Financial Results on November 5, 2025. The following is an outline of that announcement. The contents of that announcement have not been certified by an audit corporation under Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act. For details, please refer to the contents of that announcement.

Outline of the Consolidated Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending March 31, 2026 (Japanese GAAP)

(April 1, 2025 – September 30, 2025)

- (a) Profits and Loss (Consolidated)

Accounting Period	Fiscal year ending March 31, 2026 (interim consolidated accounting period)
Interim net income attributable to the shareholders of the parent company	JPY 948 million

(b) Per share information (consolidated)

Accounting Period	Fiscal year ending March 31, 2026 (interim consolidated accounting period)
Interim net income per share	JPY 58.82
Dividend amount per share	JPY 42.50

- (iv) The Company announced the Notice Regarding Dividends of Surplus (Interim Dividends) on November 5, 2025. For details, please refer to the contents of that announcement.
- (v) The Company announced the Notice Regarding Actions to Achieve Management with Awareness of Capital Cost and Stock Price on November 5, 2025. For details, please refer to the contents of that announcement.

(Reference) Status of the Company's treasury shares as of September 30, 2025

Total number of issued shares (excluding treasury shares): 17,609,130 shares

Number of treasury shares: 1,482,162 shares

-End-