[Translation for Reference Purpose Only]

August 16, 2023

To All Concerned Parties

Company Name:	Open House Group Co., LTD.
Representative:	Masaaki Arai, President and CEO
Securities code:	3288, TSE
Contact:	Kotaro Wakatabi, Senior Managing Director and CFO

Notice Concerning Commencement of Tender Offer against SANEI ARCHITECTURE PLANNING CO., LTD. Shares (Securities Code: 3228)

Open House Group Co., LTD. (the "**Tender Offeror**") announces as follows that it has resolved at its Board of Directors meeting held today to acquire the common stock (the "**Target Company's Stock**") of SANEI ARCHITECTURE PLANNING CO.,LTD. (as listed on the Prime Market of the Tokyo Stock Exchange (the "**Tokyo Stock Exchange**") securities code: 3228; 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 Purchase

(1) Overview of Tender Offer

The Tender Offeror resolved at its Board of Directors meeting held today, to conduct the Tender Offer as part of the transaction to acquire all of the Target Company's Stock listed on the Prime Market of the Tokyo Stock Exchange (excluding treasury shares owned by the Target Company) and make the Target Company a wholly-owned subsidiary of the Tender Offeror (the "**Transaction**"). As of today, the Tender Offeror does not own any of the Target Company's Stock.

In relation to the Tender Offer, the Tender Offeror entered into a tender offer tender agreement today with Mr. Shinzo Koike, who is the founder and the former Representative Director and President of the Target Company ("**Mr. Koike**") and Rachel Co., Ltd., of which Mr. Koike's spouse serves as the Representative Director and owns all of the voting rights ("**Rachel**," and, together with Mr. Koike, "**Koike Group**") (the "**Tender Agreement**"), whereby Koike Group agree to tender all of the Target Company's Stock . (13,542,200 shares; shareholding percentage (Note 1): 63.83%) (Note 2) and the Target Company's Stock owned by Rachel (80,800 shares; shareholding percentage: 0.38%) (in total, 13,623,000 shares, shareholding percentage: 64.21%) (the "**Prospective Tendered Shares**") in the Tender Offer. For details of the Tender Agreement, please refer to "a. Tender Agreement" in "(3) Matters Concerning Material Agreement Related to Tender Offer" below.

(Note 1) "**Shareholding percentage**" is the percentage (rounded to the second decimal place; the same applies hereinafter in the calculation of the shareholding percentage) of the number of the shares owned by the relevant shareholder against the number of shares (21,217,079 shares) obtained by deducting (x) the number of treasury shares owned by the Target Company as of May 31, 2023 (521 shares), as stated in the Third Quarterly Report for the 30th Fiscal Year that the Target Company filed on August 15, 2023 (the "**Target Company's Third Quarterly Report**") from (y) the total number of its issued shares as of May 31, 2023 (21,217,600 shares), as stated in the Target Company's Third Quarterly Report.

(Note 2) In addition to the Target Company's Stock of 10,392,200 shares (shareholding percentage: 48.98%) directly owned by Mr. Koike, this includes the Target Company's Stock of 3,150,000 shares (shareholding percentage: 14.85%) owned by Mr. Koike in securities trusts with Sumitomo Mitsui Trust Bank, Limited as the trustee as of the date of this notice. According to Mr. Koike, the securities trust agreements related to such securities trust and their related agreements are scheduled to expire on August 21, 2023.

For the Tender Offer, the Tender Offeror has set 14,144,700 shares (shareholding percentage: 66.67%) as the minimum number of shares to be purchased, and in the event that the total number of the share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. On the other hand, as mentioned above, the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through acquisition of all of the Target Company's Stock (excluding treasury shares owned by the Target Company), and the maximum number of shares to be purchased has not been set for the Tender Offer. Therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc. The minimum number of shares to be purchased (14,144,700 shares) is the number of shares obtained by multiplying the number of shares constituting one unit (100 shares) by the number of two-thirds (141,447; rounded up to the nearest whole number) of the voting rights (212,170) attaching to the number of shares (21,217,079 shares) obtained by deducting (x) the number of treasury shares owned by the Target Company as of May 31, 2023 (521 shares) as stated in the Target Company's Third Quarterly Report from (y) the total number of issued shares as of May 31, 2023 (21,217,600 shares) as stated in the Target Company's Third Quarterly Report. While the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, 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 to implement the share consolidation as described in "(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below. In order to ensure the implementation of the Transaction, the Tender Offeror has set the minimum number of shares to be purchased so that the Tender Offeror can satisfy the above requirement by owning two-thirds or more of the total voting rights of all shareholders of the Target Company after the Tender Offer.

In addition, if the Target Company's Stock (excluding treasury shares owned by the Target Company) cannot be purchased in their entirety through the Tender Offer the Tender Offeror will implement a series of procedures, after the completion of the Tender Offer, to make the Tender Offeror the sole shareholder of the Target Company and make the Target Company a wholly-owned subsidiary of the Tender Offeror (the "**Squeeze-Out Procedures**") as described in "(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below.

On the other hand, according to the "Notice Regarding Announcement of Opinion in Support of the Tender Offer by Open House Group Co., LTD. and Recommendation for our Shareholders to Tender their Shares," as disclosed by the Target Company today (the "**Target Company's Press Release**"), the Target Company resolved, at the Target Company's Board of Directors meeting held today, 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. For details of the decision-making process of the Target Company's Board of Directors above, please refer to the Target Company's Press Release and "e. Unanimous Approval by All of the Non-Interested Directors and No Objection from Any of the Non-Interested Audit and Supervisory Board Members of the Target Company" under "(4) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer

a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer

The Tender Offeror was founded in September 1997 under the trade name of Open House Co., Ltd., and began a trading brokerage business for new single-family homes. In September 2013, the Tender Offeror listed its shares on the First Section of the Tokyo Stock Exchange, and in April 2022, due to the revision of the market classifications of the Tokyo Stock Exchange, the shares of the Tender Offeror were moved from the First Section to the Prime Market. On January 1, 2022, the Tender Offeror transferred its single-family homes related business and other businesses to Open House Co., Ltd. (renamed from Open House Preparatory Company Co., Ltd.), a 100% owned subsidiary of the Tender Offeror through a company split. The Tender Offeror also changed its name to Open House Group Co., LTD. and its structure was shifted to a holding company structure. The Tender Offeror consists of a corporate group (the "**Tender Offeror Group**") comprised of the Tender Offeror and 42 affiliated companies (as of today; consisting of 40 subsidiaries and 2 equity-method affiliates, excluding non-consolidated subsidiaries and non-equity method affiliated companies), and is engaged mainly in the single-family homes related business, condominiums business, income-producing real estate business and other related businesses, as well as, in Pressance Corporation, a business segment operated by Pressance Corporation Co., Ltd. ("**Pressance**") which is a consolidated subsidiary of the Tender Offeror.

In November 2020, the Tender Offeror Group established the "Ikoze iccho! 2023" Mid-Term Business Plan aiming for further growth in the future of which final fiscal year is the fiscal year ending September 2023 (the "**Mid-Term Business Plan**"). At the time of establishment of the Mid-Term Business Plan, the Tender Offeror Group set a consolidated net sales target of 800 billion yen for the fiscal year ending September 2023, which is the final fiscal year of the Mid-Term Business Plan, however, in response to the strong business performance of the Tender Offeror Group, after four upward revisions, the Tender Offeror Group raised the amount of the consolidated net sales target for the fiscal year ending September 2023 by 330 billion yen, set a new net sales target of 1.13 trillion yen and achieved the consolidated net sales of 952.6 billion yen for the fiscal year ending September 2022. In addition, from the time of the establishment of the Mid-Term Business Plan, the Tender Offeror set an ROE of 20.0%, an equity ratio of 30.0% and a payout ratio of 20.0% or more for the capital management policy of the Tender Offeror. During the fiscal year ending September 2023, which is the final fiscal year of the Mid-Term Business Plan, in addition to the real estate for actual demand segment, such as the single-family homes related business and the condominiums business, which are the core of the Tender Offeror Group's business, the real estate for investment segment, such as the property resale business and the U.S. real estate business continued to grow steadily until the third cumulative quarter of the consolidated period, and drove the growth of the business performance. In the Mid-Term Business Plan, the Tender Offeror has included a growth strategy of (a) continuous growth centered on the single-family homes related business, (b) realization of business synergies with Pressance, (c) M&A strategic investment and (d) new initiatives, and in addition (i) in terms of continuous growth centered on the single-family homes related business, the Tender Offeror Group further expanded its market share in existing areas and entered into the Kansai area for the single-family homes related business (ii) in terms of realization of business synergies with Pressance, the Tender Offeror Group developed a new investment condominium business in the Tokyo metropolitan area through joint ventures with Pressance, (iii) in terms of M&A strategic investments, the Tender Offeror Group conducted active M&A and strategic investments in companies that have a complementary relationship with the Tender Offeror in terms of function, regions, and products, etc., and (iv) in terms of new initiatives, the Tender Offeror Group is developing a real estate fund business focusing on residential properties.

In accordance with the changes of lifestyles in Japan, including women's advancement in society since 2000 and an increase in the number of dual-income households, more people tend to seek reasonably priced houses in highly convenient urban areas. The Tender Offeror considers that even amid the declining population, the number of households in central Tokyo areas is expected to increase in the future. In light of this business environment surrounding the Tender Offeror Group, the Tender Offeror Group has, in order to continue to provide a stable and efficient supply of affordable single-family homes in central Tokyo, enhanced its product competitiveness by conducting business operations in a way that integrates production and sales through establishing a system that can complete all functions within the Tender Offeror Group from the purchase of land through to design and construction with respect to the single-family homes related business, which is the core business of the Tender Offeror Group, in addition to the brokerage function it has been offering from the time of its foundation. Furthermore, in terms of the Tender Offeror's single-family homes related business, the Tender Offeror Group has steadily increased its single-family homes market share along with high profitability and high efficiency by thoroughly implementing an "aggressive" marketing strategy that takes a pinpoint approach to customers by focusing on specific areas and by developing a dominant strategy that intensively supplies single-family homes in major urban areas, such as the Tokyo metropolitan area, the Nagoya area and the Kansai area.

As new needs for housing arise from an increase in the number of hours families spend in their homes and the increase in teleworking opportunities triggered by a change in environment due to the spread of COVID-19, the Tender Offeror Group considers that the utility value of and demand for single-family homes has expanded. Thereafter, with the change in the environment from "Zero Covid" to "With Covid," an extremely high demand for single-family homes showed a leveling-off trend, but the Tender Offeror considers that the demand for single-family homes conveniently located in central Tokyo remains strong. Even under the environment noted above, the business performance of the Tender Offeror Group and its responses to issues to be addressed under the Mid-Term Business Plan have steadily progressed, driven by the single-family homes related business, which is the core business of the Tender Offeror Group.

The Tender Offeror Group has been actively engaged in M&A that can realize business synergies. For example, the Tender Offeror made Open House Architect Co., Ltd. (formerly Asakawa Home Co., Ltd.; "**OHA**") a wholly-owned subsidiary of the Tender Offeror in January 2015, and made Hawk One Corporation ("**Hawk One**") a wholly-owned subsidiary of the Tender Offeror in October 2018, respectively. Both OHA and Hawk One have been able to increase their revenues as a result of an increase in the number of houses ordered and other factors after becoming wholly-owned subsidiaries of the Tender Offeror. In April 2020, the Tender Offeror entered into a capital and business alliance agreement with Pressance. In May 2020, the Tender Offeror acquired 31.91% of total voting rights of Pressance (as of March 31, 2020) and made Pressance an equity-method affiliate of the Tender Offeror. In January 2021, the Tender Offeror acquired additional voting rights of Pressance to increase its holding to 64.45% of total voting rights of Pressance (as of September 30, 2020) by a capital increase through third party allotment and a tender offer, and made Pressance a consolidated subsidiary of the Tender

Offeror. As such, the Tender Offeror has worked to enhance the corporate value of the entire Tender Offeror Group through M&A.

In addition, the Tender Offeror Group believes that the soundness, transparency, and objectivity of management are crucial to maximizing the corporate value of the Tender Offeror Group, and accordingly, has positioned corporate governance as one of its key management issues, and is promoting "sustainability," which aims to contribute to the realization of a sustainable society through business activities and to achieve sustainable growth of the company, such as by launching the solar power generation business with the goal of contributing to the popularization of renewable energy as the "Open House Decarbonization Project."

On the other hand, the Target Company was established in September 1993 in Suginami-ku, Tokyo, for the primary purpose of conducting real estate sales in lots business, the headquarters of which are currently located in Shinjuku-ku, Tokyo (the registered head office is in Suginami-ku, Tokyo) and has business divisions in Tokyo, Kanagawa Prefecture, Chiba Prefecture, and Saitama Prefecture, as well as in Aichi Prefecture, and the Target Company mainly designs, constructs, and sells built-for-sale single-family homes in each area. In October 2016, the group centered on the Target Company was named as "MELDIA GROUP" and, as of today, it is a corporate group comprised of the Target Company and 14 consolidated subsidiaries (the "**Target Company Group**").

MELDIA Development & Construction CO., LTD. ("**MELDIA DC**"), which is a listed subsidiary among the Target Company Group, is engaged in large-scale construction business of condominiums, hotels, and commercial facilities, etc. in Osaka, Kyoto, Shiga Prefecture, and Hyogo Prefecture, and operates single-family homes sales business, which is the core business of the Target Company Group, in the said areas. MELDIA DC's subsidiaries include Kento Housing Sales Co., Ltd., which operates real estate brokerage business and real estate sales in lots business in Kyoto, and Taisyo Construction Co., Ltd., which operates construction business in Fukuoka Prefecture. In the single-family homes sales business, the Target Company Group, including Machome Co., Ltd., which is a wholly-owned subsidiary of the Target Company, supplies about 1,500 buildings annually, and MELDIA Realty Co., Ltd., which is a wholly-owned subsidiary of the Target Company, mainly sells these products. In addition, the Target Company Group includes the following group companies which conduct all facets of real estate business and construction business: Alpha Construction Co. Inc. and Meldia Investment Realty of America, Inc. engaged in real estate development business in the U.S.; Meldia Asset Investment Co., Ltd., ("**MAI**") which engages in buying and selling of real estate held for investment, etc.; Meldia Asset Management Co., Ltd., a subsidiary in which MAI and the Target Company respectively invested 50%, which conducts real estate fund business; Meldia Hotel Management Co., Ltd., which develops and manages hotels; Nihon Best Support Corporation, a subsidiary of Meldia Hotel Management Co., Ltd. engaged in the hotel management and temporary staffing business; SANEI-CRAFTER CO. LTD., engaged in carpenter training; and Meldia Housing Inspection Service Co., Ltd., engaged in home inspection and remodeling business.

However, on September 12, 2022, the Target Company was unexpectedly subjected to a search by police based on a search and seizure warrant which named as suspects Mr. Koike, who was the Representative Director and President of the Target Company at the time (and three other individuals; namely, one former employee (who had the title of chief (*shunin*) at the time) of the Target Company who has already retired, one member of an organized crime group affiliated with the designated organized crime group Sumiyoshi-kai, and one unidentified person), and stated the alleged facts being investigated as an incident where a portion of the payment for demolition work ordered by the Target Company had been received by anti-social forces and stated the crime as "violation of the Companies Act (aggravated breach of trust)" under Article 960, Paragraph 1, Item 2 of the Companies Act. After this search of the Target Company, the Target Company reported to some of the financial institutions it had transactions with that the above search had been conducted, and subsequently explained the details of the investigation to financial institutions that were to provide new financing, but some financial institutions adopted a watchful stance, monitoring the progress of the investigation and refusing to offer new loans. Under these circumstances, since the financial institutions were taking a cautious attitude towards providing finance to the Target Company, in order to improve this situation, Mr. Koike resigned as the Representative Director and the Director of the Target Company on November 1, 2022. However, because Mr. Koike remained a major shareholder of the Target Company, some financial institutions continued to take a cautious financing position, monitoring the progress of the investigation.

Under such circumstances, as announced in the "Recommendation by the Tokyo Metropolitan Public Safety Commission to SANEI ARCHITECTURE PLANNING CO., LTD. and the Change of Representative Directors and President and Other Directors" disclosed by the Target Company as of June 20, 2023 (the "**Target Company's June 20 Press Release**"), the Tokyo Metropolitan Public Safety Commission issued a recommendation (*kankoku*) (the "**Recommendation**") to the Target Company under Article 27 of the Tokyo Metropolitan Government Ordinance on Elimination of Organized Crime Groups (the "**Organized Crime Groups Elimination Ordinance**"). The grounds for issuing the Recommendation was that on March 25, 2021, Mr. Koike, who was the Representative Director of the Target Company at that time, was considered to have provided benefits to a person subject to regulatory restrictions (*kisei taisho-sha*) by providing (indirectly through certain third parties) a check, issued as payment for demolition work ordered by the Target Company to a third party company, to a member of an organized crime group affiliated with the designated organized crime group Sumiyoshi-kai (the "**Restricted Person**"). The Target Company understands that the Recommendation was issued to the Target Company in order to cause the Target Company to eliminate the influence of Mr. Koike because Mr. Koike, who had been the President and the owner of the Target Company, had a personal relationship with the Restricted Person and the business of the Target Company had been used in the course of providing the benefits. In response, the Target Company was required to formulate and implement "measures necessary for preventing the occurrence of the act violating the provisions" pursuant to Article 27 of the Organized Crime Groups Elimination Ordinance. The basis and purpose of such "necessary measures" is to eliminate the influence of Mr. Koike, who resigned as the Representative

Director and the Director on November 1, 2022, over the management of the Target Company and to restore sound management based on compliance to the Target Company, and causing Mr. Koike to dispose of his Target Company's Stock has become a crucial management goal in restoring faith in the Target Company.

Subsequently, as announced in the "Establishment of Third-Party Committee" disclosed by the Target Company as of June 22, 2023, at the Board of Directors meeting held on the same date, the Target Company resolved to establish a third-party committee (*daisansha iinkai*, a committee formed by independent counsel) (the "**Third-Party Committee**") for the purpose of investigating the causes of the problem and proposing measures to prevent recurrence, etc., in respect of the Recommendation. In addition, according to the "Notice Regarding Establishment of Elimination Monitoring Committee," disclosed by the Target Company as of June 26, 2023, an Elimination Monitoring Committee was established under the Risk Management Committee to conduct monitoring to eliminate any influence of Mr. Koike, Mr. Manabu Koike who was a former Representative Director and President of the Target Company and Mr. Mitsuru Yoshino who was a former Director and Vice President of the Target Company over the Target Company, and, with continuous monitoring, the Target Company established a system to respond promptly if any occurrence of any influence of Mr. Koike was identified. On the same day, considering the fact that internal authority had tended to be concentrated in Mr. Koike in respect of important management matters of the Target Company, the Target Company established a Management Reform Meeting directly under the Board of Directors, and began efforts to strengthen corporate compliance and governance with a new organizational system by changing the management system, such as by seeking a wide range of opinions not only from the Directors and Audit and Supervisory Board Members, but also from employees under the new management system for the purpose of building a more sound and clean management system.

On the other hand, with respect to the relationship with the Target Company's business partners, after the Target Company's receipt of the Recommendation, the financing attitude of financial institutions towards the Target Company became more cautious although the Target Company obtained the understanding of partner companies in some business areas including housing materials, etc. In particular, on June 26, 2023, the Target Company received a "Notice of Acceleration" from one of the financial institutions the Target Company has transactions with, stating that the Target Company was in breach of the anti-social force provisions contained in the loan documents. As described above, although the Recommendation was issued to the Target Company, whose business was misused by Mr. Koike, the Target Company considered that the Recommendation was due to Mr. Koike's personal involvement and the fact of receipt of the Recommendation should not immediately breach the anti-social force provisions of the loan agreement. Therefore, the Target Company communicated its understanding to the above financial institution, and asked for reconsideration of its position and, with respect to other financial institution partners (including not only the financial institutions with which the Target Company does business, but also the financial institutions with which the subsidiaries of the

Target Company, such as MAI, Machome Co., Ltd., MELDIA DC, Kento Housing Sales Co., Ltd., and Taisyo Construction Co., Ltd., do business), the Target Company held a bank meeting on July 3, 2023, where the Target Company asked the banks to “maintain the balance of financial liabilities;” and specifically asked them to refrain from requesting the acceleration and exercising set-off rights with respect to existing borrowings of the Target Company, MAI, Machome Co., Ltd., MELDIA DC, Kento Housing Sales Co., Ltd., and Taisyo Construction Co., Ltd. (the “**Subject Six Companies**”) until August 31, 2023, in order to avoid a cross-default (for the avoidance of doubt, it is not that the Subject Six Companies are insolvent at present, and this situation is different from a suspension of payments which means an indication of an inability to generally and continuously pay debts). According to the Target Company, as of today, there are no financial institutions that have newly issued a “Notice of Acceleration.” In addition, although the above financial institution that issued the “Notice of Acceleration” has not withdrawn the notice of acceleration or granted time to the Target Company to repay the relevant loans, it has not taken actions such as preservative measures or compulsory execution. Regarding the request for “maintenance of the balance of financial liabilities,” as of today, despite having made a proposal that, for the avoidance of default, in the case where the Target Company has to redeem its corporate bonds due and payable, a loan of the amount equal to the amount of such corporate bonds immediately be provided to maintain the “balance of financial liabilities,” there were three financial institutions which did not provide such loan after the relevant redemption of the corporate bonds, and whose balance of financial liabilities has decreased (for the avoidance of doubt, the balances which decreased due to this action were those of the financial liabilities of Kento Housing Sales Co., Ltd. and Machome Co., Ltd., while the balance of financial liabilities of the Target Company has been maintained). Furthermore, there was also one financial institution (according to the Target Company, there is no other financial institution) that filed the official registration of a revolving mortgage in order to secure existing borrowings of MELDIA DC using the registration documents that MELDIA DC deposited, despite the Target Company’s request that such financial institution refrain from making official registration of revolving mortgage for project-financed properties for which provisional registration had been made to collateralize existing borrowings. However, with respect to borrowing liabilities, the balance of all of the borrowings due and payable is kept unchanged, and the Target Company has obtained the cooperation of the financial institutions therefor. In addition, according to the Target Company, because the Target Company owns a large number of real estates, and there are many properties for which the Target Company has executed sales contracts with customers, etc. and is waiting for payment, the Target Company’s cash flow is not in trouble. The Target Company recognizes that it is extremely unlikely that the Target Company will reach a legal liquidation as long as the current “balance of financial liabilities” can be maintained. Also, as a result of the Recommendation, there are some cases in which financing issues have arisen on the part of customers purchasing real estate from the Target Company, such as due to the suspension of housing loans from some Internet-based banks. As a result, the sale prices for sales to customers has had to be lowered where necessary.

In addition, especially after the Target Company's receipt of the Recommendation, an actual concern has arisen that Mr. Koike's continued ownership of the Target Company's Stock would hinder the Target Company's business operations and impair the corporate value of the Target Company. For example, there are concerns that the Target Company will be unable to purchase real estate using the borrowings as source of funds as financial institutions refuse to offer new loans. Accordingly, the Target Company recognizes that, in this situation, it is important to require Mr. Koike to dispose of his Target Company's Stock and to completely eliminate the influence of Mr. Koike in order to restore confidence in the Target Company and to proceed with sound management as soon as possible. In particular, the Target Company recognizes that (i) the reason why financial institutions were taking a cautious financing position was that even after Mr. Koike resigned as the Representative Director and the Director of the Target Company on November 1, 2022, he remained as a major shareholder of the Target Company, and (ii) the reason why the Recommendation was issued to the Target Company was that Mr. Koike had a personal relationship with the Restricted Person and the business of the Target Company had been used in the course of providing the relevant benefits to such person. Given that the purpose of the "necessary measures" required pursuant to Article 27 of the Organized Crime Groups Elimination Ordinance is to eliminate the influence of Mr. Koike over the management of the Target Company and to restore sound management based on compliance with the Target Company (as described in "(iii) Details of decision" of "b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor" below, the investigation report of the Third-Party Committee, which was received on August 14, 2023, also pointed out again that the most important management issue is to take measures to eliminate the influence of Mr. Koike over management, officers and employees and to eliminate or deter his influence as a major shareholder of the Target Company) the Target Company believes that, if the Target Company can completely eliminate the influence of Mr. Koike, its business partners including financial institutions will restore their trust in the Target Company and the relationship with them will also gradually normalize.

In this context, on June 24, 2023, the Tender Offeror received an initial request from Mr. Koike to support the Target Company because adverse effects on its business had started to occur as a result of the Recommendation and the resignations of Mr. Manabu Koike as the Representative Director and Mr. Mitsuru Yoshino as the Director of the Target Company in response thereto, and the public disclosures made by the Target Company in connection therewith. Specifically, as one potential form of such support, Mr. Koike mentioned the acquisition of the Target Company's Stock owned by Koike Group by the Tender Offeror, which is engaged in the same business to that of the Target Company. The Tender Offeror understood, based on the Target Company's June 20 Press Release, that this request from Mr. Koike was made against the background of the Target Company requiring Mr. Koike to dispose of his Target Company's Stock to assist in the reconstruction of the Target Company. In response, on June 26, 2023, the Tender Offeror answered to Mr. Koike that it needs to consult with its internal relevant departments and external advisors in order to review and consider the acquisition of the Target Company's Stock. Subsequently, so that it could begin to concretely assess the acquisition of the

Target Company's Stock, in late June 2023, the Tender Offeror respectively appointed (i) SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**"), a financial advisor, as a third-party valuation organization independent from the Tender Offeror Group, the Target Company Group, as well as the Koike Group, Mr. Manabu Koike (a former Representative Director and President of the Target Company) and Mr. Mitsuru Yoshino (a former Representative Director and President of the Target Company) (Koike Group, Mr. Manabu Koike and Mr. Mitsuru Yoshino collectively, the "**Wider Koike Group**")) and (ii) Nagashima Ohno & Tsunematsu as external legal advisors. On June 30, 2023, the Tender Offeror proposed to the Target Company through a third party that it would like to exchange views regarding whether it could support the Target Company by performing a transaction that would include the acquisition of the Target Company's Stock owned by the Koike Group, and on July 2, 2023, the Tender Offeror exchanged views with the Target Company on the prospects regarding the current business environment and financial condition of the Target Company and its relationship with financial institutions, including financing, the situation of the governance of the Target Company, as well as the advantages and disadvantages of supporting the Target Company by conducting a transaction, including the acquisition of the Target Company's Stock owned by Koike Group through a tender offeror. Through such exchange of views, the Tender Offeror again recognized that regarding the current business environment and financial condition of the Target Company which had been affected by the Target Company's receipt of the Recommendation on June 20, 2023, the financial institutions had taken an extremely cautious attitude towards providing finance to the Target Company, and relationships between the Target Company and its business partners had begun to be adversely affected, and as a result, there was actual concern that the business operations of the Target Company would be hindered and the corporate value of the Target Company would be impaired. On the other hand, the Target Company stated that it was important to eliminate the influence of Mr. Koike in order to improve the soundness of the management of the Target Company, and that it was highly desirable for this reason that Koike Group dispose of their Target Company's Stock, and the Tender Offeror's acquisition of the Target Company's Stock from Koike Group would contribute to such purpose; provided, however, that it would be unacceptable for such transaction to be subject to conditions which would allow Mr. Koike to retain his influence in the Target Company. In response, the Tender Offeror explained to the Target Company that the Tender Offeror also recognized that it was important for the Target Company to be free from the influence of Mr. Koike in order to ensure the sound operation and development of its management and business while rebuilding relationships with its customers, business partners, financial institutions and employees. The Tender Offeror received a positive response from the Target Company regarding the proposal for the Target Company's receiving of support from the Tender Offeror through a corporate transaction in the form of an acquisition by the Tender Offeror of the Target Company's Stock owned by Koike Group. (At the meeting where such exchange of opinions took place, there was no discussion between the Tender Offeror and the Target Company on a specific transaction structure, however, given that the shareholding of the Koike Group in the Target Company was as high as 64.21%, the Tender Offeror was aware that a tender offer would be required if the shareholding of the Koike Group in the Target Company were to be acquired, and considered that one of the options would be to make the Target

Company a wholly-owned subsidiary of the Tender Offeror.) In addition, the Tender Offeror discussed with Sumitomo Mitsui Banking Corporation ("**SMBC**"), the financial institution the Target Company mainly transacts with, about financing relating to the Tender Offeror's provision of support to the Target Company. As a result of, among other things, the positive response from the Target Company, the Tender Offeror decided to consider in earnest the acquisition of the Target Company's Stock owned by Koike Group.

Upon examination of the business synergies with the Target Company expected from the Transaction, the Tender Offeror believes that the following specific synergies can be realized by deepening collaboration with the Target Company.

(a) Improvement of the entire single-family homes business of both companies by mutually utilizing the Target Company's ability to supply properties and the Tender Offeror's sales capabilities

The Tender Offeror believes that the Target Company's ability to supply properties is superior to that of other companies in the industry. The Tender Offeror believes that the Target Company will be able to promote the development of new customers and expand its production and sales, and the Tender Offeror will also be able to expand its sales through the development of the single-family homes business as a joint business of both parties, which will leverage not only the Target Company's existing sales channels but also the Tender Offeror Group's sales force.

(b) Expansion of the Tender Offeror's product lineup by adding the Target Company's single-family homes with excellent design features

The Tender Offeror believes that the Target Company's single-family homes are highly regarded in the industry because of their excellent designs and believes that the Target Company will be able to respond to the increased acceptance by the Tender Offeror Group of orders of single-family homes from a design aspect and contribute to the expansion of the Tender Offeror's product lineup.

(c) Improvement of cost competitiveness by strengthening purchasing powers from leverage on economies of scale

The Tender Offeror believes that cost reductions can be achieved by standardizing components and materials and by increasing the volume of materials handled in the purchasing departments of both companies.

(d) Further collaboration in the Kansai area between MELDIA DC, which is a subsidiary of the Target Company, and Pressance

MELDIA DC, which is a subsidiary of the Target Company, and Pressance, which is a consolidated subsidiary of the Tender Offeror, collaborate primarily in the Kansai area in the overall construction business, which includes construction, planning, and sales of multi-family buildings, and in the real estate business, which includes sales and purchases of real estates and brokerage thereof. By having the Target Company and MELDIA DC join the Tender Offeror Group, the Tender Offeror believes that it will be able to realize further collaboration between MELDIA DC and Pressance, such as mutual utilization of the construction capabilities of MELDIA DC and the planning and sales strength of Pressance.

(e) Facilitation and stabilization of the Target Company's transactions with financial institutions

The Tender Offeror believes that by the Target Company becoming a member of the Tender Offeror Group, the Target Company will be able to facilitate and stabilize its financing from financial institutions, including SMBC as the main bank of the Tender Offeror and the Target Company, based on the creditworthiness of the Tender Offeror Group.

In early July 2023, in light of the above synergies that are expected to be obtained by deepening its collaboration with the Target Company, the Tender Offeror contemplated on the transaction structure to acquire the Target Company's Stock owned by Koike Group. In order to ensure the realization of the above synergies with the Target Company, the Tender Offeror considered it desirable to make the Target Company a wholly-owned subsidiary of the Tender Offeror because there will be certain limitations on the management resources and know-how that can be shared if only a capital and business alliance is formed after the acquisition of a portion of the Target Company's Stock, or the Target Company becomes a consolidated subsidiary of the Tender Offeror while maintaining its listed status. Furthermore, in light of the fact that the Tender Offeror came to realize the importance of eliminating Mr. Koike's influence in the Target Company as described above, the Tender Offeror considered it desirable for the Tender Offeror to acquire all of the Target Company's Stock owned by Koike Group. However, since the percentage of the Target Company's Stock owned by Koike Group amounts to 64.21%, the Tender Offeror considered that even if an tender agreement regarding the tendering of their shares in the tender offer to be conducted by the Tender Offeror is executed between the Tender Offeror and Koike Group, (i) if a maximum number of the Target Company's Stock to be purchased is set on the assumption that the listing will be maintained and (ii) if the number of tendered share certificates, etc. exceeds such maximum number, the Tender Offeror may be required to settle the Tender Offer on a pro rata basis, which may result in a failure to acquire all of the Target Company's Stock owned by Koike Group. Accordingly, the Tender Offeror considered that, from the perspective of acquiring all of the Target Company's Stock owned by Koike Group, it is necessary to conduct a tender offer based on the assumptions that (i) there will be no upper limit on the number of the Target Company's Stock to be purchased and (ii) the Target Company's Stock will be delisted. In addition, while the Tender Offeror believes that in order to maintain the Target Company's corporate value and prevent damage thereto, its business management system needs to be stabilized urgently, including the continuation of financing for business operations by the Target Company and the promotion of restructuring of its governance system, the Tender Offeror also considered that the Target Company should become a wholly-owned subsidiary of the Tender Offeror in order for the Tender Offeror to provide to the Target Company (i) credit enhancement and capital support and (ii) sufficient support for the restructuring of the Target Company Group's governance system depending on the specific circumstances in which the Target Company may be placed after the implementation of the Transaction. Given the current situation where there was an actual concern that the Target Company's business operations would be hindered and its corporate value impaired, the Tender Offeror concluded that, in order to avoid disadvantages to the general shareholders of the Target Company as a result of the realization of such concern, the privatization of the Target Company's Stock, which is to be done as soon as practicable after providing the general shareholders of the Target Company with the opportunity to sell their Target Company's Stock at a fair price through the Tender Offer, is an option which contributes to the interests of the general shareholders of the Target Company.

Furthermore, since the Transaction is ultimately intended to make the Target Company a wholly-owned subsidiary of the Tender Offeror, although it is assumed that if the Transaction is consummated, the Target Company will be delisted, the Tender Offeror believes that the delisting will not have a particular adverse effect on the Target Company. In other words, (i) it is more important to make efforts to facilitate and stabilize the Target Company's transactions with financial institutions with the background of the creditworthiness of the Tender Offeror by becoming a member of the Tender Offeror Group rather than being listed, in light of the current difficulties of the Target Company, such as the fact that a new loan is not being approved from the financial institutions, despite the loss of what is generally said to be the merit of being a listed company, such as the improvement of the creditworthiness and the securing of a direct financing means, and (ii) although being a listed generally enhances a company's ability to hire and maintain quality personnel, in light of the current unstable business situation of the Target Company, the Tender Offeror believes that it is important to ensure that the business operations of the Target Company are stabilized and normalized as soon as possible from hiring and retention perspectives by consummation of the Transaction.

Based on the above considerations and bearing in mind the synergies that the Tender Offeror can expect from making the Target Company a wholly-owned subsidiary of the Tender Offeror, the business environment in which the Target Company operates, and the Target Company's aim to completely eliminate the influence of Mr. Koike, the Tender Offeror submitted to the Target Company, on July 7 2023, a letter of intent concerning the acquisition of the Target Company's Stock on the assumption that (i) all of the Target Company's Stock will be acquired and (ii) the Target Company will be delisted. On the same day, the Tender Offeror and the Target Company entered into a basic agreement substantially to (i) discuss, in good faith, the early realization of a corporate transaction by the Tender Offeror, including the acquisition of all of the Target Company's Stock owned by Koike Group, (ii) have the

Target Company cooperate, in good faith, in the due diligence to be conducted by the Tender Offeror, (iii) ensure that such capital reorganization is aimed at realizing the sound operation and development of the Target Company's management and business, and (iv) have the Target Company notify the Tender Offeror if the Target Company receives any proposal or solicitation from third parties concerning a transaction that may compete, contradict or conflict with the corporate transaction contemplated under the basic agreement during such discussion period.

On and after July 7, 2023, when the Tender Offeror entered into the basic agreement with the Target Company, the Tender Offeror commenced in-detail discussions with the Target Company toward the implementation of the Transaction. Specifically, the Tender Offeror conducted due diligence to assess the feasibility of the Transaction from July 7, 2023 to August 4, 2023, and commenced discussions on various terms of the Tender Offer, including the period for the purchase and maximum and minimum number of shares to be purchased, in early July 2023.

With respect to the period of the Tender Offer (the "**Tender Offer Period**"), the Tender Offeror suggested in the letter of intent dated July 7, 2023 mentioned above that the Tender Offer should be announced on August 10, 2023. However, based on (i) the fact that the results of the investigation of the Third-Party Committee were scheduled to be reported to the Target Company on August 14, 2023, and (ii) the recent discussions between the Target Company and financial institutions, on August 1, 2023, from the perspective of preventing a decline in the Target Company's business value at an early stage and as a result of discussions with the Target Company, the Tender Offeror and the Target Company aligned their views that the Tender Offer Period would be August 17, 2023 through September 28, 2023 (30 business days). Regarding the maximum and minimum number of shares to be purchased, in late July 2023, the Tender Offeror gave an explanation to the Target Company that, since the purpose of the Tender Offeror is to make the Target Company a wholly owned subsidiary of the Tender Offeror, the maximum number of shares to be purchased would not be set, and that the minimum number of shares to be purchased would be a number that results in the Tender Offeror holding two-thirds (2/3) or more of the voting rights in the Target Company after the Tender Offer was completed, and no objection was made by the Target Company. Furthermore, with regard to the tender offer price in the Tender Offer (the "**Tender Offer Price**"), according to the results of such due diligence, etc., there were no material matters discovered at that time that would seriously impair the corporate value to the extent that the consideration of the Transaction should be discontinued. Therefore, on the assumption that the investigation results to be reported to the Target Company by the Third-Party Committee on August 14, 2023 would not deviate significantly from the content formerly announced by the Target Company or the content recognized by the Tender Offeror through the due diligence, etc., and that the Target Company's relationship with financial institutions would not be worsened from the situation explained by the Target Company, such as by receiving a notice of acceleration from a financial institution other than the one from which the Target Company has already received a "Notice of Acceleration," the Tender Offeror submitted to the Target Company on August 2, 2023 the first price proposal setting the Tender

Offer Price at 1,880 yen. The price proposed as the Tender Offer Price of 1,880 yen represents the following: (a) a premium of 21.29% (rounded to the second decimal place; the same applies hereinafter in the calculation of the premiums) on 1,550 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 1, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 28.59% on 1,462 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 1, 2023 (rounded to the nearest whole number; the same applies hereinafter in the calculation of simple average of the closing price); (c) a premium of 27.29% on 1,477 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 26.17% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively. Subsequently, on August 8, 2023, based on the discussions with the Special Committee (defined below in "b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor;" the same shall apply hereinafter), the Tender Offeror was asked to reconsider the Tender Offer Price by the Special Committee, as it is difficult to determine that it is sufficient in relation to the intrinsic value of the Target Company's Stock, considering the prospects of the Target Company's business and the strengths of the Target Company, etc. On August 10, 2023, the Tender Offeror again submitted a price proposal stating that the Tender Offer Price would be 1,970 yen, after careful consideration of such requests from the Target Company. The proposed Tender Offer Price of 1,970 yen represents the following: (a) a premium of 28.76% on 1,530 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 9, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 32.21% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 9, 2023; (c) a premium of 32.93% on 1,482 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 31.95% on 1,493 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively. Subsequently, on August 14, 2023, although the proposed Tender Offer Price of 1,970 yen was approaching the intrinsic value of the Target Company the Special Committee believes, the Tender Offeror was asked to reconsider the Tender Offer Price by the Target Company, based on the belief that it is difficult to determine that it is sufficient in relation to the intrinsic value of the Target Company's Stock, in light of the investment returns of the general shareholders who own the Target Company's Stock over the medium to long term and the feasibility of the target business plan.

On the other hand, since a positive response was obtained from the Target Company regarding the acquisition of the Target Company's Stock owned by Koike Group by the Tender Offeror in the exchange of views with the Target Company on July 2, 2023 and for other reasons, in early July 2023, the Tender Offeror initiated discussions and negotiations with Mr. Koike with the aim of acquiring all of the Target

Company’s Stock owned by Koike Group in parallel with the discussions with the Target Company commenced on and after July 7, 2023. Specifically, during the period from July 6, 2023 to August 15, 2023 the Tender Offeror explained that the Tender Offeror was not able to add a condition that would allow Mr. Koike to remain influential to the Target Company as a condition of the Tender Agreement, as well as confirming once again with Mr. Koike that Koike Group has the intent to dispose of all of the Target Company’s Stock owned by them, having multiple discussions with Mr. Koike and his representative. The Tender Offer Price was negotiated and agreed with Koike Group on August 15, 2023, because the Tender Offer Price was negotiated separately with the Tender Offeror and the Target Company, and it is necessary to consider the results of the investigation by the Third-Party Committee in order to determine a specific price. On August 15, 2023, the Tender Offeror proposed to Koike Group that the Tender Offer Price be 2,025 yen, in light of (i) the fact that the results of the investigation conducted so far by the Third-Party Committee confirmed that there was no significant divergence from the previous perception of the Tender Offeror in that the elimination of the influence of Mr. Koike on management, officers and employees was important for the improvement of the soundness of the management of the Target Company, and (ii) the possibility of the acceptance by the Target Company, considering the Target Company’s request on August 14, 2023 to reconsider the Tender Offer Price of 1,970 yen, which the Tender Offeror proposed to the Target Company on August 10 2023,. Koike Group accepted the offer. The proposed Tender Offer Price of 2,025 yen represents the following: (a) a premium of 26.48% on 1,601 yen, which is the closing price of the Target Company’s Stock on the Prime Market of the Tokyo Stock Exchange on August 14, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 34.11% on 1,510 yen, which is the simple average of the closing price of the Target Company’s Stock for the past one (1) month up to August 14, 2023; (c) a premium of 36.46% on 1,484 yen, which is the simple average of the closing price of the Target Company’s Stock for the past three (3) months up to the same date; or (d) a premium of 35.45% on 1,495 yen, which is the simple average of the closing price of the Target Company’s Stock for the past six (6) months up to the same date, respectively. In addition, with respect to the terms and conditions of the Tender Agreement other than the Tender Offer Price, no conditions were proposed by Koike Group that would lead to Mr. Koike retaining influence over the Target Company, and on August 15, 2023, the Tender Offeror reached an agreement with Koike Group on substantive terms and conditions of the Tender Agreement other than the Tender Offer Price (For details of the Tender Agreement, please refer to “a. Tender Agreement” under “(3) Matters Concerning Material Agreement Related to Tender Offer” below.).

On August 15, 2023, the Tender Offeror, in light of the negotiations with Koike Group mentioned above, made a proposal to the Target Company to set the Tender Offer Price at 2,025 yen. On the same day, the Tender Offeror received a reply from the Target Company to agree to set the Tender Offer Price at 2,025 yen. The proposed Tender Offer Price of 2,025 yen represents the following: (a) a premium of 26.48% on 1,601 yen, which is the closing price of the Target Company’s Stock on the Prime Market of the Tokyo Stock Exchange on August 14, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 34.11% on 1,510 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 14, 2023; (c) a premium of 36.46% on 1,484 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 35.45% on 1,495 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively.

The Tender Offeror also carefully considered the investigation report of the Third-Party Committee on the Target Company published by the Target Company on August 15, 2023. The investigation report found (i) that the relationship between Mr. Koike and the Restricted Person was for at least 20 years long term, and (ii) that Mr. Koike provided the Restricted Person with benefits through a specific former employee of the Target Company, asked the Restricted Person to negotiate with a third party in a troublesome situation, and provided economic benefits to the Restricted Person by having a company introduced by the Restricted Person involved in the transaction of the Target Company. This includes certain newly identified facts in comparison with the content formerly announced by the Target Company or the content recognized by the Tender Offeror through the due diligence, etc. However, as a result of the investigation conducted by the Third-Party Committee, no officers and employees of the Target Company and its group companies were found to have had any direct involvement with the Restricted Person except for the three former employees who were placed in charge of the Restricted Person at the direction of Mr. Koike. In addition, with regard to the case concerning the Recommendation, it was found (i) that the Restricted Person and others, who are members of an organized crime group, were involved, (ii) that the relationship between Mr. Koike and the Restricted Person was the background, and (iii) that neither the Target Company nor the officers and employees of the Target Company Group were aware of the existence of the communication between the former employee and the Restricted Person. Furthermore, it has been pointed out that the cause, although other circumstances are also pointed out, is primarily due to the critical lack of compliance awareness of Mr. Koike. Therefore, The Tender Offeror has confirmed that there is no significant deviation from its previous recognition of the importance of Mr. Koike's removal of influence over the management, officers and employees of the Target Company for the soundness of the management of the Target Company by consummation of the Transaction. In addition, the Tender Offeror has not obtained or discovered, in the due diligence on the Target Company conducted from July 7, 2023 to August 4, 2023, any material information that affects the Tender Offeror's investment decision to a greater extent than that publicly available, and the Tender Offeror has received a written confirmation (the "**Confirmation Letter**") from the Target Company as of August 16, 2023 that, among other things, there are no material adverse facts. For details of the Confirmation Letter, please refer to "b. Confirmation Letter" under "(3) Matters Concerning Material Agreement Related to Tender Offer" below.

Following these discussions and negotiations, the Tender Offeror resolved at its Board of Directors meeting held today to implement the Tender Offer as part of the Transaction by setting the Tender Offer Price at 2,025 yen and to enter into the Tender Agreement with Koike Group. On the same day, the Tender Offeror entered into the Tender Agreement with Koike Group. The Tender Agreement is not subject to conditions which would allow Mr. Koike to retain his influence in the Target Company. For details of the Tender Agreement, please refer to "a. Tender Agreement" under "(3) Matters Concerning Material Agreement Related to Tender Offer" below.

b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor

(i) Preliminary Considerations; Organizing Examination Process

According to the Target Company's Press Release, under the harsh management environment, such as a significant deterioration in financial institutions' financing stances due to the issuance of the Recommendation on June 20, 2023 and Mr. Koike's majority ownership of the Target Company's Stock, there was an actual concern that Mr. Koike's continued ownership of the Target Company's Stock would hinder the Target Company's business operations and impair the corporate value of the Target Company. As such, the prompt disposal of the Target Company's Stock owned by Mr. Koike became a crucial management issue. Accordingly, on June 20, 2023, the date on which the Recommendation was received, in order to immediately receive general advice on the disposal of Mr. Koike's stock, the Target Company appointed City-Yuwa Partners ("**City-Yuwa**") as its external legal advisor.

According to the "Plan to Conform with Continued Listing Criteria for New Market Segment" announced as of November 26, 2021, since the Target Company's tradable share ratio did not meet the continued listing criteria for the Prime Market of the Tokyo Stock Exchange, the Target Company considered reducing the shareholding ratio of officers, including Mr. Koike, the largest shareholder. According to the "Progress on Plan to Conform with Continued Listing Criteria" announced as of November 30, 2022, the Target Company planned to request major shareholders, including the largest shareholder, to sell the Target Company's Stock, in order to meet the continued listing criteria for the Prime Market of the Tokyo Stock Exchange by December 2023 and was ultimately able to increase the tradable share ratio by 1.3% between July 2021 to August 2022 as a result of the sale of 170,400 shares from two (2) financial institutions, which were major shareholders and agreed to the Target Company's request for the sale of shares; however, the Target Company was not able to cause Mr. Koike, the largest shareholder, to agree to such request. Although thereafter the Target Company continued to make the same request, the Recommendation came to be issued in circumstances where Mr. Koike did not sell the Target Company's Stock that he owned in order to increase the Target Company's tradable share ratio.

Upon or soon after the receipt of the Recommendation on June 20, 2023, the Target Company discussed, through its attorneys , with Mr. Koike on ways to have him sell his shares; however, Mr. Koike's reluctance to sell the Target Company's Stock to the Target Company, which was made clear in his discussions with the Target Company, brought about the Target Company's search for a way to ask Mr. Koike to dispose of the Target Company's Stock; subsequently, on June 30, 2023, the Target Company received a proposal from the Tender Offeror through a third party that the Tender Offeror had been contacted by Mr. Koike regarding the Target Company's Stock owned by him to exchange views on the advantages and disadvantages of supporting the Target Company by conducting a transaction, including the acquisition of the Target Company's Stock owned by Koike Group. Since the Target Company also believed that it would be necessary to dispose of the Target Company's Stock owned by Koike Group, the Target Company exchanged views with the Tender Offeror on July 2, 2023. In such exchange of views, regarding the Target Company's current business environment and financial condition, the Target Company explained to the Tender Offeror that due to the impact of the receipt of the Recommendation on June 20, 2023, the financial institutions took an extremely cautious attitude towards providing finance to Target Company, and the relationships between the Target Company and its business partners had begun to be adversely affected. The Target Company also expressed its view that (i) it was important to promptly eliminate the influence of Mr. Koike in order to improve the soundness of the management of the Target Company, (ii) it was highly desirable for this reason that Koike Group dispose of the Target Company's Stock, and (iii) upon the disposal of the Target Company's Stock owned by Koike Group, the Target Company could not accept any conditions which would allow Mr. Koike to retain his influence in the Target Company. In response, the Tender Offeror explained that Mr. Koike had approached the Tender Offeror and indicated his intention to dispose of his Target Company's Stock to the Tender Offeror, and the Tender Offeror further stated that it was aware of the importance of eliminating his influence in the Target Company in order to ensure the sound operation and development of its management and business while rebuilding relationships with its customers, business partners, financial institutions, and employees.

The Target Company believes that in order not to impair the Target Company's business value, it is necessary for Koike Group to promptly dispose of their Target Company's Stock, and that the Transaction is an option to (i) maximize the interests of minority shareholders by changing the shareholder structure as well as (ii) normalize the management of the Target Company and realize further enhancement of the corporate value of the Target Company. Accordingly, the Target Company made careful deliberations regarding the commencement of discussions with the Tender Offeror on the Transaction, immediately after the aforementioned exchange of views. The Target Company came to the conclusion that the promotion of the Transaction would persuade Mr. Koike to sell the Target Company's Stock to the Target Company and contribute to the Target Company's goal of eliminating Mr. Koike's influence, and would also improve the attitude towards providing finance of the financial institutions, thereby preventing the continued impairment of the Target Company's business value, as well as potentially contributing to enhancing the Target Company's business value. Subsequently, since it was formally expressed in the letter of intent submitted by the Tender Offeror on July 7, 2023 that Mr. Koike's influence may be eliminated through the acquisition of the Target Company's Stock owned by Mr. Koike, under a basic agreement as of the same date, the following were agreed: (a) to discuss in good faith for the early realization of a corporate transaction, the major prerequisite of which was the Tender Offeror's acquisition of all of the Target Company's Stock owned by Koike Group; (b) for the Target Company to cooperate, in good faith, in the due diligence to be conducted by the Tender Offeror; (c) to ensure that such capital reorganization is aimed at realizing the sound operation and development of the Target Company's management and business; and (d) to notify the Tender Offeror if the Target Company receives any proposal or solicitation from third parties concerning a transaction that may compete, contradict or conflict with the corporate transaction contemplated under the basic agreement during such discussion period. Consequently, in addition to the legal advisor already appointed (City-Yuwa), the Target Company appointed Frontier Management Inc. ("**Frontier Management**") as its financial advisor in mid-July 2023.

In addition, due to the fact that, under the Transaction, an tender agreement is scheduled to be entered into between the Tender Offeror and Koike Group, who are major shareholders owning 64.21% of the Target Company's Stock, and taking into account the possibility that the interests of the Target Company's minority shareholders may be adversely affected, in order to ensure the fairness of the Tender Offer, eliminate the arbitrariness of the decision-making concerning the Transaction, ensure the fairness, transparency and objectivity of the decision-making process of the Target Company, and avoid conflicts of interest, the Target Company, as described in "b. Obtaining of the Share Valuation Report from an Independent Third-Party Valuation organization by the Target Company" and "c. Advice from an Independent Law Firm Received by the Target Company" of "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below, requested (i) Frontier Management, which is a third-party valuation organization independent from the Tender Offeror Group, the Target Company Group, and the Wider Koike Group, to evaluate the share value of the Target Company's Stock, and (ii) City-Yuwa, which is a law firm independent from the Tender Offeror Group, the Target Company Group and the Wider Koike Group, to provide legal advice regarding the points to note in decision-making on the Tender Offer and the subsequent series of procedures, including the method and process of decision-making by the Target Company's Board of Directors. Furthermore, in order to ensure the fairness of the Tender Offer, eliminate the arbitrariness of the decision-making concerning the Transaction, ensure the fairness, transparency, and objectivity of the decision-making process of the Target Company, and avoid conflicts of interest, on July 18, 2023, the Target Company established a special committee (the "**Special Committee**"), which is composed of members independent from the Tender Offeror Group, the Target Company Group, and the Wider Koike Group, and has no interests in Koike Group. For details on these measures, please refer to "d. Target Company's Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee" in "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

(ii) Background of Examination and Negotiations

From July 7 2023 onwards, when the Target Company entered into the basic agreement with the Tender Offeror, the Tender Offeror commenced in-detail discussions toward the implementation of the Transaction, the Target Company accepted the due diligence conducted by the Tender Offeror from July 7, 2023 to August 4, 2023, and, in early July 2023, commenced to discuss various terms and conditions of the Tender Offer, starting with the Tender Offer Period, the maximum and minimum number of shares to be purchased and the Tender Offer Price. The Target Company established a Special Committee which provided comments, instructions, advice, and a strategy for negotiations with the Tender Offeror. Further, the Target Company appointed and received a report from Frontier Management regarding the fair share value of the Target Company and advice regarding the policy for negotiations with the Tender Offeror and other advice from a financial perspective. The Target Company also received guidance and other legal advice from City-Yuwa regarding the measures to ensure the fairness of the procedures in the Transaction.

With respect to the structure of the Transaction, the Target Company asked the Tender Offeror whether it was possible to acquire shares only from Mr. Koike at a tender offer price lower than the market price, and thereafter implementing the Tender Offer at a price to which a premium was added to acquire the Target Company's Stock from minority shareholders. Then, the Target Company received an explanation from the Tender Offeror that it does not expect to be able to obtain Mr. Koike's understanding of the method of a discount TOB and it would be difficult to execute with Mr. Koike the Tender Agreement pertaining to the Transaction. Considering that it would be difficult to achieve the purpose of eliminating Mr. Koike's influence in the Target Company by adopting such method and, considering that even if it is possible to execute the Tender Agreement with Koike Group on the premise of the discount TOB, from the viewpoint of ensuring the rapid stabilization and normalization of the business operations of the Target Company, the method of transactions requiring two time-consuming tender offers is not in line with this, the Target Company decided not to ask the Tender Offeror to adopt the method including a discount TOB.

With respect to the Tender Offer, at first, regarding the Tender Offer Period, the Target Company received a suggestion in the letter of intent dated July 7, 2023 received from the Tender Offeror that the Tender Offer should be announced on August 10, 2023. However, based on (i) the fact that the results of the investigation of the Third-Party Committee were scheduled to be reported to the Target Company on August 14, 2023, and (ii) the recent discussions between the Target Company and the financial institution, in early August 2023, from the perspective of preventing damage to the Target Company's business value at an early stage and as a result of discussions with the Tender Offeror, the Target Company and the Tender Offeror aligned their views that the Tender Offer Period would be August 17, 2023 through September 28, 2023 (30 business days). Regarding the maximum and minimum number of shares to be purchased, in late July 2023, the Target Company received an explanation from the Tender Offeror that, since the purpose of the Tender Offer is to make the Target Company a wholly owned subsidiary of the Tender Offeror, a maximum number of shares to be purchased would not be set, and that the minimum number of shares to be purchased would be a number that results in the Tender Offeror holding two-thirds or more of the total number of voting rights of the Target Company's shareholders after the Tender Offer. The Target Company decided that the suggestion from the Tender Offeror regarding the maximum and minimum number of shares to be purchased was also appropriate because it was considered that adequate financial support and credit enhancement would be provided to the Target Company as a member of the Tender Offeror Group by making the Target Company a wholly-owned subsidiary of the Tender Offeror.

Regarding the Tender Offer Price, the Target Company received the first price proposal from the Tender Offeror on August 2, 2023, setting the Tender Offer Price at 1,880 yen per share of the Target Company's Stock (the price represents the following: (a) a premium of 21.29% on 1,550 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 1, 2023, the business day immediately preceding August 2, 2023; (b) a premium of 28.59% on 1,462 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 1, 2023; (c) a premium of 27.29% on 1,477 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 26.17% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, the Target Company decided, based on the discussions at the Special Committee held on August 7, 2023, to ask the Tender Offeror to reconsider the Tender Offer Price because it is difficult to determine that it is sufficient in relation to the intrinsic value of the Target Company's Stock, considering the prospects of the Target Company's business and the strengths of the Target Company, etc., and made a written proposal thereof on August 8, 2023. Subsequently, the Target Company received a revised price proposal from the Tender Offeror on August 10, 2023, setting the Tender Offer Price at 1,970 yen per share of the Target Company's Stock (the price represents the following: (a) a premium of 28.76% on 1,530 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 9, 2023, the business day immediately preceding August 10, 2023; (b) a premium of 32.21% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 9, 2023; (c) a premium of 32.93% on 1,482 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 31.95% on 1,493 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively). Receiving such revised proposal from the Tender Offeror, on August 14, 2023, the Target Company, based on the discussions at the Special Committee, and the belief that it is difficult to determine that the proposed Tender Offer Price of 1,970 yen, which was approaching the intrinsic value of the Target Company the Special Committee believes, is sufficient in relation to the intrinsic value of the Target Company's Stock, in light of the investment returns of the general shareholders who own the Target Company's Stock over the medium to long term and the feasibility of the target business plan, asked the Tender Offeror in writing to reconsider the Tender Offer Price one more time. Subsequently, as the Target Company received the price proposal again from the Tender Offeror on August 15, 2023, based on the discussions at the Special Committee of the Target Company, the Target Company reported to the Tender Offeror that it accepted the proposal setting the Tender Offer Price at 2,025 yen.

In addition, through the Special Committee's interview with the Tender Offeror held on July 26, 2023, the Target Company received an explanation from the Tender Offeror that the Tender Offeror would determine the specific contents, methods and governance system for realizing synergies while discussing with the Target Company and respecting independence of the business operation of the Target Company. The Tender Offeror added that the treatment of employees of the Target Company would be maintained as it is after the Transaction and confirmed that it did not have any concerns from the point of view of the business operation of the Target Company after the Transaction.

The Target Company had a direct discussion with Mr. Koike on July 27, 2023 to request cooperation in the disposition of the Target Company's Stock owned by him and explained the objective situation in which the Target Company was placed, including that on June 26, 2023, the Target Company received a "Notice of Acceleration" from one financial institution, stating that the Target Company was in breach of the anti-social force provisions contained in the loan documents, and accordingly that the Target Company was asking financial institutions to "maintain the balance of financial liabilities," and that there was an actual concern that the corporate value of the Target Company would be impaired. The Target Company further gave an explanation on August 4, 2023, through Mr. Koike's attorney, on the status of the discussions between the Target Company and the financial institutions and continuously sought cooperation in the disposition of the Target Company's Stock. Subsequently, on August 15 2023, the Target Company received a report from the Tender Offeror that the Tender Offeror and Koike Group had substantially agreed that Koike Group would tender all of the Prospective Tendered Shares in the Tender Offer (for the process of negotiations between the Tender Offeror and Koike Group, please refer to "a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" under "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" above).

In addition, on July 19, 2023, the Target Company received from Oasis Management Company Ltd. ("**Oasis**," which, according to the Target Company, holds no shares of the Target Company's Stock as of February 28, 2023), which manages Oasis Investments II Master Fund Ltd., a draft of a proposal (the "**Draft Proposal**") which stated that Oasis was considering a tender offer to acquire the Target Company's Stock. The Draft Proposal presented no price and scheduled the closing around the end of November. In response to Oasis's proposal, the Target Company held a meeting with Oasis, Oasis's attorney, City-Yuwa and Frontier Management on August 8, 2023 to confirm the content of the proposal.

However, the Target Company determined that it was difficult to accept the proposal from Oasis, as stated in "(iii) Details of decision" below.

(iii) Details of decision

In light of the process described above, and based on the stock valuation report dated August 15, 2023, obtained from Frontier Management (the "**Target Company's Valuation Report**") and the legal advice obtained from City-Yuwa, and fully respecting the content of the review by the Special Committee and the report dated August 16, 2023 received from the Special Committee (the "**Report**"), the Target Company conducted careful deliberations of the terms and conditions of the Transaction from the perspective of enhancing corporate value.

As a result, the Target Company determined, as stated below, that becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction would contribute to the enhancement of its corporate value, and that the terms and conditions of the Transaction, including the Tender Offer Price, were fair and appropriate from the viewpoint of achieving the interests of the Target Company's general shareholders.

First of all, the Target Company determined that implementing the Transaction with the Tender Offeror would contribute to the enhancement of its corporate value from the following viewpoints.

(A) Elimination of Mr. Koike's influence

As pointed out in the investigation report of the Third-Party Committee received on August 14, 2023, it has been found that Mr. Koike, in his sole discretion, has tried to provide benefits to the Restricted Person through a specific former employee of the Target Company, asked the Restricted Person to negotiate with a third party in a troublesome situation, and provided economic benefits to the Restricted Person by involving a company referred by the Restricted Person in the transactions of the Target Company. The Target Company recognized that all of these were attributable to the decisive lack of Mr. Koike's awareness of regulatory compliance, and that it was the most important management priority to take measures to eliminate Mr. Koike's influence on the management and officers and employees and to eliminate or deter the influence as a major shareholder. On that basis, the Target Company believes that, by conducting the Transaction, it will be possible for the Target Company to completely eliminate Mr. Koike's influence and to manage with an awareness of regulatory compliance.

(B) Utilization of the Tender Offeror's financial resources and creditworthiness

As stated in "a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" above, the Target Company is currently in a harsh management environment, including suffering a significant deterioration in financial institutions' willingness to provide financing due to the receipt of the Recommendation on June 20, 2023 and Mr. Koike's majority ownership of the Target Company's Stock. However, the Target Company believes that the Transaction will enable the Target Company to quickly eliminate Mr. Koike's influence, and as a result, the Target Company will be able to enhance its creditworthiness from the financial institutions through the utilization of the Tender Offeror's creditworthiness, and to acquire further financial resources through the Tender Offeror's intra-group financing system.

(C) Strengthening of profitability through utilization of the Tender Offeror's logistics and other systems, sales know-how and reduction of material costs

The Tender Offeror has a successful logistics system in place, which the Target Company is struggling with. The Tender Offeror has also made progress in systematizing its operations, which the Target Company is lagging behind in. Therefore, the Target Company believes that the Transaction will enable the Target Company to utilize the logistics and other systems owned by the Tender Offeror and operate more efficiently and strengthen its profitability.

The Target Company also believes that through the Transaction, the Target Company will be able to strengthen its profitability by utilizing the sales know-how of the Tender Offeror.

In addition, because the Target Company is engaged in the building contractor business and in the sale and construction business of stand-alone houses, as with the Tender Offeror Group, the Target Company believes that by becoming a group company of the Tender Offeror, the Target Company can strengthen its profitability by reducing costs of sourcing materials.

(D) Improvement of employees' morale

The Target Company believes that, because the Transaction will expand the market share of the real estate business of the Target Company as a member of the Tender Offeror Group, the morale of the employees will improve depending on the performance and attitude that the Target Company can demonstrate in that situation.

The Target Company considered the possibility of the deterioration in the creditworthiness, the negative impact on the recruitment of new employees and the retention of existing employees, and the deterioration in the morale of employees due to differences in corporate culture as a result of being delisted and going private by the Transaction, and believes (i) that the continuation of severe business environment, such as a significant deterioration in the lending policy of the financial institutions, would be more likely to lead to a decline in the creditworthiness of the Target Company, which would have a negative impact on the recruitment of new employees and the retention of existing employees, and (ii) that given the management policy, etc. after the consummation of the Transaction (please refer to "c. Management Policy after the Tender Offer" below), as the autonomy of the Target Company's business operations is expected to be respected, the outflow of human resources due to differences in the corporate culture can be prevented by providing full explanation to employees.

In addition, the Target Company has determined that the fairness and validity of the transaction terms of the Transaction, including the Tender Offer Price, have been ensured from the following perspectives.

(a) The Tender Offer Price is sufficiently high in light of the valuation result of the Target Company's Stock by Frontier Management, as it is above the range of the results of the valuation under the average market share price analysis, within the range of the results of the valuation under the comparable company analysis, and within the range of the results of the valuation under the discounted cash flow analysis ("DCF analysis") in the valuation of the Target Company's Stock conducted by Frontier Management in Target Company's Valuation Report, which is explained in "b. Obtaining of the Share Valuation Report from an Independent Third-Party Valuation organization by the Target Company" under "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below. Although the Tender Offer Price is close to the lower end of the valuation range resulting from the DCF analysis, the Special Committee is of the view that such price should not necessarily be considered to be close to the lower end of the range considering the achievability of the underlying business plan because, as to fiscal year ending in August 2026, which is the last year covered by such business plan, the planned performance is subject to certain assumptions such as enhancement in the company's workforce.
(b) The Tender Offer Price is the price agreed upon as a result of sufficient negotiations with the Tender Offeror after sufficient measures have been taken to secure the fairness set forth in "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.
(c) The Report obtained from the Special Committee, as described in "d. Target Company's Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee" under "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below, determined that the fairness and the validity of the transaction terms of the Transaction (including the purchase price in the Tender Offer) have been ensured from the perspective of protecting the interests of the Target Company's general shareholders, based on the fact (i) that the transaction terms of the Transaction, including the Tender Offer Price, is valid in light of the results of the calculation of the Target Company's Stock conducted by Frontier Management, the independent third-party valuation organization, (ii) that the negotiation with the Tender Offeror was conducted in accordance with

the negotiation policy determined by the Special Committee, and that (iii) there is nothing unreasonable in the manner of the Transaction.

(d) It is highly desirable to dispose of the Target Company's Stock owned by Koike Group, and the disposition of the Target Company's Stock owned by Koike Group is not subject to conditions that will leave Mr. Koike's influence over the Target Company.

(e) The maximum number of shares to be purchased is not set, and the minimum number of shares to be purchased (14,144,700 shares) is set. This term should be considered reasonable because (i) although the Transaction is a prerequisite for delisting or making the Target Company a wholly owned subsidiary by setting a minimum number of shares to be purchased, the conversion of the Target Company into a wholly owned subsidiary of the Tender Offeror is, as stated in (B) of "(iii) Details of decision" in "b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor" under "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer," considered to contribute to enhancing corporate value, as it is considered that the Tender Offeror provides adequate financial support and enhances creditworthiness as a group company, (ii) given that Koike Group's shareholding percentage of the Target Company's Stock is 64.21%, even if an tender agreement is executed with Koike Group, a pro rata settlement is required if the number of shares applied exceeds the maximum number of shares, which may result in the inability to acquire all of the shares owned by Koike Group, and (iii) the general shareholders will have an opportunity to apply and to liquidate their shares by not setting the maximum number to be purchased.

(f) The Tender Offer Period shall be from August 17, 2023 to September 28, 2023 (30 business days). This term should be considered reasonable because by setting the Tender Offer Period longer than 20 business days, which is the lower limit of tender offer period set forth in Article 27-2, Paragraph 2 of the Act and Article 8, Paragraph 1 of the Enforcement Order, shareholders will have a sufficient opportunity to consider and apply for the Tender Offer, and it provides an opportunity for counter-tender offer, thereby securing an objective situation that secures the appropriateness of prices.

(g) There is no so-called trade protection clause, and there is no other restrictive agreement with the Tender Offeror.

In addition to the above, the Target Company has also reflected on the fact that the Tender Offer Price (2,025 yen) is below 2,737 yen, which is the amount of net assets per share calculated based on the book value of the net assets of the Target Company as of May 31, 2023 (a discount of 26.01%). However, if the Target Company is liquidated, it is assumed that the book value of the net assets will not be converted to the same amount, and the amount that will be ultimately distributed to its shareholders will be substantially impaired from the book value of the net assets of the Target Company, because (i) the value of net assets describes the liquidation value of a company and does not reflect future profitability, (ii) although the Target Company does not specifically calculate the amount that could be distributed to its shareholders in the case where the Target Company is liquidated, there are considerable amounts of real estate for sale and land and buildings (on the balance sheet of the Target Company (at the end of May 2023), the percentage of these assets ("Real Estate for Sale" (65,012 million yen); "Real Estate for Sale in Process" (50,863 million yen); "Buildings and Structures, net" (4,202 million yen); and "Land" (3,657 million yen) to the entire assets (159,683 million yen) is 77.49%), which would require a significant decline of value upon immediate or quick sale at the time of liquidation, (iii) in the event of liquidation of the Target Company Group including subsidiaries, it is assumed that a premium retirement allowance for employees, real estate appraisal expenses, demolition fees of the building, professional fees such as legal fees and other considerable additional costs will be incurred in connection with the liquidation of the company (for the avoidance of doubt, the Target Company has not obtained quotations on the basis of liquidation, and has not confirmed that the Tender Offer Price exceeds the liquidation value per share that is calculated by taking into account the estimated liquidation cost of the Target Company through specific consideration. Based on these perspectives, the Target Company determined that it was difficult to adopt the idea that the book value of the net assets per share would be the lowest fair value of the Target Company's Stock.

Based on the above, the Target Company determined that the Transaction will contribute to the enhancement of its corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable, expressed its opinion in support of the Tender Offer in accordance with the resolution of the Target Company's Board of Directors held on August 16, 2023, and decided to recommend that all shareholders of the Target Company tender their shares in the Tender Offer. For details of the Target Company's Board of Directors resolution mentioned above, please refer to "e. Unanimous Approval by All of the Non-Interested Directors and No Objection from Any of the Non-Interested Audit and Supervisory Board Members of the Target Company" in "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

Although the Target Company had been reviewing the Oasis proposal in conjunction with the Tender Offeror's considerations, it believes that Oasis is contemplating a tender offer with a price lower than the market price. In light of the status of the current negotiations under which Mr. Koike is not inclined to accept such a preliminary offer, the feasibility of the Transaction is considered low. It is highly likely that the objective of eliminating Mr. Koike's influence might not be achieved. It would be preferable to adopt a quicker closing schedule as proposed by the Tender Offeror to eliminate or mitigate the influence of Mr. Koike over the management and officers, as well as to limit his influence as a major shareholder. Taking into account the report of the Special Committee on August 16, 2023, which confirms that the fairness and appropriateness of the terms of the Transaction are assured, even when compared to the

Oasis proposal, the Tender Offeror has untimely determined that accepting the proposal would be the best approach to enhance the corporate value of the Target Company.

c. Management Policy after the Tender Offer

Regarding the management policy of the Target Company after the completion of the Tender Offer, the Tender Offeror intends to take measures to realize the various synergies largely described in "a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" above, as concrete measures of the management strategy to enhance the Target Company's corporate value. However, the Tender Offeror plans to determine the details and methods of the measures after the completion of the Transaction in consultation with the Target Company while respecting the autonomy of the Target Company's business operations.

In addition, the Tender Offeror will, by acquiring all of the Target Company's Stock owned by Koike Group, eliminate Mr. Koike's influence in the Target Company, promote the restructuring of the Target Company's governance system, and work to develop the Target Company's businesses while rebuilding the relationships between the Target Company and its customers, business partners, financial institutions, and employees.

Regarding the management structure and the composition of the Board of Directors of the Target Company after the Tender Offer, there are no matters that have been agreed with the Target Company as of today regarding the management policy after the Transaction, including matters concerning the dispatchment of directors and other matters concerning Target Company personnel. However, the Tender Offeror expects to dispatch the directors from the Tender Offeror Group to the Target Company and to continue to treat the Target Company's employees the same. The Tender Offeror does not anticipate that Mr. Koike will be involved in the management of the Target Company after the Tender Offer in order to eliminate the influence of Mr. Koike on the Target Company.

Furthermore, depending on the specific circumstances in which the Target Company may be placed after the implementation of the Transaction, the Tender Offeror plans to provide to the Target Company (i) credit enhancement and capital support and (ii) sufficient support for the restructuring of the Target Company Group's governance system. As part of such support, the Tender Offeror will collaborate with SMBC, the main banking partner of the Tender Offeror and the Target Company, and, based on the creditworthiness of the Tender Offeror Group, will aim to facilitate and stabilize financing from the Target Company's financial institution partners, including SMBC.

(3) Matters Concerning Material Agreement Related to Tender Offer

a. Tender Agreement

The Tender Offeror entered into the Tender Agreement with Koike Group as of August 16, 2023 and it was agreed that Koike Group will tender all of the Prospective Tendered Shares (13,623,000 shares, shareholding percentage 64.21%) in the Tender Offer (the "**Tender**"). The Tender Offeror has not reached any agreement, other than the Tender Agreement, with Koike Group with respect to the Tender Offer, and there are no benefits, other than the money to be received in exchange for the Tender, to be provided to Koike Group by the Tender Offeror.

The summary of the Tender Agreement is as follows:

(a) Tender and No Withdrawal of Tender by Koike Group

In the Tender Agreement, Koike Group are required to make the Tender basically within 18 business days at the latest after the date on which the Tender Offeror commences the Tender Offer. In addition, the Tender Agreement provides that Koike Group shall not withdraw the Tender after the Tender is made and shall not cancel the contract for the purchase of the Target Company's Stock owned by Koike Group to be established by the Tender ("**No Tender Withdrawal, etc.**"). In addition, under the Tender Agreement, the fulfillment of the obligations of Koike Group related to the Tender Offer and the No Tender Withdrawal, etc. is subject to all of the conditions below being met. However, Koike Group may, at their discretion, waive any of such conditions.

(i) The Tender Offer has been duly and validly commenced and has not been withdrawn as of the commencement date;

(ii) There are no material errors in the representations and warranties of the Tender Offeror as of the date of the Tender Agreement and commencement date of the Tender Offer;

(iii) There is no material breach of any of the obligations provided in the Tender Agreement with respect to the Tender Offeror; and

(iv) The Board of Directors of the Target Company has made a resolution expressing its opinion in support of the Tender Offer, such resolution has been publicly announced, and the Target Company continues to maintain such expression of support.

(b) Covenants by Koike Group

In the Tender Agreement, Koike Group covenants as follows:

(i) After the execution date of the Tender Agreement until the commencement date of the settlement for the Tender Offer, Koike Group shall not transfer, create a security interest over or otherwise dispose of the Prospective Tendered Shares, nor engage in any other transaction that substantially conflicts with the Tender Offer or makes it difficult to implement the Tender Offer, nor reach any agreement in connection therewith, nor make any proposal, solicitation, discussion, negotiation or provision of information in connection with such transaction, and if Koike Group receive any provision of information, proposal, solicitation, discussion or other offer from a third-party in connection with such transaction, Koike Group shall promptly notify the Tender Offeror of such fact and the details thereof.

(ii) After the execution date of the Tender Agreement until the commencement date of the settlement for the Tender Offer, Koike Group shall not exercise their right to request to convene the Target Company's general meeting of shareholders (Article 297 of the Companies Act), the right to propose agenda items (Article 303, Paragraphs 1 and 2 of the Companies Act), the right to submit proposals (Article 304 and Article 305, Paragraph 1 of the Companies Act), and other shareholders' rights without the prior written consent of the Tender Offeror.

(iii) If the Target Company holds a general meeting of shareholders for which the record date for the exercise of voting rights is set to any date before the commencement date of the settlement for the Tender Offer, Koike Group shall, at the option of the Tender Offeror, either (i) exercise the voting rights attaching to the Prospective Tendered Shares in accordance with the instructions of the Tender Offeror, or (ii) grant proxy rights as designated by the tender Offeror to the person designated by the Tender Offeror, at such a general meeting of shareholders.

(iv) Koike Group shall, in accordance with the reasonable request of the Tender Offeror, report to the Tender Offeror the status of the Tender and the status of implementation of the procedures required for the Tender.

(v) If the Tender Offer is successful, Mr. Koike will promptly consult with the Tender Offeror after the commencement date of the settlement for the Tender Offer regarding the disposition of the shares of MELDIA DC he holds, whether through market sale or other methods.

(c) Representations and Warranties

In the Tender Agreement, Koike Group make representations and warranties, as of the execution date of the Tender Agreement, the date of the Tender and the commencement date of the settlement for the Tender Offer (or if any other date is specified, as of such date), as to (i) the legality and validity of the incorporation and existence of Rachel, (ii) the authority etc. to execute and perform the Tender Agreement, (iii) the enforceability, (iv) acquisition of relevant permits and authorization, etc., (v) non-existence of any conflict with laws and regulations, etc., (vi) non-existence of insolvency proceedings, etc., (vii) ownership of the Target Company's Stock, and (viii) non-existence of any unannounced facts or events that could have a material adverse effect on the Target Company until Mr. Koike resigned as the Representative Director of the Target Company.

In addition, in the Tender Agreement, the Tender Offeror makes representations and warranties, as of the execution date of the Tender Agreement, the date of the Tender and the commencement date of the settlement for the Tender Offer, as to (i) the legality and validity of the incorporation and existence of the Tender Offeror, (ii) the authority etc. to execute and perform the Tender Agreement, (iii) the enforceability, (iv) acquisition of relevant permits and authorization, etc., (v) non-existence of any conflict with laws and regulations, etc., and (vi) non-existence of insolvency proceedings, etc.

(d) Provisions Regarding Anti-Social Forces

In the Tender Agreement, Koike Group represent and warrant that, as of the execution date of the Tender Agreement, the date of the Tender and the commencement date of the settlement for the Tender Offer (or if any other date is specified, as of such date), Koike Group are not anti-social force related persons and do not have a close relationship with anti-social force related persons or persons subject to the regulation (except for the case in relation to which the Target Company was subject to the Recommendation).
In addition, it is provided that in connection with the execution of the Tender Agreement or making the Tender, Koike Group shall not engage in any act that would give rise to suspicion that such act will promote the activities of organized crime groups or contribute to the management of organized crime groups. It is provided that, on and after the execution date of the Tender Agreement, Koike Group shall not provide any cooperation or any fund to anti-social force related persons or conduct any transaction with anti-social force related persons and that Koike Group shall not directly or indirectly provide the whole or a part of consideration received for the Tender to anti-social force related persons.

It is provided that the Tender Offeror may terminate the Tender Agreement without notice if Koike Group are in breach of any of the foregoing.

(e) Penalty Payment Provisions

According to the Tender Agreement, as the penalty payment provisions, if Koike Group violate their obligations regarding the Tender or the No Tender Withdrawal, etc., Koike Group shall jointly and severally pay the Tender Offeror an amount equivalent to 5% of the amount obtained by multiplying the Tender Offer Price by the number of Prospective Tendered Shares. In addition, if the Tender Offeror terminates the Tender Agreement pursuant to the provisions regarding anti-social forces above, and the Tender is not made or withdrawn by Koike Group, Koike Group are deemed to have violated the above obligations.

b. Confirmation Letter

The Tender Offeror has received the Confirmation Letter as of August 16, 2023 from the Target Company. In the Confirmation Letter, the Target Company confirms, represents and covenants to the Tender Offeror (i) that the information publicly announced by the Target Company or disclosed to the Tender Offeror in connection with the Tender Offer is true and accurate in all material respects, (ii) that there are no events, other than those publicly announced by the Target Company or disclosed to the Tender Offeror, that would materially affect the assets, liabilities, financial condition, operating results, cash flow status, or future earnings plans of the Target Company Group, (iii) that there are no omissions in material respects with respect to matters that the Target Company is required to disclose in accordance with applicable laws and regulations, (iv) that there are no undisclosed material adverse facts concerning the Target Company, and (v) that until the completion of the Transaction or the failure of the Tender Offer, the Target Company shall execute its business and maintain, manage and operate its assets with the care of a good manager, and if it intends to take any action that may materially affect its assets or rights and obligations, it shall consult and agree between the Tender Offeror and the Target Company prior to doing so.

(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest

As of today, the Tender Offeror does not own any Target Company's Stock and the Tender Offer does not constitute a tender offer by a controlling shareholder. Also, the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) transaction. However, considering, for example, that the Tender Offeror has entered into the Tender Agreement with Koike Group, who own Target Company's Stock (13,623,000 shares (shareholding percentage: 64.21%)) and that the Tender Offer will be implemented as part of the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Target Company have taken the following measures to eliminate the arbitrariness and the risk of conflicts of interest in the decision-making process that resulted in the decision to implement the Tender Offer as well as to ensure the fairness and transparency of the Transaction, while ensuring the fairness of the Tender Offer Price.

As of today, Koike Group own 13,623,000 shares of the Target Company's Stock (shareholding percentage: 64.21%). Therefore, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called "Majority of Minority" ("**MoM**") through the Tender Offer given the possibility that setting such number would make the successful completion of the Tender Offer become uncertain and that, in practice, would not contribute to the interests of minority shareholders who wish to tender their shares in the Tender Offer. However, since the Tender Offeror and the Target Company have implemented the following measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Tender Offeror is of the view that the interests of the Target Company's minority shareholders have been fully considered.

The statements concerning the measures implemented by the Target Company described below are based on the Target Company's Press Release and explanations received from the Target Company.

a. Obtaining of the Share Valuation Report from an Independent Third-Party Valuation Organization by the Tender Offeror

The Tender Offeror requested SMBC Nikko Securities, a financial advisor, as a third-party valuation organization independent from the Tender Offeror Group, the Target Company Group and the Wider Koike Group, to evaluate the share value of the Target Company's Stock for determining the Tender Offer Price.

For details, please refer to "a. Basis of Calculation" in "(4) Basis of Calculation, Etc. of Price for Purchase" under "2. Outline of Purchase" below.

b. Obtaining of the Share Valuation Report from an Independent Third-Party Valuation Organization by the Target Company

According to the Target Company's Press Release, the Target Company, in expressing its opinion regarding the Transaction, including the Tender Offer, requested Frontier Management as a third-party valuation organization independent from any of the Tender Offeror Group, the Target Company Group and the Wider Koike Group, to evaluate the share value of the Target Company's Stock, and obtained the Target Company's Valuation Report on August 15, 2023. Frontier Management is not a related party to the Tender Offeror Group, the Target Company Group or the Wider Koike Group, and has no material interest in the Transaction, including the Tender Offer. Also, since the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest were taken, the Target Company determined that the fairness related to the Transaction was sufficiently ensured; therefore, the Target Company has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Frontier Management.

After examining which share valuation analysis method should be adopted for assessing the value of the shares of the Target Company's Stock from among several share valuation analysis methods, Frontier Management assessed the share value of the Target Company's Stock adopting the following methods, on the assumption that the Target Company is a going concern, and based on the view that multifaceted evaluation of the Target Company's Stock would be appropriate: (i) the average market share price analysis, because the Target Company's Stock is listed on the Prime Market of the Tokyo Stock Exchange and the market prices are available for the Target Company's Stock, (ii) the comparable company analysis, because there are several comparable listed companies similar to the Target Company and an analogous inference of the share value of the Target Company's Stock is possible through a comparison with the market value of such companies, and (iii) the DCF analysis, so as to reflect the status of future business activities in evaluating the share value.

Each value per share of the Target Company's Stock as assessed by Frontier Management based on the foregoing methods is as follows:

Average market share price analysis:	1,488 yen to 1,716 yen
Comparable company analysis:	1,032 yen to 2,571 yen
DCF analysis:	1,915 yen to 3,025 yen

Under the average market share price analysis, with August 15, 2023, the business day immediately preceding the announcement date of the Tender Offer, set as the record date for the valuation, the range of the value per share of the Target Company's Stock was assessed to be from 1,488 yen to 1,716 yen, based on, with respect to the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange, the closing price of the record date for the valuation, which was 1,716 yen, the simple average of the closing price for the most recent one (1) month period, which was 1,520 yen, the simple average of the closing price for the most recent three (3) month period, which was 1,488 yen, and the simple average of the closing price for the most recent six (6) month period, which was 1,497 yen.

Under the comparable company analysis, the range of the value per share of the Target Company's Stock was assessed to be from 1,032 yen to 2,571 yen by comparing the market share prices and financial indicators showing profitability of the listed companies engaged in a business relatively similar to that of the Target Company.

Under the DCF analysis, the range of the value per share of the Target Company's Stock was assessed to be from 1,915 yen to 3,025 yen as a result of assessing the corporate value and the share value of the Target Company by discounting the free cash flow that is expected to be generated by the Target Company to the present value using a certain discount rate, based on the earnings estimates set by the Target Company with consideration for various factors, such as the Target Company's business plan as of July 28, 2023, provided by the Target Company to Frontier Management, for the period from the fiscal year ending August 2024 through the fiscal year ending August 2026 (the "**Business Plan**") and publicly available information.

This Business Plan was prepared based on the assumption that transactions with the financial institutions will resume in the future regardless of whether this Transaction is executed, while considering the impact of this Notice. This Business Plan is not based on the assumption that this Transaction will be carried out because it was difficult to specifically estimate the impact of this Transaction in the event that it is executed.
In addition, although this Business Plan was prepared under the circumstances where the investigation by the Third-Party Committee had not been completed, as of July 26, 2023, Frontier Management

confirmed that the Target Company obtained an opinion from its auditor that the monetary significance of the Recommendation was low, and determined (i) that it is unlikely that the content of the investigation report of the Third-Party Committee that was scheduled to be published on August 15 2023 will significantly change the auditor's opinion, and (ii) that, in fact, after the publication of this investigation report on August 15, 2023 and confirming the content of that report, the impact on the Business Plan would be within the scope of the impact of the Recommendation that had been considered in the Business Plan.

Further, as described in the "Notice of Submission of an amendment report for the previous fiscal year" disclosed on August 16, 2023, an amendment was made for the prior fiscal year's securities reports, etc. of the Target Company. However, the amendment was made in accordance with the fact that the sales to be recorded in November 2019 were recorded in August 2018, and since there was no effect on the Target Company's financial statements for the fiscal year ending August 2021 and thereafter, it was confirmed that there was no impact on the Business Plan.

This Business Plan does not include a fiscal year in which the Company expects a significant increase or decrease in profit compared with the previous fiscal year.

Under this Business Plan, the Target Company is to accumulate inventories of real estate for sale during the planned period, so it expects a free cash flow of 6,310 million yen for the fiscal year ending March 2025, which is a 64.5% decrease compared with the previous fiscal year, and 2,173 million yen for the fiscal year ending March 2026, which is a 65.5% decrease compared with the previous fiscal year.

In addition, as stated in "d. Target Company's Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee" below, the Special Committee confirmed whether the contents, material assumptions and preparation process of the Business Plan were reasonable based on the opinion and advice received from Frontier Management together with receiving an explanation from the Target Company on the contents and preparation process of the Business Plan, and although there is some doubt about the reasonableness of such plan since the possibility of achieving the target figure for the financial year ending August 2026 remains uncertain due to personnel related issues, etc. However, even in light of questions and answers with the Target Company, no anomalies were found in the specific figures. Therefore, we believe that it is acceptable to use the Business Plan as the basis for the calculation under the DCF analysis.

c. Advice from an Independent Law Firm Received by the Target Company

According to the Target Company's Press Release, to ensure the fairness and propriety of the decision-making by the Target Company's Board of Directors, the Target Company has retained City-Yuwa as a legal advisor independent from any of the Tender Offeror Group, the Target Company Group and the Wider Koike Group, and has received legal advice regarding the points to note in decision-making on the Tender Offer, including the process and method of decision-making by the Target Company's Board of Directors.

City-Yuwa is not a related party to any of the Tender Offeror Group, the Target Company Group or the Wider Koike Group, and has no material interest in the Transaction, including the Tender Offer.

In addition, the compensation to City-Yuwa does not include a contingent fee payable upon the consummation of the Transaction.

d. Target Company's Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee

(i) The Establishment, Etc. of the Special Committee

According to the Target Company's Press Release, although the Tender Offer does not constitute a management buyout or transaction with controlling shareholders, as this Transaction is intended to make the Target Company a wholly-owned subsidiary of the Tender Offeror and given the significant impact on the Target Company's general shareholders, based on City-Yuwa's advice, in order to carefully handle the Target Company's decision-making regarding the Transaction, eliminate arbitrariness in the decision-making process of the Target Company's Board of Directors and to ensure the fairness, transparency, and objectivity of such process, as a part of its measures to secure fairness, the Target Company established on July 18, 2023 the Special Committee, which is composed of the following three (3) persons - Mr. Naozumi Nishimura (the Target Company's External Director), Ms. Naoko Sato (the Target Company's external Audit and Supervisory Board Member) and Mr. Mitsuhiro Hasegawa (attorney-at-law and former chairman of the Securities and Exchange Surveillance Commission; appointed as external expert to the Special Committee to compliment the Special Committee's legal insight), and is independent from any of the Tender Offeror Group, the Target Company Group and the Wider Koike Group, . Each member of the Special Committee shall be provided a fixed amount as compensation, regardless of the content of their Report. According to the Target Company, there has been no change from these three members of the Special Committee whom the Target Company appointed from the time of commencement of the Special Committee.

In deciding to establish the Special Committee, the Target Company's Board of Directors consulted with the Special Committee on the following: (i) the appropriateness and reasonableness of the purpose of the Transaction; (ii) the fairness and adequacy of the terms and conditions of the Transaction (including the adequacy of the method of implementing the Transaction and the type of consideration); (iii) the fairness of the procedures of the Transaction (including examination of what and to what extent measures to ensure fairness should be taken); and (iv) whether or not it agreed with the Tender Offer and whether or not it would recommend that the Target Company's shareholders participate in the Tender Offer, (v) whether or not the execution and implementation of this Transaction would be disadvantageous to minority shareholders of the Target Company (collectively the "**Consultation Items**"). Furthermore, the Target Company's Board of Directors resolved at the same time to respect, to the maximum extent, the Special Committee's opinion in deciding matters concerning the Transaction, and to not decide to implement the Transaction if the Special Committee determined that the Transaction was inadequate.

In addition, the Target Company's Board of Directors granted the Special Committee the following authority: (i) to become substantively involved in the negotiation process (in addition to the authority to engage in negotiations with the Tender Offeror, in the case where negotiations with the Tender Offeror are conducted by members or advisers of the Target Company, the authority to receive reports on the status of the negotiation in a timely manner and to give instructions and make requests in important situations in order to have a substantive involvement in the negotiation of transaction terms), (ii) to appoint or designate and approve advisors, etc. (the authority to select its own external advisors, etc. (financial advisors, third-party appraisers, legal advisors, etc.; Target Company to bear these costs), to designate or approve (including subsequent approval) any external advisors, etc. selected by the Target Company, and to utilize the advisors selected by the Target Company when the Special Committee determines that it can rely on them for expert advice), and (iii) to collect information (the authority to collect all information required for the Report from directors and employees of the Target Company, and external advisors). In response, since in relation to Frontier Management, the financial advisor and third-party valuation organization of the Target Company, and City-Yuwa, the legal advisor of the Target Company, there were no issues regarding their respective independence and expertise, the Special Committee approved them respectively as financial advisor and third-party valuation organization and legal advisor of the Target Company and further confirmed that the Special Committee would be able to receive expert advice from them as needed. The Special Committee has not appointed an advisor only for the Special Committee.

(ii) Examination Process

The Special Committee was convened for a total of eight (8) times from July 19, 2023, to August 15, 2023, during which the Consultation Items were carefully discussed and examined. Specifically, the Special Committee asked the Target Company to provide relevant materials and explain the significance of the Transaction, the pros and cons of the Transaction, and the management policy after the Transaction. The Target Company responded to the Special Committee's questions in these regards. In addition, the Special Committee received explanations from the Tender Offeror on the background of the proposal for the Transaction, the purpose of the Transaction, the pros and cons of the Transaction, and the positioning of the

Target Company in the business portfolio of the Tender Offeror Group after the implementation of the Transaction. The Tender Offeror responded to the Special Committee's questions in these regards. In addition, based on the opinions and advice received from Frontier Management, the Special Committee confirmed the rationality of the Business Plan prepared by the Target Company for the period from August 2024 to August 2026, its important assumptions, and its preparation process. Frontier Management explained the calculation method used to calculate the share 0value of the Target Company's shares based on this Business Plan, the reason for adopting the calculation method, and the contents of the calculation using each calculation method. After asking Frontier Management several questions and deliberation/review, the Special Committee confirmed the rationality of these matters.

In the above process, the Special Committee has received legal advice from City-Yuwa on measures to ensure fairness in this Transaction and measures to avoid conflicts of interest, as well as other matters related to this Transaction in general.

Further, the Special Committee has received timely reports from the Target Company on the details of the discussions and negotiations concerning the Transaction between the Tender Offeror and the Target Company. The Special Committee was then convened to discuss the approach of the deliberations and negotiations. The Special Committee has been substantially involved in the negotiation process with the Tender Offeror by expressing its views on several occasions until an agreement was reached to the effect that the Tender Offer Price shall be 2,025 yen.

(iii) Decision

Through the process described above, the Special Committee carefully deliberated on and examined the Consultation Items and submitted the Report to the Target Company's Board of Directors, by a unanimous decision of the committee members, on August 16, 2023, the content of which is summarized below.

(A) The Transaction can be considered reasonable, intended for a legitimate purpose, and contributing to increasing the corporate value of the Target Company.

- The Target Company developed its business focusing on construction and sales in lots of 3-story wooden homes aimed at first time buyers located mainly within the Kanjo 8 Line ring road area of Tokyo. After becoming publicly listed, the geographical area of operations was expanded to the outer suburbs of Tokyo and the scope of business increased to 2-story dwellings. The strength of the Target Company lies in how it expanded its business through supplying dwellings of differing designs aimed at diverse individual market segments and adjusted to the size and shape of the building lot, even in the case of ready-built housing, under the business model of "Never Build the Same House Twice." Currently, the Target Company is engaged in profitable real estate sales and rental housing with a focus on single-family homes sales business.

- However, on September 12, 2022, the Target Company was subjected to a search by police based on a search and seizure warrant which named as one of the four suspects Mr. Koike, who was at that time the Representative Director and President of the Target Company, and stated the alleged facts being investigated as an incident where a portion of the payment for demolition work ordered by the Target Company had been received by anti-social forces and stated the crime as "violation of the Companies Act (aggravated breach of trust)" under Article 960, Paragraph 1, Item 2 of the Companies Act. After this search of the Target Company, some financial institutions adopted a watchful stance, monitoring the progress of the investigation and refusing to offer new loans. In order to improve this situation, Mr. Koike resigned as the Representative Director and the Director of the Target Company on November 1, 2022. However, because Mr. Koike remained a major shareholder of the Target Company, some financial institutions continued to take a cautious financing position, monitoring the progress of the investigation.
- Further, the Tokyo Metropolitan Public Safety Commission issued the Recommendation to the Target Company and the Target Company formulated and implemented "measures necessary for preventing the occurrence of the act violating the provisions" pursuant to Article 27 of the Organized Crime Groups Elimination Ordinance. The heart of such "necessary measures" is to eliminate the influence of Mr. Koike, who resigned as the Representative Director and the Director on November 1, 2022, over the management of the Target Company and restore sound management based on compliance to the Target Company. In addition, causing Mr. Koike to dispose of his Target Company's Stock has become a crucial management goal in restoring faith in the Target Company.
- The Target Company changed its management structure and under a new organizational structure commenced strengthening its governance and compliance. However, with respect to the relationship with the Target Company's business partners, after the Target Company's receipt of the Recommendation, the financing attitude of the financial institution partners towards the Target Company became more cautious although the Target Company obtained the understanding of partner companies in some business areas including housing materials, etc. In particular, on June 26, 2023, the Target Company received a "Notice of Acceleration" from one financial institution the Target Company has transactions with stating that the Target Company was in breach of the anti-social force provisions contained in the loan documents. Further, the receipt of housing loans from some internet-based banks stopped and some cases have arisen where customers who were to purchase

real estate from the Target Company experienced difficulties in obtaining financing and the Target Company is facing circumstances where, if necessary, it will have to reduce the sale price.

- In relation to the financial institution from which the Target Company received a “Notice of Acceleration,” the Target Company asked for reconsideration of its position and, with respect to other financial institutions, the Target Company held a bank meeting on July 3, 2023, where the Target Company asked the banks to “maintain the balance of financial liabilities;” and specifically asked them to refrain from requesting acceleration and exercising set-off rights with respect to existing borrowings until August 31, 2023, in order to avoid a cross-default. However, the possibility cannot be denied that the financial institutions might take a firmer stance after the Report from the Third-Party Committee of the Target Company is submitted on August 14, 2023 and publicly announced on August 15, 2023. The possibility cannot be denied either that each financial institution might newly issue a notice of acceleration or take similar actions, which may result in commencing a legal insolvency proceeding.
- For these reasons, it is necessary for the relationship between Mr. Koike and the Target Company to be blocked and eliminated, faith in the Target Company from the financial institutions to be restored, and financial transactions regarding the Target Company to be returned to normal. In addition, the Target Company is in a situation where it must increase its ability to make sales, however, with Koike Group continuing to own 64.21% of the Target Company’s Stock there are limits on blocking and eliminating the influence of Mr. Koike in the Target Company.
- In light of the above business environment and management goal, the Target Company recognizes that implementation of the Transaction, which removes Koike Group as shareholders of the Target Company, would result in blocking and eliminating the influence of Koike Group in the Target Company, and, moreover, creating an even tighter relationship with the Tender Offeror, which will thereby swiftly restore faith in the Target Company from the financial institutions and normalize financial transactions as well as rapidly progress the mutual use of management recourses and know-how. Based on the above, the Target Company believes that the Transaction is the best option to realize an increase in the corporate value of the Target Company.
- In addition, the Target Company has informed the Tender Offeror that it would not, in connection with the Transaction, accept any conditions which would allow Mr. Koike to retain his influence in the Target Company. In response, the Tender Offeror has explained that it also recognizes that it is important for the Target Company to be free from the influence of Mr. Koike in order to ensure the sound operation and development of its management and business while rebuilding

relationships with its customers, business partners, financial institutions and employees. This point has been directly confirmed by the Special Committee as well through the Tender Offeror's answers to the written questions and its responses to the questions in a question and answer sessions asked by the Special Committee.

- As discussed above, swift normalization of financial transactions by restoring faith in the Target Company from the financial institutions and strengthening of sales force would contribute to increasing the Target Company's corporate value. Under such situation, the Target Company recognizes that the purpose of the Transaction is to increase corporate value of the Target Company by rapidly progressing the mutual utilization of management resources and know-how, together with blocking and eliminating the influence of Mr. Koike in the Target Company through creating an even tighter relationship with the Tender Offeror. The Special Committee also acknowledges that there is no unreasonable point in the Target Company's understanding of the business environment and management goals surrounding the Target Company; therefore, the Special Committee confirms that the above purpose is legitimate and reasonable.
- Further, the Tender Offeror and the Target Company anticipate that through the Transaction there will be synergies for the Target Company in (A) utilization by the Target Company of the Tender Offeror's financial resources and creditworthiness , (B) strengthening of profitability through utilization of the Tender Offeror's logistics and other systems, sales know-how and reduction of material costs, and (C) improvement of employees' morale; and for the Tender Offeror, in addition to the above, there will be synergies in (AA) expansion in the product line-up of the Tender Offeror, (BB) utilization of information and sales volume in the single-family homes related business, (CC) strengthening of sales force through mutual use and application, (DD) improvement in cost competitiveness by strengthening various purchasing powers from leveraging economies of scale, and (EE) increased profitability through collaboration. Based on the results of the Tender Offeror's and the Target Company's responses to the questions asked by the Special Committee, it is considered that the content of their responses was reasonable and that certain synergies can be expected from the Transaction.
- On the other hand, based on the results of the Tender Offeror's and the Target Company's responses to the questions asked by the Special Committee, disadvantages of the Transaction may be considered as the lowering of confidence in the Target Company and the negative impact on hiring new employees and retaining existing employees arising in conjunction with the Target Company ceasing to be a public company and being privatized as well as a decrease in morale

of the employees due to differences in corporate culture and environment. However, the continuation of difficult management conditions, such as the financing stance of the financial institutions greatly deteriorating, can be considered as having a greater bearing on the decline in confidence in the Target Company and as having at least as large a negative impact on the hiring of new employees and retaining existing employees. Further, it is expected that the independence of business operations of the Target Company will be respected post-Transaction and the departure of human resources based on differences in corporate culture and environment may be considered be preventable by providing full explanation to the employees. Based on the above, it may be considered that a concrete review of the disadvantages of the Transaction has been made and no particular unreasonable points have been identified in the content of that review. Based on the results of that review, the disadvantages of the Transaction are limited and, even in relation to the disadvantages for which there is a possibility of arising, it is acknowledged that the Target Company plans to take certain measures. In any event, any disadvantages that clearly outweigh the advantages arising from the Transaction have not been identified.

- Based on the above, the Special Committee considers that the Transaction will contribute to increasing the corporate value of the Target Company and the purpose of the Transaction, including the Tender Offeror, is legitimate and reasonable.

(B) Fairness and appropriateness of the Transaction Conditions, including the Tender Offer Price, of the Tender Offer can be considered as having been secured.

- The Target Company's Valuation Repot has been prepared by Frontier Management, a third-party valuation organization that is independent from the Target Company and the Tender Offeror. In relation to the Business Plan on which the valuations were made, the Special Committee confirmed whether the contents, material assumptions and preparation process of the Business Plan were reasonable based on the opinion and advice received from Frontier Management together with receiving an explanation from the Target Company on the contents and preparation process of the Business Plan, and although there is some doubt about the reasonableness of such plan since the possibility of achieving the target figure for the financial year ending August 2026 remains uncertain due to personnel related issues, etc. However, even in light of questions and answers with the Target Company, no anomalies were found in the specific figures. Therefore, we believe that it is acceptable to use the Business Plan as the basis for the calculation under the DCF analysis. The Special Committee has received explanation from Frontier Management, conducted interview sessions and had discussions and deliberations on the valuation methods relating to price valuation of the Target Company's Stock which was performed based on the Business Plan, the reasons for using those valuation methods as well as the contents of the valuations based on each method. Through such process, no unreasonable points were found, the valuation methods were found to be reasonable and the contents of those valuations were found to be appropriate. Against such ground, the consideration for the Transaction is above the range of the valuation result under the average market share price analysis, within the range of the valuation result under the comparable company analysis, and within the range of the valuation result under the DCF analysis. Although the Tender Offer Price is close to the lower end of the valuation range resulting from the DCF analysis, the Special Committee is of the view that such price should not necessarily be considered to be close to the lower end of the range considering the achievability of the underlying business plan because, as to fiscal year ending in August 2026, which is the last year covered by such business plan, the planned performance is subject to certain assumptions such as enhancement in the company's workforce.

- In addition, although negotiations and discussions regarding the Tender Offer Price between the Target Company and the Tender Offeror were mainly conducted by Frontier Management, the well experienced financial advisor retained by the Target Company, the Special Committee made instructions on negotiation strategy and received regular reports regarding the status of the negotiations, through processes including a hearing session with the Tender Offeror.
- Based on Frontier Management's initial share valuation results on the Target Company's Stock, multiple discussions were conducted on the point as to whether the Tender Offer Price was an appropriate price to secure the profit margin that the general shareholders of the Target Company should receive considering the synergies that the Transaction would give to the Target Company. The results of those discussions were reflected in the negotiation strategies used in negotiations with the Tender Offeror. These negotiations between the Tender Offeror and the Target Company were conducted by Frontier Management in accordance with the instructions from, and based on the negotiation strategies determined by, the Special Committee. As the result of such negotiations, in addition to achieving an increase in the price that was initially proposed, the resulting price reached a level that was sufficiently reflected in the valuation results of the price of the shares in the Target Company as calculated by Frontier Management.
- Further, no specific circumstances have been identified which raise any doubts as to the fairness of the process in determining the Tender Offer Price.
- As described above, as for the process by which the terms of the Transaction have been determined, conditions that may be deemed to be equivalent to those in a

transaction between independent parties through implementation of measures ensuring fairness including the establishment and involvement of the Special Committee have been secured. In addition, in relation to the negotiations with the Tender Offeror, the Special Committee received timely reports as the status of negotiations and, in relation to the Target Company and Frontier Management, explained its opinion on important matters and proceeded by issuing instructions and requests. Therefore, it can be assessed that the Special Committee was substantively involved in the negotiations and agreement with the Tender Offeror.

- In addition, the Tender Offeror has proposed a two-step purchase method which is implementing a tender offer followed by a squeeze-out procedure (“**demand for share cash-out**” or “**share consolidation**”). This method where, as the first step, the tender offer is performed and, as the second-step, the “demand for share cash-out” or “share consolidation” is performed is a method that is commonly used in transactions to convert a target entity into a wholly-owned subsidiary. Under either of these procedures, it is possible to petition the court to have the purchase price determined by the court or have the purchase price after the demand for shares has been issued be determined by the court.
- Further, the possibility cannot be denied that the stance of the financial institutions with which the Target Company transacts might become more severe due to the Recommendation issued against the Target Company and the investigation report of the Third-Party Committee of the Target Company announced on August 15, 2023. Considering also the situation of the Target Company in which the receipt of funding is challenging, as to the method of the Transaction which is the implementation of a tender offer and a subsequent squeeze-out, the period between announcement of the tender offer and completion of the squeeze-out can be shortened and, in addition, since the consideration that will be received is cash, the ease of understanding the consideration as well as from the perspective of the stability and objectivity of the amount, the Transaction can be considered preferable to other methods such as an exchange of shares, and no unreasonable point has been identified in the method of the Transaction.
- In relation to the treatment of employees of the Target Company after the Transaction, the explanation etc., received from the Tender Offeror is that the policy is for continuation and no unreasonable point in relation to this or other conditions has been identified.
- As described above, regarding the transaction terms regarding the Transaction, including the Tender Offer Price, of the Tender Offer (A) they are appropriate in light of the valuation results of the Target Company’s Valuation Report of the independent third party valuation organization, Frontier Management, (B) negotiations with the Tender Offeror were conducted in accordance with

instructions from, and based on the negotiation strategies determined by, the Special Committee, (C) no unreasonable points have been identified in the method of Transaction, and (D) in relation to the treatment of employees of the Target Company after the Transaction, the explanation etc., received from the Tender Offeror is that the policy is for continuation and no unreasonable point in relation to this or other conditions has been identified, and considering these, from the perspective of pursuing the interests of the general shareholders of the Target Company, it can be considered that the fairness and appropriateness of the transaction terms (including the Tender Offer Price of the Tender Offer) of the Transaction have been secured.

- Note that for the purpose of eliminating the influence of Mr. Koike, it is possible to consider a process whereby a price lower than the market price is set as the tender offer price in the Tender Offer and, after acquiring only the shares owned by Mr. Koike, conduct another tender offer at a price that has a premium and by doing so, have a process whereby the shares of minority shareholders are acquired. However, it was explained to the Special Committee by the Tender Offeror that the Tender Offeror did not expect that it could obtain the consent of Mr. Koike on such a "discount TOB" method and that it would be difficult to enter into a tender agreement with Mr. Koike for the Transaction on such conditions and, due to this, using such a method would make it difficult to achieve the purpose of eliminating the influence of Mr. Koike. Also, even if it were possible to execute the tender agreement with Mr. Koike on the assumption that a "discount TOB" will be implemented, it would still not be appropriate to take such a time-consuming method that requires two tender offers from the perspective of the immediate stabilization and normalization of the business operation of the Target Company. Considering these points, it can be considered reasonable to not seek for the Tender Offeror to pursue such method.
- In addition to the above, the Special Committee also considered the possibility that the Tender Offer Price would fall into a so-called "PBR below 1" and received from Frontier Management an explanation of the outline of which is described in "(iii) Details of decision" of "b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor." From these perspectives, the Special Committee determined that it would be difficult to adopt the idea that the book value of the net assets per share would be the minimum price of the fair market value of the Target Company's Stock.

(C) Fairness in the negotiation process of the Transaction, including the Tender Offer, and the decision-making procedures is considered to have been secured.

- The Transaction does not fall within a so-called "transaction with structural conflicts of interest" such as a management buy-out or transaction with controlling shareholder(s). Nonetheless, various types of measures to ensure fairness have been implemented in the Transaction, such as: establishment of the Special Committee; appointment by each of the Target Company and the Tender Offeror of independent external experts (legal advisors and financial advisors) as well as receipt of professional advice and the Target Company's Valuation Reports; establishment of independent review structures within the Target Company (negotiation structures and background of negotiations); securing independence of the board of directors of the Target Company (removal of arbitrariness from decision-making and securing fairness, transparency and objectivity in the decision-making process of the Target Company); securing the opportunity to make acquisition proposals after the announcement of the Tender Offer; securing the opportunity for general shareholders to make appropriate decisions based on adequate information; and elimination of coercion.
- The contents of these measures to ensure fairness take into consideration such matters as both the securing of conditions that may be deemed to be equivalent to those in a transaction between independent parties in a transaction terms and conditions making process and securing the opportunity for general shareholders to make appropriate decisions based on adequate information, and are considered to be capable of implementation and actually to have been used.
- Based on the above, it has been determined that in the Transaction, including the Tender Offer, sufficient consideration has been given to the interests of the general shareholders of the Target Company through fair procedures.

(D) Recommendation that the board of directors of the Target Company pass a board resolution to express their opinion in support of the Tender Offer and to recommend shareholders of the Target Company to tender their shares in the Tender Offer.

- The Special Committee considers that the matters required to be reviewed in Consultation Items (i) through (iii), are factors to be considered when reviewing Consultation Item (iv).
- As explained in the Report, the result of the examination by the Special Committee is that it was not recognized that there were any problems in relation to Consultation Items (i) through (iii).
- Based on the above, because the Transaction contributes to increasing the corporate value of the Target Company and the purpose of the Transaction is legitimate and reasonable, it is appropriate for the Board of Directors of the Target Company to announce its opinion in support of the Tender Offer and, because it can be

determined that in the Transaction, including the Tender Offer, sufficient consideration has been given to the interests of the general shareholders of the Target Company through fair procedures, it is also appropriate to pass a resolution recommending the shareholders of the Target Company to tender their shares in the Tender Offer; therefore, the Special Committee recommends that the Board of Directors passes a resolution to such effect.

(E) The Board of Directors of the Target Company expressing its opinion in support of the Tender Offer as well as passing a resolution recommending shareholders of the Target Company to tender their shares in the Tender Offer, is considered to not be disadvantageous to the minority shareholders. In addition, approval of the "demand for share cash-out," the purpose of which is to make the Target Company a wholly-owned subsidiary of the Tender Offeror as is planned to occur after the Tender Offer, and deciding to perform a "share consolidation" which will result in the Target Company ceasing to be publicly listed as is planned to occur after the Tender Offer, is considered to not be disadvantageous to the minority shareholders.

- The Special Committee considers that the matters required to be reviewed in Consultation Items (i) through (iv), are factors to be considered when reviewing Consultation Item (v).
- As explained in the Report, the result of the examination by the Special Committee is that it was not recognized that there were any problems in relation to Consultation Items (i) through (iv).
- In addition, in assessing the proposal from Tender Offeror, the Target Company also performed a review of the proposal from Oasis. However, although the Target Company conducted the review based on the assumption that the Oasis tender offer would have a tender offer price lower than market value, the circumstances of the negotiations were that Mr. Koike did not take a position that he would accept such condition, so the feasibility of the transaction was low, and due to such matters as the likelihood of not achieving the purpose of eliminating the influence of Mr. Koike in the Target Company was high, and as the proposal from the Tender Offeror in which the closing would occur at an earlier date was preferable for eliminating the influence of Mr. Koike on the management and executive and for taking measures to eliminate or block the influence of the large shareholder, accepting the proposal from the Tender Offeror was considered to contribute to the corporate value.
- Based on the above, the Board of Directors of the Target Company expressing its opinion in support of the Tender Offer as well as passing a resolution recommending shareholders of the Target Company to tender their shares in the

Tender Offer, as well as approving the "demand for shares cash-out," the purpose of which is to make the Target Company a wholly-owned subsidiary of the Tender Offeror as is planned to occur after the Tender Offer, and deciding to perform a "share consolidation" which will result in the Target Company ceasing to be publicly listed as is planned to occur after the Tender Offer are considered as not disadvantageous to the minority shareholders.

e. Unanimous Approval by All of the Non-Interested Directors and No Objection from Any of the Non-Interested Audit and Supervisory Board Members of the Target Company

According to the Target Company's Press Release, the Target Company, while taking into consideration the Target Company's Valuation Report from Frontier Management and legal advice from City-Yuwa and respecting, to the maximum extent, the contents of the Report received from the Special Committee, carefully discussed and considered the terms and conditions of the Transaction, including the Tender Offer. As a result, based on the reasons described in "b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor" under "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" above, such as, (A) the elimination of the influence of Mr. Koike, (B) use by the Target Company of the capital stability of and financial confidence in the Tender Offeror, (C) use of the Tender Offeror's distribution, IT system and sales capacity as well as a strengthening of profitability through reduction in the cost of materials, and (D) improvement of employee' morale, etc., the Target Company determined that the realization of the Transaction would contribute to the enhancement of the Target Company's corporate value, and that the terms and conditions of the Transaction, including the Tender Offer Price, (A) is appropriate in light of the valuation results of the Target Company's Valuation Report, (B) negotiations with the Tender Offeror were conducted in accordance with instructions from, and based on the negotiation strategies determined by, the Special Committee, (C) no unreasonable points have been identified in the method of Transaction, and (D) in relation to the treatment of employees of the Target Company after the Transaction, the explanation etc., received from the Tender Offeror is that the policy is for continuation and no unreasonable point in relation to this or other conditions has been identified, and therefore are adequate, in the view of the Special Committee, so resolved, at the Target Company's Board of Directors meeting held today, 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 by a unanimous vote of five (5) of the participating and non-interested directors among all five (5) of the Directors of the Target Company. All three (3) of the Audit and Supervisory Board Members of the Target Company also attended the Board of Directors meeting above, and every member in attendance expressed an opinion not to object to the above resolution.

f. Securing Objective Conditions to Ensure the Fairness of the Tender Offer

The Tender Offeror set the Tender Offer Period at 30 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period as a relatively long period in this way, the Tender Offeror intends to secure the opportunity for all shareholders of the Target Company to make an appropriate decision on whether or not to tender their shares in the Tender Offer, and for any person who is not the Tender Offeror (the "**Competing Tender Offerors**"), to make a competing tender offer, etc. regarding the Target Company's Stock, and thereby the Tender Offeror intends to ensure the fairness of the Tender Offer.

In addition, the Tender Offeror and the Target Company have not entered into any agreement that would restrict contact or other activities between any Competing Tender Offeror and the Target Company, including any agreement containing transaction protection clauses that would prohibit the Target Company from contacting any Competing Tender Offeror. Thus, the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by securing an opportunity for a competing tender offer etc. as well as by setting the Tender Offer Period as above.

(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

As stated in "(1) Overview of Tender Offer" above, the Tender Offeror intends to implement the Tender Offer as part of the Transaction to make the Target Company a wholly-owned subsidiary of the Tender Offeror; therefore, if the Tender Offeror is unable to acquire all of the Target Company's Stock (excluding the treasury shares owned by the Target Company) through the Tender Offer, the Tender Offeror will implement the Squeeze-Out Procedures described below after the successful completion of the Tender Offer.

a. Demand for Share Cash-Out

If, after the successful completion of the Tender Offer, the Tender Offeror acquires 90% or more of the total voting rights of the Target Company, the Tender Offeror plans to, promptly following the conclusion of the settlement of the Tender Offer, pursuant to Article 179 of the Companies Act, demand all of the Target Company's shareholders (excluding the Tender Offeror and the Target Company) to cash-out all of the Target Company's Stock owned by such shareholders (the "**Demand for Share Cash-Out**"). With respect to the Demand for Share Cash-Out, the Tender Offeror plans to provide the Target Company's shareholders (excluding the Tender Offeror and the Target Company) with a cash amount equivalent to the Tender Offer Price in consideration for each share of the Target Company's Stock. In such event, the Tender Offeror will provide the Target Company with notice to such effect and will seek approval from the Target Company for the Demand for Share Cash-Out. If the Target Company approves the Demand for Share Cash-Out via resolution of the Target Company's Board of Directors, in accordance with the procedures prescribed by the relevant laws and regulations, without need for the individual approvals of the Target Company's shareholders, the Tender Offeror will acquire, as of the acquisition date designated with respect to the Demand for Share Cash-Out, all of the Target Company's Stock owned by such shareholders. In such event, the Tender Offeror plans to pay the Target Company's shareholders a cash amount equivalent to the Tender Offer Price in consideration for the Target Company's Stock owned by such shareholders. According to the Target Company's Press Release, the Target Company plans to approve the Demand for Share Cash-Out at the Target Company's Board of Directors once the Tender Offeror makes a Demand for Share Cash-Out.

There are provisions of the Companies Act, which aim to protect the rights of minority shareholders in relation to the Demand for Share Cash-Out, and it is set forth that the Target Company's shareholders (excluding the Tender Offeror and the Target Company) may file a petition for the court to determine the sale price of the Target Company's Stock owned by such shareholders in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. In the event that the above petition is filed, the court will make the final decision on the sale price of the Target Company's Stock held by the petitioning shareholder.

b. Share Consolidation

If, following the successful completion of the Tender Offer and the settlement, the total voting rights of the Target Company owned by the Tender Offeror is less than 90% of all of the voting rights of the Target Company, the Tender Offeror plans to request the Target Company to hold an extraordinary general meeting of shareholders (the "**Extraordinary Shareholders' Meeting**") that will include among its agenda (i) consolidation of the Target Company's Stock in accordance with Article 180 of the Companies Act (the "**Share Consolidation**"), and, (ii) conditioned on the implementation of the Share Consolidation, changes to portions of the Target Company's articles of incorporation that will eliminate provisions on share unit numbers by around early to mid-November in 2023. The Tender Offeror plans to support each of the proposals described above at the Extraordinary Shareholders' Meeting. If the proposals for the Share Consolidation are approved at the Extraordinary Shareholders' Meeting, as of the date the Share Consolidation is to take effect, the Target Company's shareholders will each own a number of the Target Company's Stock corresponding to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares constituting less than one (1) full share arising, then, in accordance with the provisions of Article 235 and Article 234, Paragraphs 2 to 5 of the Companies Act and other relevant laws or regulations, the shareholders for whom such fractional shareholding arises shall receive the consideration to be paid by the Target Company or the Tender Offeror through such party's purchase of such number of shares equivalent to the total number of such fractional shares (where the total of the fractional shares contains a portion that is less than one (1) full share, the fractional portion will be discarded; the same shall apply hereinafter). With respect to the sale price of the shares corresponding to the total number of such fractional shares of the Target Company, the Tender Offeror plans to request the Target Company to file a petition to the court for permission for voluntary sale, where the price of the shares sold shall be determined so as to ensure that as a result of such sale of fractional shares, the cash amount provided to the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer will be the same as the value obtained when the number of the shares of the Target Company's Stock owned by such shareholders is multiplied by the Tender Offer Price. Furthermore, although the ratio of consolidation of the Target Company's Stock is still undetermined as of today, the Tender Offeror plans to request the Target Company to decide upon a ratio that will result in shares owned by each shareholder of the Target Company who did not apply to the Tender Offer (excluding the Tender Offeror and the Target Company) getting less than one (1) full share so that the Tender Offeror will retain all of the issued shares of the Target Company's Stock (excluding the treasury shares owned by the Target Company). According to the Target Company's Press Release, in the event of the successful completion of the Tender Offer, the Target Company plans to respond to these requests by the Tender Offeror.

If the Share Consolidation is implemented, and such Share Consolidation results in fractional shares that constitute less than one (1) full share, the Target Company's shareholders may demand that the Target Company purchase any fractional shares constituting less than one (1) full share in their possession at a fair price and may file a petition to the court for a decision regarding the price of the shares of the Target Company's Stock, all in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, which aim to protect the rights of minority shareholders in relation to the procedures above. In the event that such petition is filed, a sale price for the shares owned by the petitioning shareholder will be determined by the competent court.

With respect to the procedures described in Paragraphs a. and b. above, the method or timing for the implementation may change based on the status of amendments to, implementation of, and interpretation by relevant authorities of the relevant laws and regulations, etc. However, even in such event, the Tender Offeror plans to utilize a method whereby cash consideration is ultimately provided to the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer, and the cash amount provided will be the price obtained when the number of the shares of the Target Company's Stock owned by the relevant shareholders is multiplied by the Tender Offer Price.

The Target Company plans to promptly announce the specifics of the procedures and implementation terms for each of the situations described above, once they are determined following consultation between and decision-making by the Tender Offeror and the Target Company.

In addition, if the Squeeze-Out Procedures are expected to be completed by November 30, 2023, in order to designate shareholders who can exercise their rights at the Target Company's annual general meeting of shareholders for the fiscal year ending August 2023 (the "**Annual Shareholders' Meeting**"), which is scheduled to be held on late November in 2023, as shareholders after the completion of the

Squeeze-Out Procedures (that is, the Tender Offeror), the Tender Offeror, subject to the Squeeze-Out Procedures being completed, plans to request the Target Company to change portions of the Target Company's articles of incorporation that will eliminate provisions regarding the record date of voting rights for annual general meetings of shareholders. As a consequence, some shareholders may not be able to exercise their voting rights at the Annual Shareholders' Meeting even if they are listed or recorded in the Target Company's shareholders registry as of August 31, 2023.

Note that the Tender Offer is not intended as a solicitation for the approval of the shareholders of the Target Company at the Extraordinary Shareholders' Meeting. Note also that the shareholders of the Target Company are each personally responsible for consulting tax experts such as tax accountants regarding the tax treatments relating to the tendering for the Tender Offer and each of the procedures described above.

(6) Possibility of Delisting and Reasons Therefor

As of today, the Target Company's Stock is listed on the Prime Market of the Tokyo Stock Exchange, but the Tender Offeror has not set a maximum number of shares to be purchased through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the Target Company's Stock may be delisted after the prescribed procedures are completed, in accordance with the delisting criteria set out by the Tokyo Stock Exchange. Even if the requirements of the delisting criteria are not met as of the time of completion of the Tender Offer, as the Tender Offeror, in the event of the successful completion of the Tender Offer, plans to implement each of the procedures described in "(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" above. If those procedures are implemented, the Target Company's Stock will be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. The Target Company's Stock cannot be traded on the Tokyo Stock Exchange after the Target Company's Stock is delisted.

2. Outline of Purchase

(1) Outline of the Target Company

a. Name	SANEI ARCHITECTURE PLANNING CO., LTD.
b. Location	2-1-11 Nishiogikita, Suginami-ku, Tokyo
c. Name and Title of Representative	Rie Chiba, Representative Director and President

d.	Contents of Business	"Real estate sales in lots business," centered on sale of single-family homes in lots or condominiums in lots; "real estate sales business," involving acquisition, management or sale of income-producing real estate, etc.; "real estate contracting business," acting as a contractor of custom-built or made-to-order houses, etc.; and "lease revenues earning business," by leasing income-producing properties owned by the Target Company Group to general customers and corporate customers	
e.	Amount of Stated Capital (as of February 28, 2023)	1,340,150,000 yen	
f.	Date of Incorporation	September 29, 1993	
g.	Major Shareholders and Shareholding Ratios (as of February 28, 2023)	Shinzo Koike	48.98%
		Custody Bank of Japan, Ltd. (Trustee account)	16.39%
		BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) (Standing Proxy: MUFG Bank, Ltd.)	7.93%
		The Master Trust Bank of Japan, Ltd. (Trustee account)	5.21%
		BBH FOR FIDELITY GROUP TRUST BENEFIT (PRINCIPAL ALL SECTOR SUBPORTFOLIO) (Standing Proxy: MUFG Bank, Ltd.)	1.20%
		BNYM AS AGT/CLTS 10 PERCENT (Standing Proxy: MUFG Bank, Ltd.)	0.86%
		The Nomura Trust and Banking Co., Ltd. (Investment trust account)	0.82%
		Employee Stock Ownership Association of the Sanei Architecture Planning	0.48%
		JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	0.44%
		Business Partner Stock Ownership Association of the Sanei Architecture Planning	0.40%
h.	Relationship between the Tender Offeror and the Target Company	Capital Relationship	Not applicable
		Personnel Relationship	Not applicable
		Business Relationship	Not applicable

	Status as Related Party	Not applicable

(Note) The "Major Shareholders and Shareholding Ratios" are cited from the "Status of Major Shareholders" stated in the Second Quarterly Report for the 30th Fiscal Year that the Target Company filed on April 14, 2023 (the "**Target Company's Second Quarterly Report**").

(2) Schedule, Etc.

a. Schedule

Date of Resolution of Board of Directors Meeting	August 16, 2023 (Wednesday)
Date of Public Notice of Commencement of Tender Offer	August 17, 2023 (Thursday) Public notice will be made electronically, and the fact of such notice will be published in the Japanese newspaper *Nihon Keizai Shimbun*. (EDINET (electronic disclosure for investors' network): https://disclosure2.edinet-fsa.go.jp/)
Filing Date of Tender Offer Registration Statement	August 17, 2023 (Thursday)

b. Period for Purchase as of the Time of Filing of this Statement

From August 17, 2023 (Thursday) through September 28, 2023 (Thursday) (30 business days)

c. Possible Extension of the Tender Offer Period based on the Target Company's Request

Not applicable

d. Contact Information in case of Extension of the Tender Offer Period

Not applicable

(3) Price for Purchase

2,025 yen per share of common stock

(4) Basis of Calculation, Etc. of Price for Purchase

a. Basis of Calculation

The Tender Offeror requested SMBC Nikko Securities, a financial advisor, as a third-party valuation organization independent from the Tender Offeror Group, the Target Company Group and the Wider Koike Group, to evaluate the share value of the Target Company's Stock for determining the Tender Offer Price. SMBC Nikko Securities is not a related party to the Tender Offeror, the Target Company or the Wider Koike Group, and has no material interest in the Tender Offer. Although SMBC Nikko Securities is a group member of the Sumitomo Mitsui Financial Group, Inc., the same as SMBC, which provides loan transactions as part of ordinary banking transactions for the Tender Offeror and the Target Company, SMBC Nikko Securities is appointed as a financial advisor and a third-party valuation organization, in light of the past performance of SMBC Nikko Securities as a third-party calculation organization and the facts (i) that a certain information blocking measure has been implemented among the department to calculate the share value of the Target Company's Stock at SMBC Nikko Securities, other departments and SMBC, (ii) that independence of SMBC Nikko Securities as a financial advisor and third-party valuation organization is ensured because the Tender Offeror and SMBC Nikko Securities conduct transactions under the same terms and conditions as other general counterparties, and (iii) that SMBC Nikko Securities is not a related party of either the Tender Offeror or the Target Company, and there should be no particular issue with the Tender Offeror requesting SMBC Nikko Securities to calculate the share value of the Target Company's Stock.

After examining which share valuation analysis method should be adopted for assessing the share value of the Target Company's Stock from among several share valuation analysis methods, SMBC Nikko Securities assessed the share value of the Target Company's Stock using the following methods: (i) the market share price analysis, because the Target Company's Stock is listed on the Prime Market of the Tokyo Stock Exchange and the market prices are available for the Target Company's Stock, and (ii) the DCF analysis, so as to reflect the future business activities in evaluating the share value; subsequently, the Tender Offeror obtained from SMBC Nikko Securities a share valuation report concerning the share value of the Target Company's Stock (the "**Tender Offeror's Valuation Report**") dated as of August 15, 2023. The Tender Offeror received from the Target Company a business plan that took into account the impact of the Recommendation, and, based on the facts that (i) there were no material matters discovered which would seriously impair the corporate value, to the extent that the consideration of the Transaction should be discontinued, according to the results of the due diligence on the Target Company conducted during the period from July 7, 2023 to August 4, 2023 and that (ii) as of July 26, 2023, the Target Company had received the opinion from the Target Company's audit firm that the Recommendation was immaterial in monetary terms, and in early August 2023, considering that the share value was not considered to be significantly influenced by the contents of the investigation report of the Third-Party Committee at the Target Company to be published on August 15, 2023, the Tender Offeror requested SMBC Nikko Securities to evaluate the share value of the Target Company's Stock, and the Tender Offeror believes that SMBC Nikko Securities considers the Tender Offer Price appropriately. Subsequently, the Tender Offeror checked the contents of the investigation report of the Third-Party Committee at the Target Company on August 15, 2023 and confirmed that it would not have a impact on the figures in the Target Company's business plan and it would not have an impact on the evaluation of the share value of the Target Company's Stock because the free cash flow that is projected to be created by the Target Company in the future is not expected to change. Furthermore, the Tender Offeror believes that the interests of the Target Company's minority shareholders have been fully considered by taking each of the measures stated in "(4) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" under "1. Purpose of Purchase" above; therefore, the Tender Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from SMBC Nikko Securities.

The results of the share value per share of the Target Company's Stock as assessed by SMBC Nikko Securities are as follows:

Market share price analysis:	1,488 yen to 1,520 yen
DCF analysis:	1,579 yen to 4,418 yen

Under the market share price analysis, with August 15, 2023, set as the record date for the valuation, the range of the share value per share of the Target Company's Stock was calculated to be from 1,488 yen to 1,520 yen, based on, with respect to the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange, the simple average of the closing price for the most recent one (1) month period up to the record date for the valuation (from July 18, 2023 to August 15, 2023), which was 1,520 yen (rounded off to the nearest whole number; the same applies hereinafter in the calculation of a simple average of closing price), the simple average of the closing price for the most recent three (3) month period (from May 16, 2023 to August 15, 2023), which was 1,488 yen, and the simple average of the closing price for the most recent six (6) month period (from February 16, 2023 to August 15, 2023), which was 1,497 yen.

Under the DCF analysis, the range of the share value per share of the Target Company's Stock was calculated to be from 1,579 yen to 4,418 yen as a result of evaluating the corporate value and the share value of the Target Company by discounting the free cash flow that is expected to be created by the Target Company in the future on or after the fourth quarter of the fiscal year ending August 2023 to the present value using a certain discount rate, based on various factors, such as the business plan provided by the Target Company for the period from the fiscal year ending August 2023 through the fiscal year ending August 2026 and publicly available information. It should be noted that, in the Target Company's future financial forecasts on which the DCF Analysis is based, a large increase or decrease in income or profit is not expected. Since it is difficult at this point in time to specifically estimate the impact on earnings of the synergies that are expected to be realized through the implementation of the Transaction, such synergies are not reflected.

The Tender Offeror comprehensively reviewed the valuation results in the Tender Offeror's Valuation Report provided by SMBC Nikko Securities, and several factors, such as the results of the due diligence on the Target Company conducted by the Tender Offeror, whether or not the Target Company's Board of Directors would support the Tender Offer, the trends in the market share price of the Target Company's Stock and the prospect of shares being tendered in the Tender Offer, and also took into consideration other factors such as the result of the discussions and negotiations with Mr. Koike and the Target Company.; As a result, the Tender Offeror finally set the Tender Offer Price at 2,025 yen per share at the Board of Directors meeting held today.

The Tender Offer Price of 2,025 yen represents the following: (a) a premium of 18.01% on 1,716 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 15, 2023, the business day immediately preceding the announcement date of implementation of the Tender Offer; (b) a premium of 33.22% on 1,520 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to the same date; (c) a premium of 36.09% on 1,488 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 35.27% on 1,497 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively.

b. Background of Calculation

(Background to the Determination of the Tender Offer Price)

As stated in "a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" under "1. Purpose of Purchase" above, bearing in mind the synergies that the Tender Offeror can expect from making the Target Company its wholly owned subsidiary, the business environment in which the Target Company operates, and the Target Company's aim to completely eliminate the influence of Mr. Koike, the Tender Offeror submitted to the Target Company, on July 7 2023, a letter of intent concerning the acquisition of the Target Company's Stock on the assumption that (i) all of the Target Company's Stock will be acquired and (ii) the Target Company will be privatized. On the same day, the Tender Offeror and the Target Company entered into a basic agreement substantially to (i) discuss, in good faith, the early realization of the capital reorganization of the Target Company by the Tender Offeror, including the acquisition of all of the Target Company's Stock owned by Koike Group, (ii) have the Target Company cooperate, in good faith, in the due diligence to be conducted by the Tender Offeror, (iii) ensure that such capital reorganization is aimed at realizing the sound operation and development of the Target Company's management and business, and (iv) have the Target Company notify the Tender Offeror if the Target Company receives any proposal or solicitation from third parties concerning a transaction that may compete, contradict or conflict with such capital reorganization during such discussion period.

On and after July 7, 2023, when the Tender Offeror entered into a basic agreement with the Target Company, the Tender Offeror commenced full-scale discussions with the Target Company toward the implementation of the Transaction. Specifically, the Tender Offeror conducted due diligence to assess the feasibility of the Transaction from July 7, 2023 to August 4, 2023, and commenced discussions on various terms of the Tender Offer, including the period for the purchase or maximum and minimum number of shares to be purchased, in early July 2023.

With respect to the Tender Offer Period, the Tender Offeror suggested in the letter of intent dated July 7, 2023 mentioned above that the Tender Offer should be announced on August 10, 2023. However, based on (i) the fact that the results of the investigation of the Third-Party Committee were scheduled to be reported to the Target Company on August 14, 2023, and (ii) the recent discussions between the Target Company and the financial institution partners, in early August 2023, from the perspective of preventing damages to the Target Company's business value at an early stage and as a result of discussion with the Target Company, the Tender Offeror reached an agreement with the Target Company that the Tender Offer Period would be August 17, 2023 through September 28, 2023 (30 business days). Regarding the maximum and minimum number of shares to be purchased, in late July 2023, the Tender Offeror gave an explanation to the Target Company that, since the purpose of the Tender Offeror is to make the Target Company a wholly owned subsidiary of the Tender Offeror, the maximum number of shares to be purchased would not be set, and that the minimum number of shares to be purchased would be a number that results in the Tender Offeror holding two thirds (2/3) or more of the voting rights in the Target Company after the Tender Offer was completed, and no objection was made by the Target Company.

With respect to the Tender Offer Price, according to the results of such due diligence, etc., there were no material matters discovered at that time that would seriously impair the corporate value to the extent that the consideration of the Transaction should be discontinued. Therefore, on the assumption that the investigation results to be reported to the Target Company by the Third-Party Committee on August 14 of 2023 would not deviate significantly from the content formerly announced by the Target Company or the content recognized by the Tender Offeror through the due diligence, etc., and that the Target Company's relationship with its financial institution partners would not be worsened from the situation explained by the Target Company, such as by receiving a notice of acceleration from a financial institution other than the financial institution partner from which the Target Company has already received a "Notice of Acceleration," the Tender Offeror submitted to the Target Company on August 2, 2023 the first price proposal setting the Tender Offer Price at 1,880 yen. The proposed Tender Offer Price of 1,880 yen represents the following: (a) a premium of 21.29% on 1,550 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 1, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 28.59% on 1,462 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 1, 2023; (c) a premium of 27.29% on 1,477 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 26.17% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively. Subsequently, on August 8, 2023, based on the discussions with the Special Committee, the Tender Offeror was asked to reconsider the Tender Offer Price by the Special Committee, as it was difficult to determine that it was sufficient in relation to the intrinsic value of the Target Company's Stock, considering the prospects of the Target Company's business and the strengths of the Target Company, etc. On August 10, 2023, the Tender Offeror again submitted a price proposal stating that the Tender Offer Price would be 1,970 yen, after careful consideration of such requests from the Target Company. The proposed Tender Offer Price of 1,970 yen represents the following: (a) a premium of 28.76% on 1,530 yen, which is the closing price of the Target Company's Stock on the Prime Market of the Tokyo Stock Exchange on August 9, 2023, the business day immediately preceding the date of submission of the proposal; (b) a premium of 32.21% on 1,490 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to August 9, 2023; (c) a premium of 32.93% on 1,482 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 31.95% on 1,493 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively.

Subsequently, the Tender Offeror was again asked by the Target Company to reconsider the Tender Offer Price on August 14, 2023, as it was difficult for the Target Company to determine that it was within a sufficient level in relation to the intrinsic value of the Target Company's Stock considering the return on investment by the general shareholders who had owned the Target Company Stock over the mid- and long-term and the feasibility of the business plan, etc.

In the meantime, since a positive response was obtained from the Target Company regarding the acquisition of the Target Company's Stock owned by Koike Group by the Tender Offeror in the exchange of views with the Target Company in July 2, 2023, the Tender Offeror initiated discussions and negotiations with Mr. Koike with the aim of acquiring all of the Target Company's Stock owned by Koike Group in early July 2023 in parallel with the discussions with the Target Company commenced on and after July 7, 2023. Specifically, during the period from July 6, 2023 to August 15, 2023, the Tender Offeror explained that the Tender Offeror was not able to add a condition that would allow Mr. Koike to remain influential to the Target Company as a condition of the Tender Agreement, as well as confirming once again that Koike Group intend to dispose of all of the Target Company's Stock owned by them, having multiple discussions with Mr. Koike and his representative.

With respect to the Tender Offer Price, since separate negotiations are ongoing between the Tender Offeror and the Target Company in relation to the Tender Offer Price and it is necessary to take into account the investigation report of the Third-Party Committee before finalizing a specific price, the Tender Offeror decided to negotiate and agree on a specific price with Koike Group on August 15, 2023.

Thereafter, on August 15, 2023, considering that there was not a material gap between the contents of the investigation report of the Third-Party Committee and the Tender Offeror's previous recognition from the perspective that eliminating the influence of Mr. Koike over the management and directors and employees would be important for restoring the sound management, and by taking into consideration the possibility of the acceptance by the Target Company since on August 14, the Tender Offeror was asked to reconsider the Tender Offer Price of 1,970 yen, which the Tender Offeror had proposed to the Target Company on August 10 2023, the Tender Offeror made a proposal to Koike Group that the Tender Offer Price be set at 2,025 yen, which Koike Group accepted. The proposed Tender Offer Price of 2,025 yen represents the following: (i) a premium of 26.48% over the closing price of 1,601 yen of the Target Company's shares on the Tokyo Stock Exchange Prime Market as of August 14, 2023, the business day immediately preceding the date of the proposal, (ii) 34.11% over the simple average closing price of 1,510 yen for the past month ending August 14, 2023, (iii) 36.46% over the simple average closing price of 1,484 yen for the past three months ending August 14, 2023, and (iv) 35.45% over the simple average closing price of 1,495 yen for the past six months, respectively.

On August 15, 2023, the Tender Offeror, taking into account the negotiations with Koike Group mentioned above, made a new proposal to the Target Company to set the Tender Offer Price at 2,025 yen, and on the same day, the Target Company provided a response to the Tender Offeror to the effect that it agreed to set the Tender Offer Price at 2,025 yen. The proposed Tender Offer Price of 2,025 yen represents the following: (i) a premium of 26.48% over the closing price of 1,601 yen of the Target Company's shares on the Tokyo Stock Exchange Prime Market as of August 14, 2023, the business day immediately preceding the date of the submission of the proposal, (ii) 34.11% over the simple average closing price of 1,510 yen for the past month ending on August 14, 2023, (iii) 36.46% over the simple average closing price of 1,484 yen for the past three months ending on August 14, 2023, and (iv) 35.45% over the simple average closing price of 1,495 yen for the past six months, respectively.

Following these discussions and negotiations, the Tender Offeror resolved at its Board of Directors meeting held on August 16, 2023 to implement the Tender Offer as part of the Transaction by setting the Tender Offer Price at 2,025 yen.

(i) Name of the Third Party Who Provided an Opinion in Valuation

In determining the Tender Offer Price, the Tender Offeror referred to the Tender Offeror's Valuation Report submitted by SMBC Nikko Securities, a third-party valuation organization independent from the Tender Offeror Group, the Target Company Group and the Wider Koike Group. SMBC Nikko Securities is not a related party to the Tender Offeror or the Target Company and has no material interest in the Tender Offer. As stated in "a. Basis of Calculation" above, the Tender Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from SMBC Nikko Securities.

(ii) Outline of Opinion from SMBC Nikko Securities

SMBC Nikko Securities has calculated the share value of the Target Company's Stock using each of the following methods of analysis: the market share price analysis and the DCF analysis. The ranges of the share value per share of the Target Company's Stock calculated by each analysis method are as follows:

Market share price analysis:	1,488 yen to 1,520 yen
DCF analysis:	1,579 yen to 4,418 yen

(iii) Background to Determination of the Tender Offer Price based on the Opinion

The Tender Offeror finally set the Tender Offer Price at 2,025 yen per share at the Board of Directors meeting held today, not only based on the fact that it is above the upper limit calculated by the market share price analysis, and within the range calculated by the DCF analysis, of the valuation results indicated in the Tender Offeror's Valuation Report provided by SMBC Nikko Securities, but also after comprehensively reviewing several factors, such as the results of the due diligence on the Target Company conducted by the Tender Offeror during the period from July 7, 2023 to August 4, 2023, whether or not the Target Company's Board of Directors would support the Tender Offer, the trend in the market share price of the Target Company's Stock, which is gradually recovering after the Recommendation, with the simple average of the closing price for the most recent six (6) months 1,497 yen, and the prospect of shares being tendered in the Tender Offer, and also taking into consideration other factors such as the result of the discussions and negotiations with Mr. Koike and the Target Company.

c. Relationship with Third-Party Valuation Organization

SMBC Nikko Securities is not a related party of the Tender Offeror Group, the Target Company Group or Koike Group, and has no material interest in the Tender Offer.

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

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
21,217,079 (shares)	14,144,700 (shares)	Not Applicable

(Note 1) If the aggregate number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the aggregate number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) As the maximum number of shares to be purchased through the Tender Offer was not established, the number of shares to be purchased described above is the maximum number of the share certificates, etc. of the Target Company that may possibly be acquired by the Tender Offeror through the Tender Offer (21,217,079 shares). Such maximum number of shares (21,217,079 shares) was obtained by deducting the number of treasury shares owned by the Target Company as of May 31, 2023 (521 shares), as indicated in the Target Company's Third Quarterly Report, from the total number of issued shares as of May 31, 2023 (21,217,600 shares), as indicated in the Target Company's Third Quarterly Report.

(Note 3) Shares constituting less than a unit will also be subject to the Tender Offer. The Target Company may purchase its shares in accordance with procedures stipulated in the laws and regulations during the Tender Offer Period from any shareholders who exercise the right to require the Target Company to purchase shares constituting less than a unit under the Companies Act.

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

(6) Change in Ownership Ratio of Share Certificates, Etc. Due to Purchase

Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror prior to Purchase	0 (nil) units	(Ownership Ratio of Share Certificates, Etc. prior to Purchase: 0 (nil)%)
Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties prior to Purchase	0 (nil) units	(Ownership Ratio of Share Certificates, Etc. prior to Purchase: 0 (nil)%)
Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror after Purchase	212,170 units	(Ownership Ratio of Share Certificates, Etc. after Purchase: 100.00%)
Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties after Purchase	0 (nil) units	(Ownership Ratio of Share Certificates, Etc. after Purchase: 0 (nil)%)
Total Number of Voting Rights of All Shareholders, Etc. of the Target Company	212,043 units	intentionally left blank

(Note 1) The "Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties prior to Purchase, Etc." and "Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties after Purchase" are the total number of the voting rights represented by the share certificates, etc. owned by each of the special related parties (excluding the parties who are excluded from the special related parties, pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the "**TOB Order**") in regards to the calculation of the ownership ratio of share certificates, etc. pursuant to each Item of Article 27-2, Paragraph 1 of the Act). However, since the share certificates, etc. owned by each of the special related parties are also subject to purchase through the Tender Offer, in calculating the "Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror after Purchase," the "Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties prior to Purchase" was not added to the numerator.

(Note 2) The "Total Number of Voting Rights of All Shareholders, Etc. of the Target Company" represents the total number of voting rights of all shareholders, etc. as of February 28, 2023, as indicated in the Target Company's Second Quarterly Report. However, as shares constituting less than a unit are also subject to purchase through the Tender Offer, in calculating the "Ownership Ratio of Share Certificates, Etc. prior to Purchase" and "Ownership Ratio of Share Certificates, Etc. after Purchase," the number of voting rights (212,170 units) represented by the number of shares (21,217,079 shares) obtained by deducting the number of treasury shares owned by the Target Company as of May 31, 2023 (521 shares), as indicated in the Target Company's Third Quarterly Report, from the total number of issued shares as of May 31, 2023 (21,217,600 shares), as indicated in the Target Company's Third Quarterly Report, is used as the denominator.

(Note 3) The "Ownership Ratio of Share Certificates, Etc. prior to Purchase" and the "Ownership Ratio of Share Certificates, Etc. after Purchase" are rounded to the second decimal place.

(7) Aggregate Tender Offer Price 42,964,584,975 yen

(Note) The aggregate tender offer price is calculated by multiplying the number of shares intended to be purchased in the Tender Offer (21,217,079 shares) by the Tender Offer Price per share (2,025 yen).

(8) Method of Settlement

a. Name and Address of Head Office of Financial Instruments Business Operators / Banks in Charge of Settlement for Purchase

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

b. Settlement Commencement Date

October 5, 2023 (Thursday)

c. Method of Settlement

A notice of purchase by way of the Tender Offer will be mailed to the address or location of each shareholder tendering shares in the Tender Offer (the "**Tendering Shareholders, Etc.**") (or the Standing Proxy in the case of Foreign Shareholders, Etc.) promptly after the end of the Tender Offer Period. In the case where application is made through Nikko Easy Trade, a notice of purchase by way of the Tender Offer will be delivered by electronic method.

Payment of the consideration will be made in cash. The proceeds from the sale of the purchased share certificates, etc. shall be transferred from the Tender Offer Agent to the location designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Foreign Shareholders, Etc.) promptly after the settlement commencement date in the manner designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Foreign Shareholders, Etc.).

d. Method for Returning Share Certificates, Etc.

In the event that the Tendered Share Certificates, Etc. are not purchased in their entirety in accordance with the conditions set forth in "a. Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details thereof" or "b. Conditions for Withdrawal, Etc. of Tender Offer, Details thereof and Method for Disclosure of Withdrawal, Etc." under "(9) Other Conditions and Methods of Purchase" below, the Tendered Share Certificates, Etc. that are required to be returned will be returned to the Tendering Shareholders, Etc. by the Tender Offer Agent promptly after two (2) business days following the last day of the Tender Offer Period (on the day of the withdrawal, etc., if the Tender Offer is withdrawn, etc.) by restoring the record of the shares in the Tendering Shareholders' Account of the Tender Offer Agent to the status at the time of the relevant tender (the "status at the time of the relevant tender" means the status where execution of the order to apply for the Tender Offer was cancelled.).

(9) Other Conditions and Methods of Purchase

a. Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details thereof

If the aggregate number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the aggregate number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (14,144,700 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

b. Conditions for Withdrawal, Etc. of Tender Offer, Details thereof and Method for Disclosure of Withdrawal, Etc.

The Tender Offer may be withdrawn, etc. upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1 (a) through (j) and (m) through (s), Items 3 (a) through (h) and (j), and Item 4, as well as Article 14, Paragraph 2, Items 3 through 6, of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**"). In the Tender Offer, the "matters equivalent to the matters listed in (a) through (i)" in Article 14, Paragraph 1, Item 3 (j) of the Enforcement Order means the cases (i) where it is found that there is a false statement or omission regarding a material matter to be stated in the statutory disclosure documents that the Target Company previously submitted and (ii) where the matters listed in (a) through (i) of the same item occur with respect to a material subsidiary of the Target Company.

In addition, with respect to the advance notification filed by the Tender Offeror to the Fair Trade Commission pursuant to Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the "**Antimonopoly Act**"), if (i) the waiting period has not expired by the day preceding the expiration date of the Tender Offer Period (including extensions thereof), (ii) a prior notice of a cease and desist order has been given or (iii) a petition for an urgent suspension order of the court has been filed against the Tender Offeror as a person engaging in an act suspected of violating the provisions of Article 10, Paragraph 1 of the Antimonopoly Act, the Tender Offer may be withdrawn, etc. as a case where the "Permission, etc." set forth in Article 14, Paragraph 1, Item 4 of the Enforcement Order was not obtained.

In the event that the Tender Offeror intends to withdraw the Tender Offer, etc., it will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper *Nihon Keizai Shimbun*. However, if it is difficult to provide such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

c. Conditions for Reduction of Purchase Price, Details thereof and Method for Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action set forth in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standards set forth in Article 19, Paragraph 1 of the TOB Order.

Should the Tender Offeror intend to reduce the Tender Offer Price, it will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper *Nihon Keizai Shimbun*. However, if it is difficult to provide such notice within the Tender Offer Period, the Tender Offeror will provide an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

If the Tender Offer Price is reduced, the Tender Offeror will purchase the tendered share certificates, etc. that are tendered even on or prior to the public notice at the reduced Tender Offer Price.

d. Matters Concerning Right of Cancellation of Contract of Tendering Shareholders, Etc.

Tendering Shareholders, Etc. may cancel the contract related to the Tender Offer at any time during the Tender Offer Period.

In order to cancel the contract, Tendering Shareholders, Etc. must personally deliver or mail (by post) a written request for the cancellation of the contract related to the Tender Offer (the "**Cancellation Documents**") to the entity designated below by 15:30 on the last day of the Tender Offer Period. (Please note that business hours may differ from office to office. Therefore, please check the business hours, etc. of the office you intend to use before proceeding with the procedures.) If cancellation is made by postal mail, the cancellation will not be effective unless the Cancellation Documents are delivered to the entity designated below by 15:30 on the last day of the Tender Offer Period. (Please note that business hours may differ from office to office. Therefore, please check the business hours, etc. of the office you intend to use before proceeding with the procedures.)

A contract executed via the Nikko Easy Trade can be canceled by logging onto the Nikko Easy Trade website and completing the cancellation procedures in the manner prescribed on such website by 15:30 on the last day of the Tender Offer Period.

Entity authorized to receive the Cancellation Documents:

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan
(and branch offices of SMBC Nikko Securities Inc. located in Japan)

No compensation for damages or penalty payment will be claimed against any Tendering Shareholders, Etc. by the Tender Offeror related to any such cancellation of contract by the Tendering Shareholder, Etc. The cost of returning the Tendered Share Certificates, Etc. will be borne by the Tender Offeror. If a request for cancellation is made, the Tendered Share Certificates, Etc. will be returned promptly after the completion of the procedures pertaining to such request for cancelation by way of the method described in "d. Method for Returning Share Certificates, Etc." in "(8) Method of Settlement" above.

e. Method for Disclosure if Conditions or Other Terms of Tender Offer Are Changed

The Tender Offeror may change the terms or conditions, etc. of the Tender Offer during the Tender Offer Period, except where it is prohibited pursuant to Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order.

Should any terms or conditions of the Tender Offer be changed, the Tender Offeror will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper *Nihon Keizai Shimbun*. However, if it is difficult to provide notice within the tender offer period, the Tender Offeror will provide an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

Should any of the terms or conditions of the Tender Offer be changed, the purchase of the Tendered Share Certificates, Etc. tendered on or prior to the date of such public notice will also be made in accordance with the changed terms and conditions.

f. Method for Disclosure if Amended Statement Is Submitted

If the Tender Offeror submits an amendment to the Tender Offer Registration Statement to the Director-General of the Kanto Local Finance Bureau (except in the case prescribed in the proviso to Article 27-

8, Paragraph 11 of the Act), the Tender Offeror will promptly make an official announcement of the details of such amended statement to the extent relevant to the contents of the public notice of the start of the Tender Offer, pursuant to the method set forth in Article 20 of the TOB Order. The Tender Offeror will also promptly amend the tender offer explanatory statement and provide the amended explanatory statement to the Tendering Shareholders, Etc. who received the tender offer explanatory statement. However, if the extent of the amendments is limited, the Tender Offeror will convey the changes to the Tendering Shareholders, Etc. by way of preparing and delivering to the Tendering Shareholders, Etc. a document stating the reason for the amendments, the matters amended and the details thereof.

g. Method for Disclosure of Results of Tender Offer

The Tender Offeror will announce the results of the Tender Offer in accordance with the methods stipulated in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order on the day following the last day of the Tender Offer Period.

h. Others

The Tender Offer is not being made, either directly or indirectly, in or into the United States, nor by using mail of the United States or any other means or instrumentality of interstate or foreign commerce, including but not limited to telephone, telex, facsimile, email, or Internet communications. In addition, the Tender Offer is not being made through any facility of a United States securities exchange. Shares may not be tendered in the Tender Offer using any of the methods or means mentioned above, through any such facilities, or from within the United States.

Neither the Tender Offer Registration Statement nor any related purchase documents may be sent or distributed within, to, or from the United States, whether by mail or any other means. Such sending or distribution is prohibited. Any tender to the Tender Offer that directly or indirectly violates any of the restrictions above will not be accepted.

Individuals tendering shares in the Tender Offer (or the Standing Proxy in the case of Foreign Shareholders, Etc.) are required to make the representations and warranties below.

At the time of tendering and when sending the Tender Offer Application Form, individuals tendering shares in the Tender Offer are neither located in the United States nor have they received or sent any information or documents in connection with the Tender Offer within, to, or from the United States. In addition, in connection with the Tender Offer or the selection or delivery of the Tender Offer Application Form, individuals tendering shares in the Tender Offer have not used, whether directly or indirectly, the U.S. postal service or any other means or instrumentality of interstate or international commerce (including but not limited to telephone, telex, facsimile, email, and Internet communications) or any facility of a securities exchange in the United States. Individuals tendering shares in the Tender Offer are not acting as an agent, trustee, or fiduciary with discretionary authority, unless such authority is given in accordance with instructions from outside the United States.

(10) Date of Notice of Commencement of Tender Offer

August 17, 2023 (Thursday)

(11) Tender Offer Agent

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

3. Policy after Tender Offer and Future Prospects

(1) Policy after Tender Offer

For the policy, etc. after the Tender Offer and future prospects, please refer to “c. Management Policy after the Tender Offer” in “(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer” under “1. Purpose of Purchase” above.

(2) Impact on and Prospects for Tender Offeror’s Future Consolidated Financial Results

The Tender Offeror is currently reviewing the impact the Tender Offer will have on the Tender Offeror’s financial results and if any revision to the financial results forecast becomes necessary or any matters that should be disclosed come to light in the future, the Tender Offeror will promptly disclose the same.

(Reference) Consolidated earnings forecasts for the fiscal year ending September 2023 and actual consolidated results for the previous fiscal year

(Millions of yen)

	Revenue	Operating income	Ordinary income	Profit attributable to owners of parent
Consolidated earnings forecasts for the fiscal year (ending September 2023)	1,130,000	141,000	136,500	92,000
Actual consolidated results for the previous fiscal year (ended September 2022)	952,686	119,358	121,166	77,884

4. Others

(1) Agreements between Tender Offeror and Target Company or its Officers, and Details Thereof

The Target Company resolved, at the Board of Directors meeting of the Target Company held today, to express its opinion to support the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For further information on the decision-making process of the Target Company's Board of Directors, please refer to the Target Company's Press Release and "e. Unanimous Approval by All of the Non-Interested Directors and No Objection from Any Non-Interested Audit and Supervisory Board Members of the Target Company" in "(4) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" under "1. Purpose of Purchase" above.

(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Their Shares in the Offer, Etc.

a. Details of Information Received About Facts of the Tender Offer, etc.

The Target Company informed the Tender Offeror on August 11, 2023, that Oasis sent the Draft Proposal (Note 1) to the Target Company on July 19, 2023. On August 11, 2023, the Target Company informed the Tender Offeror that Oasis had a meeting with the Target Company on August 8, 2023, and that it had proposed to the Target Company that it conduct due diligence in preparation for a formal tender offer proposal. The contents of the Draft Proposal and the of the discussion with Oasis that the Tender Offeror was informed of by the Target Company that fall under the matters provided in Article 167, Paragraph 5, Item 8 of the Act and Article 62-2, Item 1 of the Cabinet Office Ordinance on Restrictions on Securities Transactions, etc. are as follows:

Name, etc. of Tender Offeror, etc. relating to Tender Offer	Oasis Management Company Ltd.
Address or Location	4th Floor Anderson Square, 64 Shedden Road, P.O. Box 10324, Grand Cayman, KY1-1103 Cayman Islands
Name of Issuer and Class of Share Certificates, etc.	SANEI ARCHITECTURE PLANNING CO., LTD. Common stock
Tender Offer Period, etc.	Unknown (note 2)
Tender Offer Price, etc.	Unknown (note 3)
Number of Share Certificates, etc., to be Purchased	Unknown (note 3)

Details of the conditions provided in each item of Article 27-13, Paragraph 4 of the Law	Unknown

(Note 1) The Tender Offeror has been informed by the Target Company that the Draft Proposal is only a draft and is not a formal proposal. It is a provisional document based on the assumption that Oasis will make a formal proposal after engaging in negotiations with Mr. Koike and conducting due diligence.

(Note 2) However, the Tender Offeror has been informed by the Target Company that the Draft Proposal and materials sent by Oasis to the Target Company state that the Tender Offer Period is anticipated to be from October 16, 2023, to November 14, 2023 (20 business days).

Note (3) However, the Tender Offeror has been informed by the Target Company that the Draft Proposal assumes that Oasis will acquire the shares of the Target Company owned by Mr. Koike at a price discounted from the market price or at a price without any premium on the assumption that the Target Company will remain listed.

b. Disclosure of the "Notice Regarding Dividend of Surplus (No Dividend)"

According to the Target Company, at its Board of Directors meeting held today, taking into consideration that the Tender Offer Price has been comprehensively determined and decided on the basis that no dividend of surplus with a record date of August 31, 2023, (i.e., year-end dividend) will be paid, the Target Company resolved not to pay a dividend of surplus with a record date of August 31, 2023. For details, please refer to the Target Company's relevant notice.

c. Disclosure of the "Notice Regarding Receipt Investigation Report of Third-Party Committee"

According to the Target Company, on August 14, 2023, the Target Company received the investigation report by the Third-Party Committee. For details, please refer to the Target Company's relevant notice.

d. Disclosure of the "Notice Regarding Release of Investigation Report of Third-Party Committee"

According to the Target Company, on August 15, 2023, the investigation results and responsive policies by the Third-Party Committee were published. For details, please refer to the Target Company's relevant notice.

e. Disclosure of the "Notice Regarding Completion of Submission of Third-Quarterly Report for 30th Fiscal Year (ending August 2023)"

According to the Target Company, on August 15, 2023, the Target Company submitted its Third-Quarterly Report for 30th Fiscal Year (ending August 2023) to the Kanto Local Finance Bureau. For details, please refer to the Target Company's relevant notice.

f. Disclosure of “Notice Regarding Submission of Amendment Report of Securities Reports, etc., for Prior Fiscal Years”

According to the Target Company, the Target Company submitted an amendment report of securities reports for prior fiscal years to the Kanto Local Finance Bureau today. The following reports have been amended. For details, please refer to the Target Company’s relevant notice.

Amendment Report of Securities Reports for Prior Fiscal Years

Securities Reports

25th fiscal period (from September 1, 2017, to August 31, 2018)

26th fiscal period (from September 1, 2018, to August 31, 2019)

27th fiscal period (from September 1, 2019, to August 31, 2020)

28th fiscal period (from September 1, 2020, to August 31, 2021)

29th fiscal period (from September 1, 2021, to August 31, 2022)

Quarterly Reports

First Quarter of the 28th Fiscal Period (From September 1, 2020, to November 30, 2020)

Second Quarter of the 28th Fiscal Period (From December 1, 2020, to February 28, 2021)

3rd Quarter of 28th Fiscal Period (From March 1, 2021, to May 31, 2021)

g. Disclosure of the “Notice Regarding Submission of Amendment Report of Internal Control Reports”

According to the Target Company, the Target Company submitted an amendment report of its internal control reports for prior fiscal years to the Kanto Local Finance Bureau today. The following reports have been amended. For details, please refer to the Target Company’s relevant notice.

25th fiscal period (from September 1, 2017, to August 31, 2018)

26th fiscal period (from September 1, 2018, to August 31, 2019)

27th fiscal period (from September 1, 2019, to August 31, 2020)

28th fiscal period (from September 1, 2020, to August 31, 2021)

29th fiscal period (from September 1, 2021, to August 31, 2022)

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