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February 6, 2025

To Whom It May Concern:

Company Name: Toyo Sugar Refining Co., Ltd.
Name of Representative: Tomonobu Miki, Representative
Director, President and Executive
Officer
(Code: 2107, TSE Standard Market)
Inquiries to: Noboru Suzuki, Director, Managing
Executive Officer and General Manager
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**ANNOUNCEMENT ON EXPRESSION OF OPINION IN FAVOR OF AND
RECOMMENDATION TO ACCEPT A TENDER OFFER BY WELLNEO SUGAR
CO., LTD. FOR COMPANY'S SHARES**

Toyo Sugar Refining Co., Ltd. (the "Company") hereby announces that the Company resolved at its board meeting held today to express an opinion in favor of the tender offer (the "Tender Offer") for common stocks in the Company (the "Company's Share(s)") to be conducted by WELLNEO SUGAR Co., Ltd. (the "Offeror"), and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

The board of directors adopted the above resolution on the assumption that the Offeror intends to cause the Company to be a wholly-owned subsidiary of the Offeror and the Company's Shares will be subject to delisting upon the Tender Offer and a subsequent series of procedures conducted by the Offeror.

Particulars

1. Outline of the Offeror

(1) Name	WELLNEO SUGAR Co., Ltd.
(2) Location	14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo
(3) Title and Name of Representative	Representative Director, Chairman, Shinji Nakano Representative Director, President, Koji Yamamoto
(4) Business Description	Manufacture and sales of sugar and other foodstuffs, operation of fitness clubs, refrigerated warehousing and port transportation services, sales of synthetic resins, etc.
(5) Stated Capital	7,000,000,000 yen

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(6)	Establishment Date	October 3, 2011	
(7)	Major Shareholders and Shareholding Ratio (as of September 30, 2024)	ITOCHU Corporation	37.78%
		SUMITOMO CORPORATION	25.32%
		The Master Trust Bank of Japan, Ltd. (Trust account)	4.43%
		Custody Bank of Japan, Ltd. (Trust account)	1.23%
		Musashi Securities Co.,Ltd.	0.93%
		BULL-DOG SAUCE CO.,LTD.	0.91%
		Takanori Hirano	0.67%
		JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	0.50%
		Sadao Seki	0.48%
		Nippon Life Insurance Company	0.47%
(8)	Relationship between the Company and the Offeror		
	Capital Relationship	Not Applicable	
	Personnel Relationship	Not Applicable	
	Business Relationship	The consolidated subsidiary of the Company, TOHAN CORPORATION, purchases refined sugar from the Offeror.	
	Status as a Related Party	Not Applicable	

2. Tender Offer Price

2,080 yen per common stock

3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer

(1) Details of the opinion regarding the Tender Offer

Based on the grounds and reasons described in “(2) Grounds and reasons of the opinion regarding the Tender Offer” below, the Company’s board meeting which was held today adopted a resolution expressing an opinion in favor of the Tender Offer and recommending that the Company’s shareholders tender their shares in the Tender Offer.

The above board resolution was adopted in the manner described in “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest”, “⑤ Approval of all directors of the Company without interest” below.

(2) Grounds and reasons of the opinion regarding the Tender Offer

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The description about the Offeror stated in this “(2) Grounds and reasons of the opinion regarding the Tender Offer” is based on explanations given by the Offeror.

① Overview of the Tender Offer

The Company heard that at the board meeting of the Offeror held today, the Offeror has resolved to implement the Tender Offer as part of a transaction aiming at acquiring all of the Company’s Shares listed on Tokyo Stock Exchange, Inc. (“TSE”) Standard Market (except for the treasury shares owned by the Company) and making the Company a wholly-owned subsidiary of the Offeror (“Transaction”).

The Company heard that, as of today, the Offeror does not own any Company’s Shares. Also, the Company heard that none of the companies in the Offeror’s Group (to be defined in “② Background to, and objectives of and decision-making process leading to the Offeror’s decision to implement the Tender Offer” below), other than the Offeror, owns any Company’s Shares as of today.

The Company heard that the Offeror has executed a tender offer agreement with Marubeni Corporation (“Marubeni”) on February 6, 2025 (“Tender Offer Agreement (Marubeni)”), and the Offeror has been agreed that all of the Company’s Shares owned by Marubeni (2,140,847 shares, Ownership Ratio (Note 1): 39.26%) will be tendered in the Tender Offer. For details of the Tender Offer Agreement (Marubeni), please refer to “4. Matters Concerning Material Agreements for the Tender Offer” below.

(Note 1) The “Ownership Ratio” means the ratio (rounded to two decimal places; the same applies hereinafter for the Ownership Ratio) to the number of shares (5,452,647 shares) obtained by deducting the number of treasury shares (3,353 shares) owned by the Company as of December 31, 2024 from the total number of issued shares (5,456,000 shares) of the Company as of the same date as stated in the “Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 [Japanese GAAP]” (the “Company’s Summary of the Financial Results”) released by the Company on today.

The Company heard that the Transaction consists of (i) the Tender Offer and (ii) if, after successful completion of the Tender Offer, the Offeror fails to acquire all of the Company’s Shares (except for the treasury shares owned by the Company) through the Tender Offer, a series of procedures to make the Offeror the only shareholder of the Company (“Squeeze-Out Procedures”; For details, please refer to “(5) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy”).

Given that the Offeror intends to acquire all of the Company’s Shares (except for the treasury shares owned by the Company) and privatize the Company’s Shares in

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the Tender Offer, the Company heard that the Offeror has not set a maximum number of shares to be purchased and will purchase all of the share certificates, etc. tendered in the Tender Offer.

On the other hand, in the case of a tender offer for the purpose of going private, it is normal to set the minimum number of shares to be purchased to secure the number of voting rights equivalent to two-thirds of the total number of voting rights of the subject company from the viewpoint of ensuring squeeze-out procedures through a share consolidation after the tender offer is completed. However, since it is not essential to acquire the number of shares equivalent to two-thirds of the total voting rights of the Company through the Tender Offer in order to implement the squeeze-out procedure by way of share consolidation when focusing on the ratio of voting rights exercised at past annual general meetings of shareholders of the Company, from the viewpoint of increasing the probability of the Transaction's closing, the Company heard that the Offeror decided to set the minimum number of shares to be purchased in the Tender Offer at 2,720,900 shares, which is equivalent to 50.10% of the total voting rights of the Company.

In other words, when focusing on the ratio of voting rights exercised at the Company's annual general meeting of shareholders for the past five (5) years, the average value of the ratio of voting rights exercised was 70.59% and the maximum value was 74.25% (Note 2), and the Company heard that the Offeror conservatively used 74.25%, the maximum value, instead of the average value. The Offeror believes that it is feasible enough to implement the squeeze-out procedure by way of share consolidation if the Offeror acquires, through the Tender Offer, 49.50% of the Company's Shares representing the number of voting rights obtained by multiplying such number by the two-thirds required for the special resolution of the general meeting of shareholders. However, in order to increase the possibility of implementing the squeeze-out procedure through share consolidation after the completion of the Tender Offer, the Company heard that the Offeror conservatively set the minimum number of shares to be purchased at 2,720,900 shares (Note 3), which is equivalent to 50.10% of the total voting rights of the Company.

(Note 2) Based on the total number of voting rights as of the record date of the 100th annual general meeting of shareholders as stated in the Annual Securities Report submitted by the Company on June 26, 2024, and the number of voting rights exercised at the 100th annual general meeting of shareholders as stated in the Extraordinary Report submitted on June 21, 2024, the number of voting rights exercised at the 100th annual general meeting of shareholders held in June 2024 was 63.39% (rounded to two decimal places; the same applies hereinafter for the voting rights ownership ratio unless otherwise provided) of the total number of voting rights. If the same calculation method is used, the ratio is 67.08% for the 99th annual general meeting of shareholders held in June 2023, 74.12% for the

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98th annual general meeting of shareholders held in June 2022, 74.25% for the 97th annual general meeting of shareholders held in June 2021, and 74.10% for the 96th annual general meeting of shareholders held in June 2020.

(Note 3) The number of shares is calculated by multiplying the number of voting rights of all shareholders as of September 30, 2024 (as stated in the Semi-annual Report for the 101st Period filed by the Company on November 12, 2024) of 54,309 units by 50.1% and rounding up the number less than 1 (27,209 units), and multiplying such number by the number of shares constituting one unit (100 shares) of the Company.

Since the minimum number of shares to be purchased in the Tender Offer is not the number of voting rights equivalent to two-thirds of the total number of voting rights as described above, if the total number of voting rights of the Company owned by the Offeror falls below two-thirds of the number of voting rights of all shareholders of the Company after the consummation of the Tender Offer, the Company heard that the proposal for the Share Consolidation conducted as a part of the Squeeze-out Procedure may not be approved at the Extraordinary General Meeting of Shareholders (The terms "Share Consolidation" and "Extraordinary General Meeting of Shareholders" are to be defined in "(5) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)" below; the same applies hereinafter.).

However, even if such approval is not obtained, the Company heard that the Offeror intends to acquire all of the Company's Shares (except for the treasury shares owned by the Company) and ultimately privatize the Company's Shares. Therefore, with the aim of privatizing the Company's Shares, the Offeror plans to acquire additional Company's Shares through market purchases or off-market over-the-counter acquisitions until the level at which the proposal for the Share Consolidation can be practically approved at the general meetings of shareholders of the Company (The Company heard that the specific level will be determined based on the ratio of the exercise of voting rights at the Extraordinary General Meeting of Shareholders and the latest shareholder composition of the Company), taking into account the tendering status of the Tender Offer, the ownership status and attributes of the shareholders of the Company at the time, and the trend of the market share price. With respect to such additional acquisition, the Company heard that the Offeror will purchase the Company's Shares at the market price in the case of an intra-market transaction, or at a price that is economically equivalent to the price per share of the Company's Share in the Tender Offer (the "Tender Offer Price"), unless an event requiring a price adjustment such as share consolidation or share split occurs with respect to the Company's Shares in the case of a transaction other than intra-market transaction. The Company heard that the specific timing and method of such additional acquisition and

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the period required for approval of the proposal for the Share Consolidation at the subsequent general meeting of shareholders cannot be determined at this time due to various factors such as market conditions. However, the Company heard that the Offeror will make its best efforts to implement the Share Consolidation as soon as practically possible (by the end of 2026 at the latest).

If the Offeror fails to acquire all of the Company's Shares (except for the treasury shares owned by the Company) in the Tender Offer despite the successful completion of the Tender Offer, the Company heard that the Offeror plans to request the Company to implement the Squeeze-Out Procedures after the completion of the Tender Offer (Please refer to the immediately preceding paragraph for the action to be taken if the proposal for the Share Consolidation is not approved at the Extraordinary General Meeting of Shareholders.).

② Background to, and objectives of and decision-making process leading to the Offeror's decision to implement the Tender Offer

The Company heard that the Offeror was established in October 2011 as Nissin Sugar Holdings Co., Ltd., which is the parent company of Nissin Sugar Manufacturing Co., Ltd. and Shinko Sugar Co., Ltd. through a share transfer. In April 2013, the Offeror absorbed Nissin Sugar Manufacturing Co., Ltd. and Shinko Sugar Co., Ltd. and changed its name to Nissin Sugar Co., Ltd., and then in January 2023, the Offeror implemented a share exchange in which the Offeror is the wholly-owning parent company and ITOCHU Sugar Co., Ltd. is the wholly-owned subsidiary, as well as an absorption-type company split in which the Offeror is the splitting company (in which all businesses of the Offeror except for those relating to group management and administrations were split into Nissin Sugar Split Preparation Co., Ltd.). As a result, the Company heard that the Offeror changed its trade name to WELLNEO SUGAR Co., Ltd. and merged, by way of absorption-type merger, with its two wholly-owned subsidiaries (i.e., Nissin Sugar Co., Ltd. (renamed from Nissin Sugar Split Preparation Co., Ltd. in January 2023) and ITOCHU Sugar Co., Ltd.) in October 2024.

The Offeror listed its shares on the Second Section of the TSE in October 2011, was assigned to the First Section of the TSE in November 2015, and moved to the Prime Market from the First Section of the TSE in April 2022 due to reclassification of the market classification of the TSE.

The Company heard that as of December 31, 2024, the Offeror has 9 subsidiaries and 10 affiliates (the Offeror and its subsidiaries and affiliates are hereinafter collectively referred to as the "Offeror's Group").

The Company heard that the Offeror's Group is mainly engaged in the sugar manufacturing and food science businesses. In the sugar manufacturing business, for example, the Offeror manufactures and sells "Cup Mark" and "Krull Mark" brand sugar, while the Offeror's subsidiary, DAIICHI TOGYO CO.,LTD., manufactures and sells "Seven Mark" brand sugar. In addition, the Offeror's Group's production bases

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are located in Kanto, Chubu, Kansai and Kyushu regions. With regard to the food science business, the Offeror's Group manufactures and sells functional materials, food additives, edible films and sugar-derived and sweetener-related products. The Offeror's Neo-Functional Materials Department and the Offeror's subsidiaries are working together to strengthen R&D and marketing and actively invest in these businesses.

The Company heard that as a major player in the sugar industry in Japan, the Offeror has contributed to the vitalization of agriculture, the preservation of the environment, and the development of the local economy through stable supply of sugar, which is a daily necessity, with a focus on quality and safety over a long period of time and by developing alongside local raw material producers and sugar manufacturers through sugar manufacturing business using sugar cane in Okinawa and Kagoshima as raw material and the procurement of domestic sugar (beet sugar and cane sugar). In addition, the Offeror believes that it has contributed to the formation of healthy lifestyles and a rich food culture by providing new added value through the development and commercialization of functional materials that contribute to the health of consumers.

Meanwhile, the Company heard that the environment surrounding the sugar industry in Japan has become increasingly uncertain against the backdrop of factors such as declining population, the rise of sugar substitutes due to a preference for low-sugar and low-calories products, intensified competition due to economic partnership agreements with other countries, etc. (as indicated by the 39.7% increase in the international raw sugar market price between January 2020 and December 2024) and the rise in raw material prices in recent years. Under such growing uncertainty, flexible responses to changes in the business environment, further strengthening of the business base, and improvement of management efficiency have become particularly important management issues, and industry restructuring is underway (e.g. establishment of Mitsui DM Sugar Holdings Co., Ltd. (established on April 1, 2021 through the business integration of Mitsui Sugar Co., Ltd. and Dai-Nippon Meiji Sugar Co., Ltd.) and start of WELLNEO SUGAR Co., Ltd. in October 2024).

The Company heard that, as one of the major players in the sugar industry, the Offeror aims to build and develop a sustainable sugar manufacturing business by effectively making capital investments while enhancing efficiency through quantitative expansion. In the sugar manufacturing business, the Offeror believes that it is necessary to further enhance its competitiveness, and in the food science business including the functional material business, the Offeror believes that differentiation through research and development backed by sufficient cash, marketing measures, and investment for growth will become increasingly important, given that the competitive environment is likely to intensify in this growing market.

Meanwhile, the Company was established on November 29, 1949 as a spin-off of the sugar manufacturing division of former Akiyama Sugar Refinery, a joint stock

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company established as a sugar re-refining business in February 1927. The Company was listed on the First Section of the TSE in March 1953, listed on the First Section of the Osaka Securities Exchange, Financial Instruments Membership Corporation in March 1954, delisted from Osaka Securities Exchange Co., Ltd. in March 2003, and shifted to the TSE Standard Market in April 2022 due to reclassification of the market classification of the TSE.

As of today, the group of the Company consists of the Company, one consolidated subsidiary and one equity method affiliate (collectively, "Company's Group"), and its main business activity is the manufacture and sale of refined sugar, food and beverage materials, and cosmetics materials. The Company's Group operates in two segments: the sugar business and the functional materials business. In the sugar business, the Company's Group manufactures and sells "Mitsuhana" brand refined sugar, and in the functional materials business, the Company's Group manufactures and sells enzyme-treated rutin, enzyme-treated hesperidin, stevia sweetener, yuzu polyphenol, glyceryl glucoside, baobab oil, etc.

The Company's Group's mission is to contribute to the creation of a healthier and richer food culture and healthy lifestyles through its each business. Its basic policy is to ensure social trust and increase corporate value by providing a variety of excellent products and services with the safety and security measures for food as a top priority, while strengthening corporate governance and ensuring strict compliance with laws and regulations.

The basic strategy of the Company's Group is to expand its functional material business with the aim of making it its second pillar, while pursuing sustainable growth of its core sugar business and contemplating business investments such as construction of a new plant to expand manufacturing facilities.

In its sugar business, the Company's Group produces and sells refined sugar under the system of price adjustment of sugar (Note 4) aimed at securing a stable supply of sugar in Japan under the Act on Price Adjustment of Sugar and Starch (the "Act"). The major products include white soft sugar, granulated sugar, brown soft sugar, and liquid sugar, which are shipped mainly for commercial use through trading companies and dealers in Japan. In a business environment where a significant recovery in consumption volume still cannot be expected due to various factors such as the influence of alternative sweeteners and the shift away from sweet foods, the Company's Group makes efforts to maintain sales volume by proposing sales to existing customers and finding new customers.

(Note 4) The "system of price adjustment of sugar" means a system to ensure a stable supply of sugar by preventing the inflow of refined sugar, the final product, from overseas through a high level of border measures, so that sweet resource crops in Okinawa, Kagoshima, and Hokkaido and the domestic sugar production business using these crops as raw materials, as well as the refined sugar production business using domestic sugar and imported raw sugar as raw

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materials and other related industries can be viable.

In its functional material business, the Company's Group mainly produces and sells functional materials using enzyme processing technology. The major products include enzyme-treated stevia, enzyme-treated rutin, and enzyme-treated hesperidin, which are shipped as raw materials in the fields of beverages/health foods, supplements, and cosmetics.

Under these circumstances, the Company heard that the Offeror considered that pursuing synergies through collaboration with the Company, which operates in the same industry as the Offeror in the sugar manufacturing business, would be beneficial, contacted the Company and held a meeting with the Company in the middle of April 2024, during which the Offeror made an initial request to consider collaboration. Since the Offeror received a response from the Company indicating that it would consider the collaboration, the Offeror and the Company commenced discussions regarding the Transaction.

Furthermore, during the course of discussions regarding the Transaction with the Company, the Company heard that the Offeror has determined that, in order to enhance competitiveness, build a strong profit base, and achieve medium- to long-term enhancement of corporate value through strong collaboration with the Company, it is necessary to conduct a flexible, appropriate, and prompt decision-making that responds to changes in the external environment, as well as to promote various measures for the sustainable corporate growth and stable employment of the Offeror with its shareholders, management, and employees working together. To achieve this, the Offeror has decided in late August 2024 to make the Company a wholly-owned subsidiary of the Offeror, rather than a capital and business alliance that is premised on the Company staying listed.

Accordingly, the Offeror requested to hold a meeting with the Company and informed the Company of the intention to make the Company a wholly-owned subsidiary of the Offeror in late September 2024. Since the Offeror and the Company confirmed that they had the agreement to consider making the Company a wholly-owned subsidiary of the Offeror, the Offeror submitted to the Company, in early October 2024, an initial proposal regarding its intention of the Transaction (which is non-binding, "Proposal").

The Company heard that the Offeror believes that the synergies as set forth below can be specifically expected in the business operations of the Company through the Transaction.

(i) Strengthening the competitiveness of the sugar business

In the sugar industry, where the supply and demand and market conditions change rapidly, the Offeror believes that integrating the Offeror and the Company will make

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them one of the leading companies in the industry both qualitatively and quantitatively and strengthen the competitiveness of the Company's sugar business. The Offeror believes that building an optimal supply chain in cooperation between the Offeror and the Company such as joint raw material procurement, utilization of manufacturing know-how between the Offeror and the Company and realization of distribution and sales from the most suitable production bases of the Offeror and the Company will create a sustainable and competitive supply system and provide benefits to consumers through more competitive products.

The Offeror is also promoting the sales of value-added products, such as cane oligosaccharides and cane sugar in the sugar business, and also plans to consider adding of extra values to the Company's product from now on. In addition, the Offeror is promoting the improvement of productivity in the sugar business through digitalization, and the Offeror believes that it can contribute to the digitalization of the Company's sugar business.

(ii) Integration synergies in functional materials

In the functional material business of both companies, like the sugar business described in (i) above, the Offeror expects to be able to further strengthen the value chain through joint procurement of raw materials, utilization of manufacturing know-how of the Offeror and the Company, and sales from the most appropriate production bases of the Offeror and the Company, and to obtain opportunities for both companies to increase profits. In addition, the Offeror believes that by sharing information between the two companies from the R&D phase, they will be able to accelerate the speed of product development and set out a unified and integrated direction as one group in the R&D strategy, leading to the creation of various functional materials.

(iii) Corporate synergies

The Offeror believes that it will be possible to achieve greater efficiency of the management function and the administration system by the two companies having the mutual and integrated headquarter functions such as general affairs, accounting, human resources, and auditing, as well as information systems.

The Company pays audit fees, stock transfer agency service fees, and other expenses associated with the listing every year, and spends a certain amount of time dedicated by its management divisions for the listed stock-related works such as complying with the corporate governance code. However, the Offeror believes that the Company will be able to reduce such listing costs and make more effective use of the human resources allocated to the administration divisions if the Company is delisted through the Transaction, and both groups will expect to further strengthen their human capital management through mutual sharing of know-hows.

Meanwhile, the Offeror has reviewed, through its due diligence on the Company, the Transaction from the perspective of its future impact on the Company's major

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business partners and suppliers, brand power and credit, fund raising, recruitment, existing employees and governance system. However, the Offeror believes that (a) since the Transaction will not cause any change in the business structure or profit structure of the Company, there will be no adverse effects on business partners, suppliers, brand power, credit, financing, or employees, and (b) after the Transaction, because the Offeror, which is a listed company, will be the parent company of the Company, the Offeror believes that there will be no adverse effects in terms of the Company's recruitment of human resources. In conclusion, the Offeror believes that the Transaction will not cause any disadvantages that may have a material adverse effect on the Company's business.

Concurrently with the discussions with the Company described above, the Company heard that the Offeror appointed, in late October 2024, (a) EY Strategy and Consulting Co., Ltd. ("EY") as the financial advisor of the Offeror and (b) Anderson Mori & Tomotsune as the legal advisor of the Offeror, each of which is independent from the Offeror, Marubeni and the Company, in order to establish a system for review.

Subsequently, the Offeror proposed in October 2024, and with the consent of the Company, the Offeror conducted due diligence from the middle of November 2024 to the middle of January 2025 to examine the feasibility of the Tender Offer. Based on the results of the due diligence and other factors, the Offeror made a proposal to the Company on January 6, 2025 to set Tender Offer Price at 1,780 yen (which is the price obtained by adding a premium of 21.09% (rounded to two decimal places; the same applies hereinafter for the calculation of premium rate) to the closing price of the Company's Share on the TSE Standard Market on the previous business day (December 30, 2024) of 1,470 yen, a premium of 23.27% to the simple average closing price for the past one (1) month until the record date of December 30, 2024 of 1,444 yen (rounded to the nearest whole number; the same applies hereinafter for the calculation of the simple average closing price), a premium of 25.97% to the simple average closing price for the past three (3) months until such date of 1,413 yen, and a premium of 22.17% to the simple average closing prices for the past six (6) months until such date of 1,457 yen) and not to set the minimum number of shares to be purchased. Thereafter, on January 14, 2025, the Offeror received a written response from the Company in the name of the Special Committee (to be defined in "④ Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer", "(i) Background to the establishment of a consideration framework" below; the same applies hereinafter) stating that the Company requested that the proposed price be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, and (iii) the fact that the proposed price is substantially lower than the Company's net asset value per share as of the end of September 2024, and given that

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the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders. Then, on January 15, 2025, the Offeror made a proposal to the Company to set the Tender Offer Price at 1,905 yen (which is the price obtained by adding a premium of 27.08% to the closing price of the Company's Share on the TSE Standard Market on the previous business day (January 14, 2025) of 1,499 yen, a premium of 30.39% to the simple average closing price for the past one (1) month until the record date of January 14, 2025 of 1,461 yen, a premium of 34.25% to the simple average closing price for the past three (3) months until such date of 1,419 yen, and a premium of 32.11% to the simple average closing price for the past six (6) months until such date of 1,442 yen) and not to set the minimum number of shares to be purchased. Then, on January 17, 2025, the Offeror received a written response from the Company in the name of the Special Committee stating that the Company requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders, and the minimum number of shares to be purchased should be specifically set so that the number of voting rights of the Company held by the Offeror after the consummation of the Tender Offer will be at least two-thirds of the total number of voting rights of all shareholders of the Company.

After that, on January 20, 2025, the Offeror proposed to the Company the Tender Offer Price at 1,980 yen (which is the price obtained by adding a premium of 35.80% to the closing price of the Company's Shares on the TSE Standard Market on the

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previous business day (January 17, 2025) of 1,458 yen, a premium of 35.34% to the simple average closing price for the past one (1) month until the record date of January 17, 2025 of 1,463 yen, a premium of 39.24% to the simple average closing price for the past three (3) months until such date of 1,422 yen, and a premium of 37.69% to the simple average closing price for the past six (6) months until such date of 1,438 yen). The minimum number of shares to be purchased is 2,140,847 shares (the number of the Company's Shares held by Marubeni). Then, on January 27, 2025, the Offeror received a written response from the Company in the name of the Special Committee stating that the Company requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that accepting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that the minimum number of shares to be purchased would contribute to the interests of the minority shareholders, and the minimum number of shares to be purchased should be specifically set so that the number of voting rights of the Company held by the Offeror after the consummation of the Tender Offer will be at least two-thirds of the total number of voting rights of all shareholders of the Company. After that, on January 29, 2025, the Offeror proposed to the Company the Tender Offer Price at 2,050 yen (which is the price obtained by adding a premium of 28.61% to the closing price of the Company's Shares on the TSE Standard Market on the previous business day (January 28, 2025) of 1,594 yen, a premium of 35.31% to the simple average closing price for the past one (1) month until the record date of January 28, 2025 of 1,515 yen, a premium of 42.07% to the simple average closing price for the past three (3) months until such date of 1,443 yen, and a premium of 42.86% to the simple average closing price for the past six (6) months until such date of 1,435 yen), and the minimum number of shares to be purchased was 2,699,100 shares (Ownership Ratio: 49.50%; 74.25%, which is the maximum value of the ratio of voting rights exercised at the Company's annual general meeting of shareholders for the past five (5) years, multiplied by the two-thirds). Then, on January 29, 2025, the Offeror received a written response from the Company in the name of the Special Committee stating that the Company could not accept the request based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions

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similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that accepting the proposed minimum number of shares to be purchased would result in a price proposal that is insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at an insufficient level for the shareholders of the Company, it cannot be said that accepting the proposed minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

After that, on February 3, 2025, the Offeror proposed to the Company the Tender Offer Price at 2,080 yen (which is the price obtained by adding a premium of 33.08% to the closing price of the Company's Shares on the TSE Standard Market on February 3, 2025, the date of the proposal, of 1,563 yen, a premium of 35.86% to the simple average closing price for the past one (1) month until the record date of February 3, 2025 as the record date of 1,531 yen, a premium of 42.66% to the simple average closing price for the past three (3) months until such date of 1,458 yen, and a premium of 44.85% to the simple average closing price for the past six (6) months until such date of 1,436 yen). The minimum number of shares to be purchased is 2,720,900 shares (Ownership Ratio: 50.10%) instead of 2,699,100 shares (Ownership Ratio: 49.50%) based on the content of the response from the Company dated January 29, 2025. In response to this proposal, on February 5, 2025, the Offeror received a written response from the Company in the name of the Special Committee stating that the Company will discuss at its board meeting to accept the Tender Offer Price and the minimum number of shares to be purchased proposed by the Offeror, to express an opinion in favor of the Tender Offer, and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

In addition, the Company heard that the Offeror has been in discussions with Marubeni regarding the Tender Offer Agreement (Marubeni). Specifically, on December 23, 2024, the Offeror met with Marubeni and informed Marubeni that the Offeror is considering and discussing with the Company the privatization of the Company through a scheme including a tender offer, and started discussions with Marubeni regarding the acquisition of all of the Company's Shares held by Marubeni. On January 14, 2025, the Offeror received a request from Marubeni that, although the decision to sell all of the Company's Shares held by Marubeni would depend on the conditions, the method of such sale would be through the tender offer to be conducted by the Offeror for the Company. Based on the discussions with the Company, the Offeror communicated to Marubeni its proposal that the Tender Offer Price be set at JPY2,080 per share on February 3 of the same year, and Marubeni responded that it

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would tender all of its Company's Shares for the Tender Offer at the Tender Offer Price on February 4 of the same year. The Tender Offer Agreement (Marubeni) was executed on February 6 of the same year.

③ Management policy after the Tender Offer

The Offeror and the directors of the Company have not made any agreement regarding the appointment of directors after the Tender Offer. Regarding the details of the management structure of the Company, including the composition of directors after the Tender Offer, the Company heard that the Offeror may dispatch directors to the Company in the future, but there is no specific number, timing, candidates, etc. that have been determined at this time, and they will be determined through discussions with the Company after the Tender Offer is completed.

④ Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer

(i) Background to the establishment of a consideration framework

As described in "② Background to, and objectives of and decision-making process leading to the Offeror's decision to implement the Tender Offer" above, the Company began discussions with the Offeror in the middle of April 2024 regarding the Transaction. The Company then received the Proposal in writing from the Offeror in early October 2024. Taking into account that the Tender Offer will be implemented as part of the Transaction and that there is a possibility that the interests of Marubeni and the shareholders of the Company other than Marubeni may not coincide, in the middle of October 2024, the Company appointed City-Yuwa Partners as its legal advisor, SMBC Nikko Securities Inc. ("SMBC Nikko") as its financial advisor, and Tokyo Kyodo Accounting Office as its third-party valuation institution, each of which is independent from the Company, Marubeni, and the Offeror, in order to ensure the fairness of the Tender Offer Price, to eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer, and to ensure the fairness, transparency, and objectivity of the Transaction. Prior to the receipt of the Proposal, the Company had not received any proposal similar to the Proposal from any third party other than the Offeror.

In addition, based on the legal advice of City-Yuwa Partners, the legal advisor of the Company, at its board meeting held on November 11, 2024, the Company established a special committee to review and negotiate the Transaction from a position independent of Marubeni and the Offeror (the "Special Committee"; for the composition, specific activities, and other details of the Special Committee, please see "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "③ Establishment

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of independent special committee and acquisition of findings report from the Special Committee on the Company” below). Furthermore, with respect to the proposal to establish the Special Committee at the above board meeting, a two-step process was adopted, whereby (i) two (2) of the five (5) directors of the Company, excluding Mr. Tomonobu Miki ("Mr. Miki"), President & CEO, who is a former employee of Marubeni, Mr. Noboru Suzuki ("Mr. Suzuki"), who is currently on secondment from Marubeni and is an employee of Marubeni, and Mr. Takanori Koso ("Mr. Koso"), who is also an employee of Marubeni, deliberated on the proposal and passed a resolution by the unanimous consent of both directors, and (ii) in view of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have the special interest prescribed by the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) with respect to the above proposal, the board of directors deliberated on the proposal again by the three (3) directors, adding Mr. Miki, who transferred from Marubeni to the Company in April 2024 and is not currently employed by Marubeni and who is considered to have less conflict of interest compared to Mr. Suzuki and Mr. Koso who are employees of Marubeni, to the members for the purpose of making an effective resolution that satisfies the quorum under the Companies Act.

(ii) Background to the consideration and negotiation

After receiving the Proposal in writing from the Offeror in early October 2024, the Company, with the advice of City-Yuwa Partners, its legal advisor, and SMBC Nikko, its financial advisor, carefully considered the merits and demerits of the Transaction and the appropriateness of the terms and conditions of the Transaction. The Special Committee approved the appointment of City-Yuwa Partners as legal advisor, SMBC Nikko as financial advisor, and Tokyo Kyodo Accounting Office as a third-party valuation institution, and based on the content of the Offeror's proposal regarding the Transaction and the explanation from the Company regarding the details of business, business environment, management issues and management measures that are currently anticipated for such issues, the details and premises of the business plan for the period from the fiscal year ending March 2025 to the fiscal year ending March 2030 (the "the Business Plan"), which serves as the basis for calculation of the Company's Share value, the purpose, significance, background, development and synergistic effects of the Transaction for the Company, and the management policy after the Transaction, the Special Committee considered and discussed the matters thereof. In this context, the Special Committee confirmed that the Business Plan, presented by the Company to the Offeror and used by Tokyo Kyodo Accounting Office as the basis for

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calculation of the Company's Share value, was prepared under the leadership of persons independent from Mr. Miki, Mr. Suzuki, and Mr. Koso, and Marubeni and the Offeror, and the Special Committee approved the Business Plan after confirming the reasonableness of its details, material preconditions, and process of preparation, etc. The Special Committee also confirmed the business environment and management issues of the Company, the background and development of the Transaction, the necessity, purpose, and synergistic effects of taking the Company's Share private, the management policy after the Transaction, the framework of the Transaction, and the terms and conditions of the Transaction through a question-and-answer session with the Company's directors and a question-and-answer session with the Offeror.

With respect to the negotiation concerning the Tender Offer Price, etc., the Company received a proposal from the Offeror on January 6, 2025 to set the Tender Offer Price at 1,780 yen (which is the price obtained by adding a premium of 21.09% to the closing price of the Company's Share on the TSE Standard Market on the previous business day (December 30, 2024) of 1,470 yen, a premium of 23.27% to the simple average closing price for the past one (1) month until the record date of December 30, 2024 of 1,444 yen, a premium of 25.97% to the simple average closing price for the past three (3) months until such date of 1,413 yen, and a premium of 22.17% to the simple average closing prices for the past six (6) months until such date of 1,457 yen) and not to set the minimum number of shares to be purchased. Thereafter, on January 14, 2025, the Company submitted a written response to the Offeror in the name of the Special Committee stating that the Company requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is substantially lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 15, 2025, the Company received a proposal from the Offeror to set

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the Tender Offer Price at 1,905 yen (which is the price obtained by adding a premium of 27.08% to the closing price of the Company's Share on the TSE Standard Market on the previous business day (January 14, 2025) of 1,499 yen, a premium of 30.39% to the simple average closing price for the past one (1) month until the record date of January 14, 2025 of 1,461 yen, a premium of 34.25% to the simple average closing price for the past three (3) months until such date of 1,419 yen, and a premium of 32.11% to the simple average closing price for the past six (6) months until such date of 1,442 yen) and not to set the minimum number of shares to be purchased. In response, on January 17, 2025, the Company submitted a written response to the Offeror in the name of the Special Committee stating that the Company requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders, and the minimum number of shares to be purchased should be specifically set so that the number of voting rights of the Company held by the Offeror after the consummation of the Tender Offer will be at least two-thirds of the total number of voting rights of all shareholders of the Company.

Subsequently, on January 20, 2025, the Company received a written request from the Offeror to set the Tender Offer Price at 1,980 yen (which is the price obtained by adding a premium of 35.80% to the closing price of the Company's Shares on the TSE Standard Market on the previous business day (January 17, 2025) of 1,458 yen, a premium of 35.34% to the simple average closing price for the past one (1) month until the record date of January 17, 2025 of 1,463 yen, a premium of 39.24% to the simple average closing price for the past three (3) months until such date of 1,422 yen, and a premium of 37.69% to the simple average closing price for the past six (6) months until such date of 1,438 yen). The minimum number of shares to be purchased is 2,140,847 shares

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(the number of the Company's Shares held by Marubeni). In response to this proposal, on January 27, 2025, the Company submitted a written response to the Offeror in the name of the Special Committee stating that the Company requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that accepting the minimum number of shares to be purchased proposed by the Offeror would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Company, it cannot be said that the minimum number of shares to be purchased proposed by the Offeror would contribute to the interests of the minority shareholders, and the minimum number of shares to be purchased should be specifically set so that the number of voting rights of the Company held by the Offeror after the consummation of the Tender Offer will be at least two-thirds of the total number of voting rights of all shareholders of the Company.

Subsequently, on January 29, 2025, the Company received a written request from the Offeror to set the Tender Offer Price at 2,050 yen (which is the price obtained by adding a premium of 28.61% to the closing price of the Company's Shares on the TSE Standard Market on the previous business day (January 28, 2025) of 1,594 yen, a premium of 35.31% to the simple average closing price for the past one (1) month until the record date of January 28, 2025 of 1,515 yen, a premium of 42.07% to the simple average closing price for the past three (3) months until such date of 1,443 yen, and a premium of 42.86% to the simple average closing price for the past six (6) months until such date of 1,435 yen), and the minimum number of shares to be purchased was 2,699,100 shares (Ownership Ratio: 49.50%). In response, on January 29, 2025, the Company submitted a written response to the Offeror in the name of the Special Committee stating that the Company could not accept the request based on a comprehensive review of (i) the results of the valuation of the Company's Shares obtained from a third-party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Company's net asset value per share as of the end of September 2024, and given that the proposed

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price is insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Company's shareholders, and is thus still unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that accepting the proposed minimum number of shares to be purchased would result in a price proposal that is insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at an insufficient level for the shareholders of the Company, it cannot be said that accepting the proposed minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Subsequently, on February 3, 2025, the Company received from the Offeror a proposal for the Tender Offer Price of 2,080 yen (which is the price obtained by adding a premium of 33.08% to the closing price of the Company's Shares on the TSE Standard Market on February 3, 2025, the date of the proposal, of 1,563 yen, a premium of 35.86% to the simple average closing price for the past one (1) month until the record date of February 3, 2025 as the record date of 1,531 yen, a premium of 42.66% to the simple average closing price for the past three (3) months until such date of 1,458 yen, and a premium of 44.85% to the simple average closing price for the past six (6) months until such date of 1,436 yen). The minimum number of shares to be purchased is 2,720,900 shares (Ownership Ratio: 50.10%). In response to this proposal, on February 5, 2025, the Company submitted a written response to the Offeror in the name of the Special Committee stating that the Company will discuss at its board meeting to accept the Tender Offer Price and the minimum number of shares to be purchased proposed by the Offeror, to express an opinion in favor of the Tender Offer, and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

(iii) Details of the Company's Decision Making

Under the circumstances described above, the Company carefully considered and discussed the merits and demerits of the Transaction, including the Tender Offer, and the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, taking into consideration the legal advice received from City-Yuwa Partners, the advice received from SMBC Nikko, the advice and the contents of the Share Valuation Report relating to the Company's Share (the "Share Valuation Report (Tokyo Kyodo Accounting Office)") received from Tokyo Kyodo Accounting Office, and respecting to the maximum extent the opinions of the Special Committee indicated in the findings report submitted by the Special Committee dated February 5, 2025 (the "Findings Report"; for an overview of the Findings Report, please see "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "③ Establishment of

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independent special committee and acquisition of findings report from the Special Committee on the Company” below).

As a result, the Company, at its board meeting held today, concluded that becoming a wholly-owned subsidiary of the Offeror through the Transaction would contribute to the enhancement of the corporate value of the Company, taking into consideration the following points.

(a) Establishment of a competitive advantage in the sugar production business through expansion of the business scale and effective utilization of the sugar production bases of the two groups

In light of the expected long-term decline in demand for sugar and the increasingly challenging industry environment, the Company's Group believes that by making the Company a wholly-owned subsidiary of the Offeror's Group through the Tender Offer and thereby becoming a member of a leading group of companies in the industry (Note 5), the Company's Group will be able to establish an advantageous position in the industry.

In addition, the Offeror's Group has four sugar production bases nationwide in Chiba, Hekinan (Aichi), Osaka, and Miyazaki. As the Company's Group operates in areas where the Offeror's Group has not yet entered, the Company recognizes that the Company's Group's participation in the Offeror's Group will enable stable supply to customers nationwide and will also be effective in terms of BCP (Note 6) measures against natural disasters, etc. In the medium to long term, the Company believes that it will be possible to reduce costs by rationalization and streamlining through the promotion of consolidation and closure of excess facilities in Japan. However, as of today, there are no concrete plans.

(Note 5) Comparing the sales of each of the six listed companies operating the refined sugar business for the fiscal year ending on March 31, 2024, the Offeror is second-ranked, and the Offeror has a 22.65% share (rounded to two decimal places) of the total sales of all companies.

(Note 6) BCP means a business continuity plan.

(b) Growth of Functional Materials Business

With respect to the functional materials business, which the Company's Group has started as part of its efforts to diversify its business, the Company recognizes that there is a shortage of production capacity in the face of increased demand in recent years, and that such shortage of production capacity has become a bottleneck in the expansion of such business. However, the Company expects that by participating in the Offeror's

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Group, the two groups will be able to share their respective management resources, such as know-how, research and development, production bases, funds, and human resources, effectively utilize such management resources to formulate growth strategies and make business investments, and thereby achieve further business expansion.

(c) Integration of human resources platforms between the Offeror's Group and the Company's Group

In order for the Company's Group to operate as an independent company group, it is necessary for the Company's Group to secure all personnel in manufacturing, sales, and administration by itself. However, due to the limited number of personnel in each department of the Company's Group, the Company's Group cannot implement appropriate job rotation, and the dependence on specific individuals has become a serious problem in its operations. The Company believes that it will be difficult for the Company's Group to continue to operate at the current scale in the future because, while the core employees of the Company are expected to gradually retire over the next five (5) to ten (10) years, it does not have the resources to hire new employees in sufficient numbers and there are few employees expected to lead the next generation as the staffing of each department is limited and there are limited personnel to provide training and guidance to newly-hired personnel. The Company believes that by joining the Offeror's Group, the Company's Group will be able to secure and rotate personnel on a larger platform.

As another advantage of the Transaction, the Company expects that it will be able to reduce fixed costs such as the cost of audits, the cost of operating the shareholders meetings, and the cost of outsourcing administrative work to shareholder registry administrator by taking the Company's Share private through the Transaction.

The general disadvantages of taking the Company's Share private are that the Company will not be able to raise funds from the capital market and will not be able to enjoy the benefits of being a listed company, such as gaining social credibility from the outside, including its business partners, and maintaining its name recognition. However, based on the situation that the Company has cash and deposits of 5.3 months (rounded to one decimal place) of monthly sales as of September 30, 2024 and no interest-bearing debt, the Company does not necessarily need to raise funds from the market, and the relationship of trust from many of its business partners has already been established to a certain extent based on a long-term transaction relationship, and it is not expected that its existing business relationships will be substantially diminished by

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going private. In addition, by becoming a group company of the Offeror which is listed on the TSE Prime Market, it is expected that the Company's social credibility and name recognition will be maintained and improved, and the trust it has built up and the name recognition it has gained through its business operations to date will not be lost as a result of the delisting. Therefore, the Company believes that the impact of such disadvantages after taking the Company's Share private will be insignificant. In addition, the Company sells its products (refined sugar) to Marubeni's customers through MARUBENI FOODS CORPORATION ("Marubeni Foods"), a subsidiary of Marubeni, as a sole agent. Even if the capital relationship with Marubeni will be terminated as a result of the Transaction, the Company believes that the commercial distribution through Marubeni Foods as agent will continue after the Transaction based on continuous improvement of corporate value. On the other hand, even if the commercial distribution is not continued, the Offeror's Group will be able to take over the commercial distribution instead of Marubeni Foods because it would be difficult for Marubeni Foods' customers who have been purchasing the Company's products (refined sugar) to immediately purchase the same amount of refined sugar from a competitor based on the fact that domestic refined sugar manufacturers are limited in their raw sugar import quotas under the sugar price adjustment system, and therefore, no adverse effect on the Company's business from the Transaction is expected.

Furthermore, the Company has determined that the Tender Offer Price (2,080 yen) and other terms and conditions of the Tender Offer are appropriate for the shareholders of the Company, and that the Tender Offer provides the shareholders of the Company with a reasonable opportunity to sell their shares, in light of the following points:

(x-1) The Tender Offer Price is above the upper limit of the range of the value of the Company's Share calculated based on the market share price method and above the median of the range of such value calculated based on the discounted cash flow method (the "DCF method") by Tokyo Kyodo Accounting Office as described in "(3) Matters regarding calculation" below.

(x-2) The Tender Offer Price is a price obtained by adding a premium of 31.40% to the closing price of the Company's Share on the TSE Standard Market on February 5, 2025, which is the business day immediately preceding the date of announcement of the Tender Offer of 1,583 yen, 35.50% to the simple average closing price for the past one (1) month (from January 6, 2025 to February 5, 2025) of 1,535 yen, 42.17% to the simple average closing price for the past three (3) months (from November 6, 2024 to

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February 5, 2025) of 1,463 yen, and 44.44% to the simple average closing price for the past six (6) months (from August 6, 2024 to February 5, 2025) of 1,440 yen, respectively, and although the premium ratios to the closing price on the business day immediately preceding the date of announcement of the Tender Offer and to the simple average closing prices for the past one (1) month are lower than the premium ratios in similar transactions by other companies (Note 7), the premium ratios to the simple average closing prices for the past three (3) months and for the past six (6) months are comparable to the premium ratios in similar transactions by other companies. The premium is at a certain level compared to the premium level in similar transactions by other companies.

(Note 7) With respect to the premium ratios in similar transactions by other companies, the Company referred to the premium ratios in the 171 cases of tender offers with the aim of taking stock private, excluding MBOs (management buyouts; Note 8) and real estate-related transactions, that were publicly announced and successfully completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry publicly announced the "Fair M&A Guidelines," to December 9, 2024, and the median of the premiums over the closing price on the business day prior to the date of announcement and over the simple average closing prices for the past one (1) month, three (3) months, and six (6) months in those transactions were 43.51%, 43.37%, 43.40%, and 44.49%, respectively.

(Note 8) "MBO (management buyout)" means a transaction in which the tender offeror conducts a tender offer in accordance with the agreement with the officers of the target company and shares common interests with the officers of the target company.

(x-3) The Tender Offer Price is greater than the Company's net asset value per share on a consolidated basis as of September 30, 2024.

(x-4) The Tender Offer Price is the price determined through repeated negotiations in good faith between the Company and the Offeror after taking measures to ensure the fairness of the Tender Offer as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below. Specifically, the price was increased by 300 yen per share (16.85%) (rounded to the second decimal place) from the initial offer price (1,780 yen per share) as a result of continuous discussions and negotiations in good faith between the Company and the Offeror based on the calculation results of the value of

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the Company's Share by Tokyo Kyodo Accounting Office, the legal advice on the process and method of decision making regarding the Transaction and other matters to be considered from City-Yuwa Partners, and the negotiation policy and opinions, instructions, and requests of the Special Committee in the negotiation phase.

(x-5) Although the minimum number of shares to be purchased is set at the number of shares equivalent to 50.10% of the total voting rights of the Company (2,720,900 shares), considering the following points based on the Offeror's explanation, the number is set lower than the minimum number of shares to be purchased in a tender offer for the purpose of going private under normal circumstances, but it is considered that reasonable measure has been made for the coercion of the Tender Offer that could theoretically arise therefrom:

- Based on the ratio of voting rights exercised at the Company's ordinary general meetings of shareholders over the past five (5) years, the Offeror has conservatively set the minimum number of shares to be purchased at 50.10% of the Company's total voting rights (2,720,900 shares) to increase the possibility of implementing the Squeeze-Out Procedures after the Tender Offer is completed and with a view to achieving a majority of the voting rights ratio. Therefore, the possibility that the proposal for share consolidation will be rejected at the general meeting of shareholders in the Squeeze-Out Procedures is not high, and the possibility of a shareholder (a shareholder affected by coercion) who, despite the completion of the Tender Offer, will tender his/her shares in the Tender Offer against his/her wishes out of concern that the Company's Shares will not be taken private and that he/she will be in a worse position than shareholders who tendered their shares in the Tender Offer, is low from a practical perspective.
- Even if the proposal for share consolidation is rejected at the general meeting of shareholders in the Squeeze-Out Procedures, the Offeror intends to take the Company's shares private, and plans to acquire additional Company's Shares through market purchases or off-market over-the-counter acquisitions until the proposal for share consolidation is approved at the Company's general meeting of shareholders from a practical perspective, taking into account the tendering status of the Tender Offer, the ownership status and attributes of the shareholders of the Company at the time, and the trend of the market share price.
- With respect to such additional acquisition, the Offeror intends to purchase the Company's Shares at the market price in the case of on-market transaction, or at a price that is economically equivalent to the Tender Offer Price in the case other than on-market transaction unless an event requiring a price adjustment such as

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share consolidation or share split occurs with respect to the Company's Shares, and make its best efforts to implement the Share Consolidation as soon as practically possible.

- In light of the Offeror's intention to make the above additional acquisition, it is not highly likely that the Company's Shares will not be taken private even though Company's shareholders who did not tender their shares in the Tender Offer tender their shares in the additional acquisition by the Offeror and the Tender Offer is completed.
- Setting the minimum number of shares to be purchased which increases the possibility of the consummation of the Tender Offer increases the feasibility of the Transaction which is considered to contribute to the enhancement of the Company's corporate value, and is desirable from the perspective of providing minority shareholders with an appropriate opportunity to sell the Company's Shares owned by them.

(x-6) In the Findings Report received from the Special Committee, as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", "③ Establishment of independent special committee and acquisition of findings report from the Special Committee on the Company" below, it was determined that the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, has been ensured.

(x-7) Measures to ensure the fairness of the Tender Offer as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below have been taken, and it is deemed that consideration has been given to the interests of the minority shareholders.

Based on the above, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company, that the Tender Offer Price is a reasonable price by which the interests to be enjoyed by the shareholders of the Company are secured, and that the Tender Offer will provide the shareholders of the Company with a reasonable opportunity to sell their shares. Accordingly, at a meeting of its board of directors held today, the Company expressed an opinion in favor of the Tender Offer and resolved to recommend that the Company's shareholders tender their shares in the Tender Offer.

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For details of the decision-making process of the board meeting, please refer to “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest”, “⑤ Approval of all directors of the Company without interest” below.

(3) Matters regarding calculation

① Acquisition of the share valuation report on the Company from an independent third-party valuation institution

(i) Name of the valuation institution and its relationship with the Company, Marubeni and the Offeror

In rendering its opinion regarding the Tender Offer, in order to eliminate arbitrariness in the decision-making process with respect to the Tender Offer Price presented by the Offeror and to ensure the fairness of the Tender Offer Price, the Company requested Tokyo Kyodo Accounting Office to calculate the Company’s Share value as a third-party valuation institution independent of the Company, Marubeni and the Offeror, and obtained the Share Valuation Report (Tokyo Kyodo Accounting Office) on February 5, 2025. Tokyo Kyodo Accounting Office is not a related party of the Company, Marubeni or the Offeror and does not have any material interest with respect to the Transaction including the Tender Offer. The remuneration payable to Tokyo Kyodo Accounting Office in connection with the Transaction are only a fixed remuneration that will be paid regardless of whether the Transaction is concluded or not and does not include a contingency fee to be paid contingent on the conclusion of the Transaction.

As the Company believes that, as described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, the Company and the Offeror have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore sufficient consideration has been given to the interests of the minority shareholders of the Company, the Company has obtained no opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Tokyo Kyodo Accounting Office.

(ii) Summary of calculation of the Company’s Shares

In order to gather and examine information necessary for the calculation of the Company’s Share value, Tokyo Kyodo Accounting Office obtained and received explanations from the Company's management concerning the current status and future prospects of its business, and calculated the Company’s Share value based on such information. Tokyo Kyodo Accounting Office calculated the Company’s Share

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value by adopting the market share price method as the Company is listed on the TSE Standard Market and a market share price exists for its shares, and the DCF method to reflect the status of future business activities in the valuation. The share value per share of the Company's Shares calculated by Tokyo Kyodo Accounting Office based on the above methods are as follows:

Market share price method: between 1,440 yen and 1,535 yen

DCF method: between 1,844 yen and 2,251 yen

Under the market share price method, the range of the share value per share of the Company's Shares has been calculated to be between 1,440 yen and 1,535 yen based on the simple average closing price of the Company's Shares over the past one (1) month (1,535 yen), the simple average closing price of the Company's Shares over the past three (3) months (1,463 yen), and the simple average closing price of the Company's Shares over the past six (6) months (1,440 yen) on the TSE Standard Market, with February 5, 2025 as the reference date.

Under the DCF method, the range of the share value per share of the Company's Shares has been calculated to be between 1,844 yen and 2,251 yen by analyzing the corporate value and share value by discounting the free cash flow which the Company is expected to generate in and after the fiscal year ending March 2025 based on the earnings forecasts and investment plans in the Business Plan and the Company's future earnings forecasts for the period from the fiscal year ending March 2025 to the fiscal year ending March 2030, to present value at a certain discount rate.

In addition, although the Business Plan which Tokyo Kyodo Accounting Office used as a basis for the DCF method calculations does not include any fiscal years in which significant increases or decreases in profits are expected, it includes fiscal years in which significant increases or decreases in cash flow are expected. Specifically, free cash flow is expected to decrease to minus 658 million yen in the fiscal year ending March 2028, mainly due to an increase in capital expenditures. Free cash flow is expected to increase to 1,428 million yen in the fiscal year ending March 2029, mainly due to a decrease in capital expenditures compared to the previous fiscal year. With respect to the Business Plan, Tokyo Kyodo Accounting Office conducted question-and-answer sessions with the Company and analyzed and considered the content thereof. The Special Committee also conducted question-and-answer sessions with the Company separately from Tokyo Kyodo Accounting Office, and the Special Committee confirmed the reasonableness of the content and preconditions, etc. thereof. Also, synergies expected to be realized through the execution of the Transaction are not included in the Business Plan as it is difficult to specifically estimate such at present. Regarding the acquisition of shares in MiyakoSeitou Co., Ltd., which is planned to be implemented independent from the Transaction (for details, please refer to the "Notice of Acquisition of Shares in MiyakoSeitou Co., Ltd. (becoming an equity method affiliate)), the effect of the expected reduction in procurement costs, etc. as a

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result of the above transaction is incorporated in the Business Plan.

② Acquisition of the share valuation report from an independent third-party valuation institution for the Offeror

(i) Name of the valuation institution and its relationship with the Company, Marubeni and the Offeror

The Company heard that in determining the Tender Offer Price, the Offeror requested EY, a third-party valuation institution of the Offeror, to calculate the value of the Company's Shares, in respect of which the Offeror has received a share valuation report dated February 5, 2025 prepared by EY (the "Share Valuation Report (EY)") (Note 9). The Company heard that EY is not a related party of the Offeror's Group, the Company's Group, or Marubeni and does not have any material interest in connection with the Tender Offer. The Company heard that the Offeror has not received from EY any written opinion regarding the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion), and EY has not expressed any such opinion, as it is believed that the Offeror has implemented measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest between the Offeror and the Company (specifically, the measures described in "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest " below), and that sufficient consideration has been given to the interests of the minority shareholders of the Company.

(ii) Summary of calculation of the Company's Shares

The Company heard that in evaluating the value of the Company's Shares, EY considered the multiple share valuation methods to be adopted, and decided to use the market share price method, as the Company is listed on the TSE Standard Market and a market price exists for its shares, and also to use the DCF method to reflect the status of future business activities in the valuation.

The Company heard that according to the Share Valuation Report (EY), the valuation methods adopted and the range of values per share of the Company's Shares calculated based on each of the evaluation methods are as follows:

Market share price method: between 1,440 yen and 1,583 yen

DCF method: between 1,769 yen and 2,240 yen

The Company heard that under the market share price method, the range of the value per share of the Company's Shares has been calculated to be between 1,440 yen and 1,583 yen based on the reference date closing price of the Company's Shares (1,583 yen), the simple average closing price of the Company's Shares over the past one month (1,535 yen), the simple average closing price of the Company's Shares over

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the past three months (1,463 yen), and the simple average closing price of the Company's Shares over the past six months (1,440 yen) on the TSE Standard Market, with February 5, 2025 as the reference date.

The Company heard that under the DCF method, the range of the value per share of the Company's Shares has been calculated to be between 1,769 yen and 2,240 yen by discounting the free cash flow which the Company is expected to generate in and after the third quarter of the fiscal year ending March 2025 based on the financial forecasts which the Offeror amended, taking into account various factors, including recent performance trends, the results of due diligence conducted by the Offeror from the middle of November 2024 to the middle of January 2025 and information, etc. available to the general public, to present value at a certain discount rate. The Company heard that the financial forecasts assumed in the DCF method include fiscal years in which a significant increase or decrease in free cash flow and a significant decrease in profits are expected. The Company heard that specifically, in the fiscal year ending March 2028, the Company expects a significant decrease in free cash flow and a significant decrease in operating income due to an increase in capital expenditures and operating expenses, respectively. The Company heard that in the fiscal year ending March 2029, the Company expects a significant increase in free cash flow due to a year-on-year decrease in capital expenditures. The Company heard that the synergies expected to be realized from the execution of the Transaction have not been reflected because it was difficult to estimate them specifically at this time.

(Note 9) The Company heard that in calculating the value of the Company's Shares, EY adopted the information provided by the Company or the Offeror and publicly available information, etc. as is, in principle, and assumed that all such information adopted was accurate and complete, and did not independently verify the accuracy and completeness thereof. In addition, the Company heard that with respect to the assets or liabilities (including contingent liabilities) of the Company and its affiliates, EY has not independently conducted valuation, judgement, or assessment of them including the analysis and valuation of each respective asset or liability). Furthermore, The Company heard that EY has assumed that the financial forecasts of the Company have been reasonably prepared based on the best currently available estimates and judgment of the Offeror's management, and that the valuation of EY is based on the above information and other economic conditions available as of February 5, 2025.

(4) Prospects and reasons for delisting

As of today, the Company's Shares are listed on the TSE Standard Market. However, as the Offeror has not set a maximum number of shares to be purchased in the Tender

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Offer, the Company's Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the TSE, depending on the result of the Tender Offer. In addition, even if the Company's Shares may not fall under such criteria at the time of consummation of the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures as described in "(5) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)" below after the consummation of the Tender Offer, and the Company's Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE when the Squeeze-Out Procedures are implemented. After the delisting, the Company's Shares will no longer be traded on the TSE Standard Market.

The reason for the delisting is described in "(2) Grounds and reasons of the opinion regarding the Tender Offer", "④ Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer", "(iii) Details of the Company's Decision Making" above.

(5) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)

As described in "(2) Grounds and reasons of the opinion regarding the Tender Offer", "① Overview of the Tender Offer" above, if the Offeror is unable to acquire all of the Company's Shares (excluding treasury shares owned by the Company) through the Tender Offer, after the consummation of the Tender Offer, the Company heard that the Offeror plans to implement the Squeeze-Out Procedures with the intention of making the Company's Shares private by making the Offeror the only shareholder of the Company, in the method below.

① Demand for cash-out

If, as a result of the consummation of the Tender Offer, the total number of voting rights represented by the Company's Shares held by the Offeror becomes 90% or more of the number of voting rights of all shareholders of the Company, and the Offeror becomes a special controlling shareholder as set forth in Article 179, Paragraph 1 of the Companies Act, the Company heard that the Offeror plans to demand all of the shareholders of the Company (excluding the Offeror and the Company) ("Shareholders Subject to Cash-Out") to sell all of their Company's Shares pursuant to the provisions of Part II, Chapter II, Section 4 of the Companies Act ("Demand for Cash-Out"), promptly after the completion of the settlement of the Tender Offer. The Company heard that it is scheduled to prescribe that in the Demand for Cash-Out, money equal to the Tender Offer Price will be delivered to the Shareholders Subject to Cash-Out as consideration per share of the Company's Shares. In this case, the Company heard that the Offeror will notify the Company to that effect and request the Company to approve the Demand for Cash-Out. If the Company approves the Demand for Cash-Out by a resolution of its board meeting, the Company heard that the Offeror will acquire all of the Company's Shares held by the Shareholders Subject to Cash-

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Out on the acquisition date specified in the Demand for Cash-Out, in accordance with the procedures prescribed by relevant laws and regulations, without requiring individual consent of the Shareholders Subject to Cash-Out. The Company heard that the Offeror plans to deliver money equal to the Tender Offer Price to the Shareholders Subject to Cash-Out as consideration per share of the Company's Shares held by the Shareholders Subject to Cash-Out.

If the Company receives a notice from the Offeror that it intends to make a Demand for Cash-Out and on the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act, the Company plans to approve the Demand for Cash-Out at its board meeting.

As a provision of the Companies Act aimed at protecting the rights of minority shareholders in relation to a Demand for Cash-Out, it is provided that the Shareholders Subject to Cash-Out may file a petition to the court to determine the sale price of the Company's Shares held by them in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. If such a petition is filed, the court will make the final decision on the sale price.

② Share consolidation

If the total number of voting rights represented by the Company's Shares held by the Offeror is less than 90% of the number of voting rights of all shareholders of the Company after the consummation of the Tender Offer, the Company heard that the Offeror intends to request the Company to hold, promptly after the completion of the settlement of the Tender Offer, an extraordinary general meeting of shareholders (the "Extraordinary General Meeting of Shareholders ") that includes, in its agenda items of proposals to consolidate the Company's Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation") and to partially amend its articles of incorporation to abolish the provisions on share unit number, conditional on the effectuation of the Share Consolidation. The Offeror believes that it is desirable to hold the Extraordinary General Meeting of Shareholders at the earliest possible date and plans to request that a public notice be made, announcing the establishment of a record date for the Extraordinary General Meeting of Shareholders at a date as close as possible to the date following the commencement of the settlement of the Tender Offer. In addition, the Company heard that the Offeror intends to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders. As of the filing date of this document, the date of the Extraordinary General Meeting of Shareholders is scheduled to be in the middle of May 2025.

If the proposal for the Share Consolidation is approved at the Extraordinary General Meeting of Shareholders, the Company's shareholders will, on the effective date of the Share Consolidation, own the number of Company's Shares corresponding to the ratio of the Share Consolidation approved at the Extraordinary General Meeting of Shareholders. The Company's shareholders, who will end up holding any fractional

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shares of less than one share as a result of the Share Consolidation, will be paid the money obtained by, among other methods, selling to the Company or the Offeror the Company's Shares equivalent to the aggregate number of such fractional shares (any fractional shares of less than one share remaining after the aggregation will be rounded down; the same applies hereinafter) in accordance with the procedures prescribed by Article 235 of the Companies Act and other relevant laws and regulations.

The Company heard that the Offeror intends to request the Company to petition the court to approve a voluntary sale, after calculating the sale price of the Company's Shares equivalent to the aggregate number of such fractional shares so that, as a result of such sale, the amount of money to be delivered to the shareholders of the Company, who do not tender their shares in the Tender Offer (excluding the Offeror and the Company), will be equal to the amount obtained by multiplying the Tender Offer Price by the number of Company's Shares held by such shareholders. In addition, the Company heard that the Offeror intends to request the Company to determine the ratio of the Share Consolidation, which has not been determined as of the filing date of this document, in a way that will result in the number of Company's Shares held by the shareholders of the Company, who do not tender their shares in the Tender Offer (excluding the Offeror and the Company), being fractional shares of less than one share, so that the Offeror will ultimately own all of the Company's Shares (excluding treasury shares owned by the Company).

It is provided in the Companies Act aimed at protecting the rights of minority shareholders in relation to the Share Consolidation that, if the Share Consolidation results in any fractional shares of less than one share, the shareholders of the Company (excluding the Offeror and the Company) are entitled, in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations, to request the Company to purchase all of such fractional shares less than one share at a fair price and to petition the court to determine the price of the Company's Shares.

In the event that the Squeeze-Out Procedures are expected to be completed by June 30, 2025, the Company heard that the Offeror intends to request the Company to make a partial amendment to its articles of incorporation to abolish the provisions on record dates for voting rights at annual general meeting of shareholders, in order to ensure that the shareholders, who will be able to exercise their rights at the annual general meeting of shareholders of the Company for the fiscal year ending March 2025 which is scheduled to be held in late June 2025 ("Annual General Meeting of Shareholders"), are those who will remain as shareholders after the completion of the Squeeze-Out Procedures, provided that the Squeeze-Out Procedures have been completed. Consequently, the shareholders listed or recorded on the Company's shareholder register as of March 31, 2025 may not be able to exercise their rights at the Annual General Meeting of Shareholders.

As described above, as a result of the Share Consolidation, the number of Company's Shares held by the shareholders of the Company who do not tender their

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shares in the Tender Offer (excluding the Offeror and the Company) is expected to be fractional shares of less than one share. Therefore, the shareholders of the Company who oppose the Share Consolidation (excluding the Offeror and the Company) are expected to be entitled to file the above petition. If the above petition is filed, the purchase price of the Company's Shares will be ultimately determined by the court.

The Company heard that the Tender Offer does not, in any way, constitute a solicitation of the approval of the shareholders of the Company at the Extraordinary General Meeting of Shareholders.

The Company heard that with regard to each of the procedures in ① and ② above, the method and timing of implementation may change depending on the status, etc. such as amendments to, enforcement of, and authorities' interpretation of, relevant laws and regulations. However, the Company heard that even in such case, the method of delivering money will ultimately be adopted with respect to the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Offeror and the Company), in which case, the amount of money to be delivered to each such shareholder will be calculated so that the price will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company's Shares held by each such shareholder.

Specific procedures and the timing, etc. of implementation in the above case will be announced by the Company as soon as they are determined upon consultation between the Offeror and the Company. In addition, the shareholders of the Company are requested to confirm the tax treatment of their acceptance of the Tender Offer or the above procedures with experts such as tax accountants at their own responsibility.

(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest

As of today, the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, as it is not planned that all or part of the Company's management will directly or indirectly invest in the Offeror, the Transaction, including the Tender Offer, do not constitute a so-called MBO. However, since the Offeror has concluded the Tender Offer Agreement (Marubeni) with Marubeni, the largest shareholder of the Company, and the interests of Marubeni and the minority shareholders of the Company may not necessarily coincide, the Company and the Offeror have taken the measures in ① through ⑥ below to ensure the fairness and transparency of the Tender Offer, to eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer, and to ensure the fairness and transparency of the Transaction.

The Company heard that as described in "(2) Grounds and reasons of the opinion regarding the Tender Offer", "① Overview of the Tender Offer" above, since Marubeni owns 2,140,847 Company's Shares (Ownership Ratio: 39.26%) and the Offeror believes that setting the minimum number of shares to be purchased by the so-called "Majority of

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Minority" in the Tender Offer would make the successful completion of the Tender Offer uncertain and may not serve the interests of the minority shareholders who wish to tender their shares in the Tender Offer, the Offeror has not set the minimum number of shares to be purchased by the so-called "Majority of Minority" in the Tender Offer. However, the Company heard that the Offeror believes that due consideration has been given to the interests of the minority shareholders of the Company by taking the measures in ① through ⑥ below.

In the section below, the descriptions regarding the measures taken by the Offeror are based on the explanations received from the Offeror.

① Acquisition of the share valuation report by the Offeror from an independent third-party valuation institution

To ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Offeror requested EY, a third-party valuation institution independent of the Offeror's Group, the Company's Group, and Marubeni, to calculate the value of the Company's Share.

For details, please see "(3) Matters regarding calculation", "② Acquisition of the share valuation report from an independent third-party valuation institution for the Offeror" above.

② Acquisition of the share valuation report from an independent third-party valuation institution on the Company

In announcing its opinion regarding the Tender Offer, in order to eliminate arbitrariness in the decision making process with respect to the Tender Offer Price presented by the Offeror and to ensure the fairness of the Tender Offer Price, the Company requested Tokyo Kyodo Accounting Office to calculate the Company's Share value as a third-party valuation institution independent from the Company, Marubeni and the Offeror, and obtained the Share Valuation Report (Tokyo Kyodo Accounting Office) on February 5, 2025. Tokyo Kyodo Accounting Office is not a related party of the Company, Marubeni or the Offeror and does not have any material interest with respect to the Transaction including the Tender Offer. The remuneration paid to Tokyo Kyodo Accounting Office in connection with the Transaction is only a fixed remuneration that would be paid regardless of the conclusion of the Transaction and does not include a contingency fee to be paid contingent on the conclusion of the Transaction.

As the Company believes that, as described in this "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest", the Company and the Offeror have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore sufficient consideration has been given to the interests of the minority shareholders of the Company, the Company has not obtained any opinion regarding the fairness of the Tender Offer Price (a fairness

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opinion) from Tokyo Kyodo Accounting Office.

For the summary of the Share Valuation Report (Tokyo Kyodo Accounting Office), please see "(3) Matters regarding calculation", "① Acquisition of the share valuation report on the Company from an independent third-party valuation institution" above.

③ Establishment of independent special committee and acquisition of findings report from the Special Committee on the Company

(i) Circumstances surrounding the establishment, etc.

The Company decided to establish the Special Committee in early October 2024, following receipt of the Proposal in writing from the Offeror, taking into consideration the advice of City-Yuwa Partners, in order to pay careful attention to the Company's decision making regarding the Transaction and eliminate any risk of arbitrariness or conflicts of interest in the decision making process of the Company's board meeting to ensure the fairness of such decision making process, before deliberating on and adopting a resolution for or against the Transaction in the meeting. The Company concurrently considered candidates for members of the Special Committee, with the advice of City-Yuwa Partners. In addition to the above, the Company appointed three candidates for the Special Committee namely Ms. Kumi Murano, an independent outside director of the Company and attorney, Mr. Toshiaki Mizunuma, an attorney of Nomura & Partners, who was introduced as a candidate for a member by City-Yuwa Partners, and Mr. Masaaki Suda, a certified public accountant of Suda Certified Public Accountant Office, who was also introduced as a candidate for a member by City-Yuwa Partners, upon confirmation that the candidates for the members of the Special Committee are independent from the Company, Marubeni and the Offeror, and that they do not have any material interest that differ from the minority shareholders with respect to the conclusion of the Transaction, and also with the aim to ensure that the Special Committee be composed of an appropriate size while maintaining the balance of knowledge, experience and ability as a whole with the advice of City-Yuwa Partners, and subsequently established the Special Committee composed of such three members by the resolution of the board meeting held on November 11, 2024. Ms. Kumi Murano was selected as the chairman of the Special Committee by mutual vote of the members of the committee. The members of the Special Committee have not changed since its establishment. In addition, the proposal to establish the Special Committee at the above board meeting has been processed through two steps that is (i) to deliberate by two (2) out of five (5) directors of the Company, by excluding Mr. Miki, who was originally from Marubeni, Mr. Suzuki, who was seconded from Marubeni and is still employed by Marubeni, and Mr. Koso, who concurrently serves as an employee of Marubeni, and pass the resolution by unanimous agreement of all such directors, and (ii) in light of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have a special interest prescribed in the Companies Act with respect to the abovementioned proposal, from the

perspective of passing an effective resolution that satisfies a quorum under the Companies Act, to deliberate the resolution again by three directors, by including Mr. Miki, who transferred from Marubeni to the Company in April 2024 and is not currently employed by Marubeni and who is considered to have less conflict of interest compared to Mr. Suzuki and Mr. Koso who are employees of Marubeni, and pass the resolution by unanimous agreement of all such directors. The remuneration paid to the members of the Special Committee are only a fixed remuneration that would be paid regardless of the conclusion of the Transaction and the details of the findings report, and does not include a contingency fee to be paid contingent on the conclusion of the Transaction including the Tender Offer.

In addition, as described in “(2) Grounds and reasons of the opinion regarding the Tender Offer”, “④ Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” above, the Company established the Special Committee by the resolution of its board meeting held on November 11, 2024 and consulted with the Special Committee regarding: (a) the legitimacy and reasonableness of the purposes of the Transaction (including enhancement of the Company's corporate value through the Transaction); (b) the adequacy of the terms and conditions of the Transaction (including the Tender Offer Price); (c) the fairness of the negotiation process and the process leading up to decision making with respect to the Transaction; (d) whether the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Company in connection with the Transaction) would be disadvantageous to the minority shareholders of the Company; and (e) based on (a) through (d) above, whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer ((a) through (e) collectively referred to as "Consultation Matters"). Furthermore, the Company has positioned the Special Committee as a meeting body independent from the Company's board of directors, and the Company's board meeting has resolved to give maximum consideration to the opinion of the Special Committee as expressed in the Findings Report in its decision making regarding the Transaction.

Furthermore, the Company has resolved to grant to the Special Committee the authority to: (A) negotiate on its own and substantially affect the negotiation process with respect to the transaction terms by receiving reports on the status of negotiations in a timely manner, expressing its opinions and giving instructions and requests at important phases, or doing the other things; (B) appoint its own external advisors (such as financial advisors, third party valuation institutions and legal advisors) as necessary (in which case expenses shall be borne by the Company), or nominate or approve (including post approval) the external advisors appointed by the Company, and utilize such advisors if the Special Committee determines that it can rely on the external advisors appointed by the Company to seek professional advice; and (C) request the

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Company's officers, employees, and external advisors to gather any and all information necessary for preparing a report.

(ii) Circumstances surrounding consideration

The Special Committee met a total of 10 times between November 18, 2024 and February 5, 2025, and discussed and considered the Consultation Matters by reporting, information sharing, deliberation, decision making, and doing the other things.

Specifically, the Special Committee approved the appointment of SMBC Nikko Securities, which is the Company's financial advisor, Tokyo Kyodo Accounting Office, which is the Company's third-party valuation institution, and City-Yuwa Partners, which is the Company's legal advisor, after confirming that they are not related parties of the Company, Marubeni, or the Offeror, that they do not have any material interests regarding the Transaction including the Tender Offer, and that there are no issues with their independence and expertise otherwise regarding the Transaction.

The Special Committee approved after confirming that there are no issues with respect to the independence and fairness of the system for consideration of the Transaction that the Company has established internally (including the scope of the Company's officers and employees who are involved in the consideration, negotiation and decision related to the Transaction and their duties). Further, based on the advice received from City-Yuwa Partners, the Special Committee is considering measures to be taken to ensure the fairness of the procedures under the Transaction. In addition, the Special Committee received an explanation from the Company regarding the details, material preconditions and the process of preparation, etc. of the Business Plan, has confirmed the reasonableness of these matters and approved such.

The Special Committee received an explanation from the Company including the details of business, business environment, management issues and management measures that are currently anticipated for such issues, the details and premises of the Business Plan, the purpose, significance, background, development and synergistic effects of the Transaction for the Company, and the management policy after the Transaction, then considered and discussed the matters thereof. In this context, the Special Committee confirmed that the Business Plan, presented by the Company to the Offeror and used by Tokyo Kyodo Accounting Office as the basis for calculation of the Company's Share value, was prepared under the leadership of parties independent from Mr. Miki, Mr. Suzuki, and Mr. Koso, and Marubeni and the Offeror, and approved the Business Plan after confirming the reasonableness of its details, material preconditions, and process of preparation, etc. Furthermore, as described in “(3) Matters regarding calculation”, “① Acquisition of the share valuation report from an independent third-party valuation institution on the Company”, “(ii) Summary of calculation of the Company's Shares” above, Tokyo Kyodo Accounting Office has calculated the Company's Share value based on the Business Plan, and the Special Committee has received an explanation from Tokyo Kyodo Accounting Office on the calculation methods for the Company's Share value, the reasons for the adoption of

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such calculation methods, the details of the calculation using each calculation method, and the material preconditions, etc., and has conducted question-and-answer sessions with respect to such details, etc.

In addition, the Special Committee received timely reports from the Company on the negotiations between the Company and the Offeror, and provided its opinions on the Company's negotiation policy as necessary. Specifically, as soon as the Company received the proposal from the Offeror on the terms and conditions of the Transaction including the Tender Offer Price, the Special Committee received a report from the Company, and considered such proposal based on the analysis and opinion on the negotiation policy with the Offeror by City-Yuwa Partners, SMBC Nikko Securities and Tokyo Kyodo Accounting Office, and explanations on the calculation result of the share price provided by Tokyo Kyodo Accounting Office, etc.

Furthermore, the Special Committee has received an explanation from City-Yuwa Partners on the press release draft concerning the Tender Offer that the Company plans to announce or submit, and has confirmed that appropriate disclosure is scheduled to take place.

(iii) Details of decision

Under the circumstances described above, the Special Committee, having carefully considered and discussed the Consultation Matters, submitted the Findings Report on the Consultation Matters to the Company's board meeting by unanimous agreement of all members of the board on February 5, 2025, summarized as follows.

(a) Content of the Findings Report

(A) The Transaction is considered to contribute to the enhancement of the corporate value of the Company, and its purpose is considered legitimate and reasonable.

(B) The terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the minority shareholders of the Company.

(C) The negotiation process and the process leading up to decision making with respect to the Transaction are considered to ensure fairness.

(D) The decision to proceed with the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and making other decisions relating to the procedures in connection with the Transaction to be conducted by the of the Company) is not considered disadvantageous to the minority shareholders of the Company.

(E) Based on (A) through (D) above, it is considered appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company to tender their shares in the Tender Offer.

(b) Reasons for the Findings Report

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(A) Legitimacy and reasonableness of the purpose of the Transaction (including enhancement of the Company's corporate value through the Transaction)

Considering the following points comprehensively, the Transaction is considered to contribute to the enhancement of the corporate value of the Company, and its purpose is considered legitimate and reasonable:

- According to the Company, regarding the business environment surrounding the Company's Group, a significant recovery in consumption volume cannot be expected due to various factors such as population decline, the influence of alternative sweeteners, and a consumer shift away from sweet foods, and the domestic sugar market is on a declining trend. Additionally, the balance of adjustment funds based on the Act to support the domestic sugar industry is in deficit, and in order to maintain the Act, it is necessary to turn the balance of adjustment funds into surplus. The Ministry of Agriculture, Forestry and Fisheries is requesting sugar manufacturers to reorganize and rationalize their factories to achieve a surplus. Against this backdrop, in April 2021, the top two companies in the industry, Mitsui Sugar Co., Ltd. and Dai-Nippon Meiji Sugar Co., Ltd., merged, creating the largest corporate group with over 40% market share, indicating a growing momentum for industry restructuring.
- As management issues for each business of the Company, ① in its sugar business, the production volume of sugar is based on import quotas from the Ministry of Agriculture, Forestry and Fisheries, and the Company cannot change the import volume by its own efforts, making it impossible to develop an independent growth strategy in its sugar business, and ② in the functional materials business, production capacity has become a bottleneck for growth. Additionally, while it is necessary to employ all personnel in manufacturing, sales, and management to operate as an independent company, it has become a serious issue that personnel shortages are leading to over-reliance on specific personnel, which raises concerns about the medium to long-term sustainability of the business.
- According to the Company, by becoming a wholly-owned subsidiary of the Offeror through the Transaction, the Company expects synergy effects such as ① establishing superiority in the sugar production business through business expansion and effective utilization of sugar production bases of both groups, ② growth in the functional materials business, ③ integration of the human resource platforms of the Offeror's Group and the Company's Group, and ④ reduction of the burden of listing maintenance costs. Based on interviews with the Offeror, the Offeror also expects to strengthen competitiveness in the sugar production business and achieve integration synergies in functional materials

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business, and there is no significant discrepancy in the recognition of synergistic effects resulting from the Transaction between the Company and the Offeror. The explanation regarding these synergistic effects is also sufficiently convincing to the Special Committee.

- According to the Company, if the capital alliance is limited to the extent that the Company's Share remain listed, it will be difficult to fully share management resources between the two parties, and therefore there are limits to realize the above synergistic effects. To maximize the synergistic effects with the Offeror's Group, it is considered optimal for the Company to become a wholly-owned subsidiary of the Offeror and further integrate as a single business entity. According to interviews with the Offeror, the Offeror also has the same recognition as above, and the two parties' understandings are the same. The Special Committee does not find any unreasonable point in the explanations provided by both parties and thus considers that there is a certain rationality for the Company to become a wholly-owned subsidiary of the Offeror.
- Regarding the potential disadvantages of the Company's delisting due to the Transaction, after examining through interviews with the Company and the Offeror, etc., it is considered that ① the impact on future business relationships with the Marubeni Group and the Company's business due to the change of such relationship, ② the impact on the Company's business due to the return of officers and employees dispatched from the Marubeni Group, ③ the impact on business partners other than the Marubeni Group, ④ the impact on competition with listed competitors, ⑤ the impact on future fundraising, ⑥ the impact on compliance systems, and ⑦ the impact on future recruitment and existing employees of the Company, etc. are limited, and there are no specific concerns that the disadvantages would outweigh the expected synergistic effects of this Transaction.

(B) Reasonableness of the terms and conditions of the Transaction (including the Tender Offer Price)

Considering the following points comprehensively, the terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the minority shareholders of the Company.

- The Tender Offer Price exceeds the upper limit of range of the value of the Company's Share calculated by Tokyo Kyodo Accounting Office based on the market stock price method and exceeds the median of the range of the valuation result based on the DCF method. In this regard, based on the explanation received from Tokyo Kyodo Accounting Office regarding the valuation results, there was

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no arbitrary treatment that could not be justified in light of the stock value evaluation practice in the selection of calculation methods or the specific calculation process using various calculation methods. In addition, there were no particular circumstances that raised doubts about the independence of the Company, including instructions from the Offeror and Marubeni, in the process of formulating the Business Plan used as the basis for the DCF method calculation, and the content was not excessively conservative, nor was it considered to be detrimental to the interests of the minority shareholders of the Company. Therefore, the valuation results by Tokyo Kyodo Accounting Office can be considered to be a reasonable reference for determining the appropriateness of the Tender Offer Price.

- The premium attached to the Tender Offer Price is considered reasonable to a certain extent compared to the premium levels in similar cases extracted by SMBC Nikko.
- The Tender Offer Price exceeds the net asset value per share on a consolidated basis as of the end of September 2024 (2,079.72 yen), and there is no particular reason to deny the reasonableness of the Tender Offer Price, at least in comparison with the book value of net assets.
- According to the Offeror, there is no plan to set a minimum number of shares to be purchased in the Tender Offer, which corresponds to the so-called majority of minority. While there is certainly room to consider that setting such a minimum number of shares to be purchased in the Tender Offer would benefit the interests of the Company's minority shareholders, the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests" published on June 28, 2019, also expresses concerns that setting such majority of minority conditions could hinder the successful completion of M&A that contributes to enhancing corporate value, especially when the acquirer's shareholding ratio in the Company is already high, and states that it is difficult to say that setting such conditions is always desirable. Considering that ① Marubeni, which plans to enter into a tender offer agreement with the Offeror, owns 2,140,847 Company's Shares (Ownership Ratio: 39.26%), and it is considered that the above concerns are applicable to a considerable extent; ② setting a majority of minority condition could harm the interests of minority shareholders who tender their shares in the Tender Offer; and ③ considering the implementation status of other measures to ensure of the fairness of the Tender Offer, it can be evaluated that the fairness of the negotiation process and decision-making procedures related to the Transaction is ensured,

the Special Committee considers that the fairness of the terms and conditions of the Transaction will not be denied by the absence of a majority of minority condition.

- In this Tender Offer, the number of shares to be purchased is set at 2,720,900 shares (equivalent to 50.10% of the Ownership Ratio of the Company's Shares). There is a possibility that the number of voting rights of the Company's Shares owned by the Offeror after the successful completion of the Tender Offer may fall below two-thirds of the total voting rights of the Company, resulting in a situation where the Company's Shares are not delisted despite the Tender Offer being successful. In such a case, there is a theoretical possibility that shareholders who are concerned about the non-delisting of the Company's Share despite the Tender Offer being successful, consequently placing them in a less favorable position than shareholders who have tendered their shares in the Tender Offer, may be forced to tender their shares in the Tender Offer (so-called coercion). According to the Offeror, considering the voting rights exercise ratio at the Company's annual general meetings of shareholders over the past five (5) years, the average voting rights exercise ratio is 70.59%, and the maximum is 74.25%. The Offeror believes that if it acquires Company's Shares through the Tender Offer corresponding to 49.50% of the Ownership Ratio (a percentage obtained by multiplying 74.25%, the maximum (and not the average) voting rights exercise ratio, by two-thirds, which is required for a special resolution at the general meeting of shareholders), the implementation of the Squeeze-Out Procedures is sufficiently feasible. However, to further enhance the feasibility of implementing the Squeeze-Out Procedures after the successful completion of the Tender Offer, the Offeror conservatively set the minimum number of shares to be purchased in the Tender Offer at 50.10% of the Ownership Ratio of the Company (2,720,900 shares). Based on the Offeror's explanation, the possibility of the proposal for share consolidation being rejected at the meeting of shareholders in the Squeeze-Out Procedures despite the Tender Offer being successful is not considered high. Therefore, the possibility of shareholders being coerced into tendering their shares in the Tender Offer against their will due to concerns about the non-delisting of the Company's Share despite the Tender Offer being successful, consequently placing them in a less favorable position than shareholders who have tendered their shares in the Tender Offer, is practically low. Furthermore, according to the Offeror, even if the proposal for share consolidation is rejected at the general meeting of shareholders in the Squeeze-Out Procedures, the Offeror aims to ultimately acquire all of the

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Company's Shares (excluding treasury shares owned by the Company) and delist the Company's Share. Depending on the status of the tender of shares in the Tender Offer, the shareholding status and attributes of the Company's shareholders at that time, and the trend of the market share price, the Offeror intends to acquire additional shares through market purchases or private transactions to reach a level where the proposal for share consolidation will realistically be approved at the general meeting of shareholders (the specific level will be determined based on the voting rights exercise ratio at the general meeting of shareholders and the recent shareholder composition of the Company) with the aim of delisting the Company's Share. With respect to the additional acquisition, the Offeror intends to acquire the Company's Shares either at the market price, in the case of an on-market transaction, or at a price that is assessed to be economically equivalent to the Tender Offer Price, in the case of an off-market transaction, unless an event requiring price adjustment such as a share consolidation or a share split of the Company's Shares occurs. The specific timing and method of such additional acquisition, or the time subsequently required until the proposal for the Share Consolidation is approved at a general meeting of shareholders, cannot be determined at this time as it will depend on various circumstances such as market conditions, but the Offeror has expressed its intention to make its best efforts to ensure that the Share Consolidation is implemented as soon as practicable. Considering the Offeror's intention to acquire additional Company's Shares as described above, if the Company's shareholders who do not tender their shares in the Tender Offer apply for the additional acquisition by the Offeror, it is not considered highly likely that the Company's Share will remain listed despite the Tender Offer being successful. Additionally, setting the minimum number of shares to be purchased in the Tender Offer enhances the feasibility of the Tender Offer, which is considered desirable as it will contribute to the realization of the Transaction, which is considered to enhance the Company's corporate value, and provide appropriate selling opportunities of the Company's Shares for minority shareholders. Based on the Offeror's explanation as described above, although the minimum number of shares to be purchased in the Tender Offer is lower than the usual minimum number of shares to be purchased in a tender offer aimed at delisting, appropriate measures have been taken to address the theoretical possibility of coercion, and it is considered that the necessity to oppose the Tender Offer is not necessarily high solely based on this point.

- As for the Squeeze-Out Procedures, either request for sale of shares or share

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consolidation is planned. In either case, the law ensures that shareholders who did not tender their shares in the Tender Offer have the right to request stock purchase or price determination. According to the Offeror, the Squeeze-Out Procedures are planned to proceed promptly after the settlement of the Tender Offer. Additionally, ① in the case of request for sale of shares, the Offeror will pay the same amount of money as the Tender Offer Price to each shareholder for each share, and ② in the case of share consolidation, the sale price of the total number of fractional shares resulting from the consolidation will be set so that the amount of money paid to shareholders who did not tender their shares in the Tender Offer will be the same as the price obtained by multiplying the Tender Offer Price by the number of shares owned by each shareholder, and then a petition will be filed with the court for approval of a voluntary sale. Therefore, in the Transaction, including the Tender Offer, consideration has been given to the interests of shareholders who do not tender their shares in the Tender Offer in order to address the issue of coercion, and the conditions of the Squeeze-Out Procedures are considered reasonable to a certain extent.

- As described in (C) below, the negotiation process and decision-making procedures related to the Transaction is considered to ensure fairness, and the terms and conditions of the Transaction, including the Tender Offer Price, are recognized as having been determined through fair procedures.

(C) The fairness of the negotiation process and the process leading up to decision-making with respect to the Transaction

Considering the following points comprehensively, the negotiation process and decision-making procedures related to the Transaction are considered to ensure fairness:

- The Company has established the Special Committee as part of measures to ensure the fairness of the Transaction to eliminate arbitrariness and avoid conflicts of interest in the decision-making process. The Special Committee was established before entering into specific negotiations on the Tender Offer Price, and there are no reasons to doubt the independence of each committee member. When the Company's board of directors resolved to establish the Special Committee, it granted the Special Committee the authority to ① negotiate directly with the Offeror, and even if the Company's personnel or advisors conduct negotiations with the Offeror, substantially affect the negotiation process with respect to the transaction terms by receiving reports on the status of negotiations in a timely manner, expressing its opinions and giving instructions and requests at important phases, or doing other things, ② appoint its own

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external advisors as needed (in which case expenses shall be borne by the Company), or nominate or approve (including giving subsequent approval) the external advisors appointed by the Company, and ③ request the Company's officers, employees, and external advisors to gather any and all information necessary for preparing a findings report. Based on this, the Special Committee confirmed that there were no issues with the independence of the financial advisor, third-party valuation institution, and legal advisor appointed by the Company and approved them as the Company's advisors. Furthermore, when the Company's board of directors resolved to establish the Special Committee, it resolved to respect the content of the findings report of the Special Committee to the maximum extent possible when deliberating on the content of the opinion to be expressed regarding the Tender Offer and not to assent to the Tender Offer if the Special Committee determined the terms and conditions of the Transaction to be unreasonable, ensuring the effectiveness of the Special Committee's judgment. Therefore, after the Company's board of directors took practical measures to enhance the effectiveness of the Special Committee, the Special Committee considered and determined the appropriateness of the Transaction, the reasonableness of the terms and conditions of the Transaction, and the fairness of the procedures from the standpoint of enhancing corporate value and protecting the interests of minority shareholders.

- To ensure the fairness of the decision-making process regarding the Tender Offer Price, the Company obtained a share valuation report from Tokyo Kyodo Accounting Office as an independent third-party valuation institution, and received legal advice from City-Yuwa Partners as independent legal advisor regarding the Company's board of directors' decision-making process, methods, and other considerations in relation to the Transaction. Although the Company did not obtain a fairness opinion from Tokyo Kyodo Accounting Office stating that the Tender Offer Price is reasonable or fair from a financial perspective, it is considered in Japan that the effectiveness of the fairness opinion as a fairness assurance measure varies depending on the case. Based on the process for the consideration of the Transaction, no circumstances that would require the acquisition of a fairness opinion to consider the appropriateness of the Transaction are found, and the fairness of the negotiation process and decision-making process related to the Transaction should not be denied even without obtaining a fairness opinion.
- The Special Committee itself conducted negotiations with the Offeror, and no unreasonable points in the negotiation process from the perspective of protecting

the interests of the Company's minority shareholders are found.

- According to the Company, it plans to adopt a two-step process, whereby ① two (2) of the five (5) directors of the Company, excluding Mr. Miki, who is a former employee of Marubeni, Mr. Suzuki, who is currently on secondment from Marubeni and is an employee of Marubeni, and Mr. Koso, who concurrently serves as an employee of Marubeni, will deliberate on and resolve the proposal by the unanimous consent of both directors, and ② in view of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who do not participate in the deliberation and resolution, may not have the special interests prescribed by the Companies Act with respect to the above proposal, the proposal will be deliberated on and resolved unanimously again by the above two (2) directors and Mr. Miki, who is not currently employed by Marubeni and is considered to have less interests in Marubeni compared to Mr. Suzuki and Mr. Koso who are currently employed by Marubeni, for the purpose of making an effective resolution that satisfies the quorum under the Companies Act. This two-step resolution method is considered not problematic from the perspective of independence and fairness in the Company's decision-making process related to the Transaction, and no other particular circumstances that would unduly harm the Company's independence in the process of discussions, examinations, and negotiations related to the Transaction are found.
- According to the Offeror, by setting a 30 business day-period of purchase, etc. for the Tender Offer (the "Tender Offer Period") longer than the minimum period of 20 business days specified by laws and regulations, the Offeror will provide the Company's shareholders with an appropriate opportunity to make a judgment regarding the tender of their shares in the Tender Offer and provide the opportunity for parties other than the Offeror to purchase the Company's Shares, etc., and ensure the fairness of the Tender Offer Price thereby. Additionally, the Offeror and the Company have not entered into any agreement that restricts the Company from having contact with a competing takeover bidder, such as an agreement including a deal protection clause that prohibits the Company from having contact with a competing takeover bidder and, together with the abovementioned setting of the Tender Offer Period, the consideration has been given to ensure the fairness of the Tender Offer by providing opportunities for competing takeover bids, etc.
- In the press release related to the Transaction, it is planned to disclose certain information about the Special Committee, the content of the results of the valuation of the Company's Share, the background and purpose of the

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Transaction, and the specific process of discussions and negotiations regarding the terms and conditions of the Transaction between the Company and the Offeror. It is considered that sufficient information will be disclosed for the Company's shareholders to determine the reasonableness of the terms and conditions of the Transaction.

(D) Whether the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Company in connection with the Transaction) would be disadvantageous to the minority shareholders of the Company.

As described above, (A) the Transaction is considered to contribute to the enhancement of the Company's corporate value, and its purpose is deemed legitimate and reasonable, (B) the terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the Company's minority shareholders, and (C) the negotiation process and decision-making procedures related to the Transaction are considered to ensure fairness. Additionally, no other particular circumstances that the Transaction should be considered disadvantageous to the Company's minority shareholders are found. Therefore, (D) the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Company in connection with the Transaction) is not considered disadvantageous to the Company's minority shareholders.

(E) Based on (A) through (D) above, whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer

Based on (A) through (D) above, it is considered appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer and recommend the Company's shareholders to tender their shares in the Tender Offer.

④ Independent law firm's advice to the Company

In order to ensure the fairness and appropriateness of decision making of the Company's board of directors in relation to the Transaction including the Tender Offer, the Company has appointed City-Yuwa Partners as its legal advisor independent from the Company, Marubeni, and the Offeror, and has received legal advice from City-Yuwa Partners on the method and process of decision making of the Company's board of directors and other considerations in regard to the decision making in relation to

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the Transaction including the Tender Offer. City-Yuwa Partners is not a related party of the Company, Marubeni, or the Offeror and does not have any material interests in relation to the Transaction including the Tender Offer. The remuneration payable to City-Yuwa Partners in connection with the Transaction is only a fixed remuneration that will be paid regardless of whether the Transaction is concluded or not and no contingency fee to be paid contingent on the conclusion of the Transaction will be paid.

⑤ Approval of all directors of the Company without interests

As described in “(2) Grounds and reasons of the opinion regarding the Tender Offer”, “④ Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” above, while giving utmost consideration to the opinions of the Special Committee as expressed in the Findings Report, in light of the legal advice received from City-Yuwa Partners, the advice received from SMBC Nikko Securities, the advice received from Tokyo Kyodo Accounting Office and the contents of the Share Valuation Report (Tokyo Kyodo Accounting Office), the Company's board of directors carefully considered and discussed the appropriateness of the Transaction including the Tender Offer, and the terms and conditions of the Transaction including the Tender Offer Price.

As a result, as described in “(2) Grounds and reasons of the opinion regarding the Tender Offer”, “④ Decision-making process leading to and reasons for the Company’s opinion in favor of the Tender Offer” above, the Company's board of directors determined that with respect to the Tender Offer, (i) the Tender Offer is expected to enhance the Company's corporate value, and (ii) the Tender Offer Price is a reasonable price which secures the interests to be enjoyed by the Company's shareholders, and the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares, and at the Company's board of directors’ meeting held today, the Company's board of directors resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

The resolution of the Company's board meeting was based on the assumption that the Company’s Shares were scheduled to be delisted as a result of implementation of the Tender Offer and the series of subsequent procedures by the Offeror.

In addition, the proposal to express an opinion on the Tender Offer at the above board meeting has been processed through two steps that are (i) to deliberate by two (2) out of the five (5) directors of the Company, excluding Mr. Miki, who is a former employee of Marubeni, Mr. Suzuki, who has been seconded from Marubeni and is still employed by Marubeni, and Mr. Koso, who concurrently serves as an employee of Marubeni, and pass the resolution by unanimous agreement of such two (2) directors, and (ii) in light of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have the special interests prescribed by the Companies Act with respect to the abovementioned

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proposal, from the perspective of passing an effective resolution that satisfies the quorum under the Companies Act, to deliberate on again and pass the resolution unanimously by the above two directors and Mr. Miki, who transferred from Marubeni to the Company in April 2024 and is not currently employed by Marubeni and who is considered to have less conflict of interests in Marubeni compared to Mr. Suzuki and Mr. Koso who are employees of Marubeni.

Of the three corporate auditors of the Company, Mr. Toshiro Nozaki, who is a full-time corporate auditor, has been seconded from Marubeni and is still employed by Marubeni, and Mr. Yoshikazu Egawa and Mr. Kazuyuki Matsuura, who are outside corporate auditors, concurrently serve as employees of Marubeni, did not participate in the deliberation of the proposal to express an opinion on the Tender Offer at the above board meeting.

⑥ Securing objective conditions to ensure fairness of the Tender Offer

The Company heard that the Offeror has set the Tender Offer Period of 30 business days, which is longer than the minimum period of 20 business days specified by laws and regulations. By setting the Tender Offer Period longer than the minimum period specified by laws and regulations, the Offeror has given consideration to securing the fairness of the Tender Offer by providing the Company's shareholders with an appropriate opportunity to make a judgment regarding the tender of their shares in the Tender Offer and by providing the opportunity for parties other than the Offeror to purchase the Company's Shares, etc.

In addition, the Offeror and the Company have not entered into any agreement that would restrict any competing takeover bidder from contacting the Company, such as an agreement including a transaction protection clause that would prohibit the Company from contacting such competing takeover bidder. In this manner, together with setting the above-mentioned tender offer period, the consideration has been given to ensure the fairness of the Tender Offer by ensuring opportunities for competing takeover bids, etc.

4. Matters Concerning Material Agreements for the Tender Offer

The Company heard that the Offeror has executed the Tender Agreement (Marubeni) with Marubeni on February 6, 2025.

Under the Tender Agreement (Marubeni), Marubeni has agreed that (A) Marubeni will tender all of its Company's Shares (2,140,847 shares, ownership ratio: 39.26%) to the Tender Offer and will not withdraw such tender, (B) Marubeni will neither assign, pledge or otherwise dispose of all or part of its Company's Shares (including, without limitation, tendering its shares to a tender offer other than the Tender Offer) nor acquire the Company's Shares or any right with respect to the Company's Shares,

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and (C) Marubeni will not directly or indirectly conduct any act competing or conflicting with or breaching or likely to compete or conflict with or breach the Tender Offer (including, without limitation, agreement with third parties, offer for such agreement, inducement, acceptance, discussion, negotiation, solicitation, or provision of information, of such offer); provided, however, that if a third party other than the Offeror commences, or is reasonably expected to commence, a tender offer (the “Competing Tender Offer”) for all of the Company's Shares (excluding treasury shares) at a tender offer price that exceeds the Tender Offer Price by 5% or more by three business days preceding the expiration date of tender offer period, Marubeni may request the Offeror to hold discussions regarding a change in the Tender Offer Price, and if the Offeror does not change the Tender Offer Price to a price higher than the purchase price of the Competing Tender Offer no later than the fifth business day from the date of such request or the business day preceding the expiration date of Tender Offer Period, whichever comes earlier, and Marubeni obtained advice from its legal advisor to the effect that there is a reasonable possibility that the performance of the obligations set forth in (A) through (C) above would breach the duty of care or duty of loyalty of a good manager assumed by its officer, Marubeni shall not be obligated under (A) through (C) above and may immediately terminate the Tender Agreement (Marubeni) without paying any money or assuming any obligation or burden.

In addition, Marubeni has agreed in the Tender Agreement (Marubeni) that ① Marubeni shall not during the period from the date of execution of the Tender Agreement (Marubeni) to the commencement date of settlement of the Tender Offer, without the prior written consent of the Offeror, exercise any right to demand convocation of a general meeting of shareholders of the Company (Article 297 of the Companies Act), right to make shareholder proposals (Article 303 through Article 305 of the Companies Act) or any other shareholder right; ② if shareholders may exercise their voting rights at a general meeting of shareholders of the Company to be held between the date of execution of the Tender Agreement (Marubeni) and the commencement date of settlement of the Tender Offer, when (i) proposals concerning dividends of surplus and other appropriations, and (ii) proposals, if approved, having adverse effects or reasonably expected to have adverse effects on the Company's financial condition, business performance, cash flow, business, assets, liabilities or future profit plans or prospects are submitted (including the case by a shareholder's proposal), Marubeni shall exercise its voting rights with respect to the Company's Shares held by Marubeni against such proposals at such general meeting of shareholders; and ③ if the Tender Offer is concluded, when a general meeting of shareholders of the Company of which record date to exercise the voting right comes before the commencement date of settlement of the Tender Offer is held, Marubeni shall exercise its voting rights and any other rights with respect to the Company's Shares held by Marubeni at the shareholders' meeting in accordance with the Offeror's instructions.

The Company heard that the Tender Agreement (Marubeni) stipulates that, as conditions precedent of Marubeni to accept the Tender Offer (provided, however, that Marubeni may waive all or some of the following conditions precedent at its discretion), (i) the Special Committee has reported to the board of directors of the Company that it is appropriate to express its opinion in favor of the Tender Offer, and such report has not been changed or withdrawn; (ii) a resolution has been passed by the board of directors of the Company to express an opinion in favor of the Tender Offer, which has been publicly announced in accordance with laws and regulations, and such expression of opinion has not been changed or withdrawn; (iii) no petition, lawsuit or proceeding seeking to restrict or prohibit the Tender Offer is pending in any judicial or administrative body, etc., and no judgment, etc. has been made or is likely to be made by any judicial or administrative body, etc., to restrict or prohibit the Tender Offer; (iv) all obligations to be performed or observed by the Offeror under the Tender Agreement (Marubeni) by the commencement date of the Tender Offer (excluding the date) have been performed or observed in all material respects (Note 1); (v) all of the representations and warranties made by the Offeror are true and accurate in all material respects (Note 2); and (vi) (a) confirmation has been obtained from the Company that there is neither any material fact set forth in the main sentence of Article 166, Paragraph 1 of the Financial Instruments and Exchange Act nor any fact concerning the implementation of a tender offer, etc. or the suspension of a tender offer, etc. set forth in the main sentence of Article 167, Paragraph 1 of the same Act (limited to a tender offer by a person other than the Offeror or Marubeni), which is related to the Company's business, etc., and which have not been publicly announced (as provided in Article 166, Paragraph 4 or Article 167, Paragraph 4 of the same Act) (“Undisclosed Material Facts, Etc.”) and Marubeni is not aware of any Undisclosed Material Facts, Etc., or (b) in the case that Marubeni has obtained confirmation from the Company that there are Undisclosed Material Facts, Etc. or Marubeni is aware of Undisclosed Material Facts, Etc. through other means, Marubeni shall notify the Offeror of such Undisclosed Material Facts, Etc. and obtain from the Offeror a response that the Offeror has confirmed Undisclosed Material Facts, Etc.

(Note 1) Under the Tender Agreement (Marubeni), the Offeror is obligated to give notice in the event of breach of its representations and warranties or breach of its obligations, to indemnify Marubeni for breach of the Offeror’s representations and warranties or obligations, to maintain confidentiality, and not to dispose of its position, rights and obligations under the Tender Agreement (Marubeni).

(Note 2) Under the Tender Agreement (Marubeni), the Offeror represents and warrants to Marubeni the following matters as of the date of execution of the Tender Agreement (Marubeni), the last day of the Tender Offer Period and the commencement date of settlement for

the Tender Offer: (i) the Offeror's legal and valid establishment and continuance, rights capacity and capacity to act, (ii) the legal binding force and enforceability of the Tender Agreement (Marubeni), (iii) the receipt of permits and licenses for the execution and performance of the Tender Agreement (Marubeni), (iv) the absence of any violation of laws and regulations and the absence of any violation of judgments by judicial or administrative agencies with respect to the execution and performance of the Tender Agreement (Marubeni), (v) the absence of bankruptcy proceedings, etc., (vi) the non-relevance to antisocial forces and the absence of relationship with antisocial forces, and (vii) the possession of funds necessary to implement the Tender Offer.

On the other hand, the Company heard that the Tender Agreement (Marubeni) stipulates, as conditions precedent of the commencement of the Tender Offer by the Offeror (provided, however, that the Offeror may waive all or some of the following conditions precedent at its discretion), that (i) the Special Committee has reported to the board of directors of the Company that it is appropriate to express its opinion in favor of the Tender Offer, and such report has not been changed or withdrawn; (ii) a resolution has been passed by the board of directors of the Company to express an opinion in favor of the Tender Offer, which has been publicly announced in accordance with laws and regulations, and such expression of opinion has not been changed or withdrawn; (iii) no petition, lawsuit or proceeding seeking to restrict or prohibit the Tender Offer is pending in any judicial or administrative body, etc., and no judgment, etc. has been made or is likely to be made by any judicial or administrative body, etc., restricting or prohibiting the Tender Offer; (iv) all obligations to be performed or complied with by Marubeni under the Tender Agreement (Marubeni) have been performed or complied with in all material respects by the commencement date of the Tender Offer (not including the commencement date) (Note 3); (v) all representations and warranties by Marubeni are true and correct in all material respects (Note 4); and (vi) confirmation has been obtained from the Company that no Undisclosed Material Facts, Etc. exist.

(Note 3) Under the Tender Agreement (Marubeni), Marubeni is obligated to notify the Offeror of Undisclosed Material Facts, Etc. of the Company upon Marubeni's recognition of such material facts, etc., to notify the Offeror of any breach of Marubeni's representations and warranties or obligations, to indemnify the Offeror for any breach of Marubeni's representations and warranties or obligations, to maintain confidentiality, and not to dispose of its position, rights and obligations under the Tender Agreement (Marubeni).

(Note 4) Under the Tender Agreement (Marubeni), Marubeni represents and warrants to the Offeror the following matters as of the date of

(Translation)

execution of the Tender Agreement (Marubeni), the last day of the Tender Offer Period and the commencement date of settlement for the Tender Offer: (i) Marubeni's legal and valid establishment and continuance, rights capacity and capacity to act, (ii) the legal binding force and enforceability of the Tender Agreement (Marubeni), (iii) the receipt of permits and licenses, etc. for the execution and performance of the Tender Agreement (Marubeni), (iv) the absence of any violation of laws and regulations, etc. and the absence of any violation of judgments, etc. made by judicial or administrative authorities, etc. with respect to the execution and performance of the Tender Agreement (Marubeni), (v) the absence of bankruptcy proceedings, etc., (vi) the non-relevance to antisocial forces and the absence of relationship with antisocial forces, (vii) its ownership of the Company's Shares (2,140,847 shares); (viii) the accuracy of the Company's statutory disclosure documents; (ix) no material adverse effect on the Company's business; (x) no violation of applicable laws and regulations in the Company; (xi) no litigation or material claims against the Company, and (xii) the absence of any Undisclosed Material Fact, Etc. concerning the Company.

In addition to the above, the Offeror and Marubeni have confirmed that ① in consideration of the fact that the Tender Offer will cause changes in the capital relationship between Marubeni and the Company, the Offeror and Marubeni will, in principle, terminate existing commercial transactions (including those on which Marubeni and its subsidiaries are parties to agreements); ② if the Offeror or the Company requests to continue such existing business transactions (including a part thereof) or to change the terms or form of the transactions, Marubeni will accept such request to the extent it is not commercially unreasonable; ③ the Offeror will, even after the completion of the Tender Offer, give Marubeni the opportunity to propose terms and conditions of sale to the Company with respect to the Company's purchase of raw sugar; ④ Marubeni will cause Marubeni Foods to be a sales agent of the Company if the Offeror and the Company consider that this will contribute to the enhancement of the corporate value of the Company; and ⑤ with respect to secondment from Marubeni to the Company (only secondment for the position at the Company which is agreed between the Offeror and Marubeni), such secondment of a person that Marubeni and the Company agree will be accepted.

Under the Tender Agreement (Marubeni), the Offeror or Marubeni may immediately terminate the Tender Agreement (Marubeni) if (i) the other party is in material breach of its obligations under the Tender Agreement (Marubeni), (ii) the other party is in material breach of its representations and warranties, or (iii) the

(Translation)

Offeror withdraws the Tender Offer in accordance with laws and regulations. In addition, under the Tender Agreement (Marubeni), Marubeni may immediately terminate the Tender Agreement (Marubeni) if the Tender Offer is not commenced by March 31, 2025 due to reasons not attributable to Marubeni.

The Company heard that there is no agreement between the Offeror and Marubeni other than the Tender Agreement (Marubeni), and there is no benefit to be granted to Marubeni in connection with the Tender Offer other than the purchase price for the Tender Offer.

5. Details of the Provisions of Benefits by the Offeror or its Special Related Parties

Not applicable.

6. Measures regarding the Basic Policy on Control of the Company

Not applicable.

7. Questions to the Offeror

Not applicable.

8. Request for Extension of the Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to “(2) Grounds and reasons of the opinion regarding the Tender Offer”, “② Background to, and objectives of and decision-making process leading to the Offeror’s decision to implement the Tender Offer” and “③ Management policy after the Tender Offer”; “(4) Prospects and reasons for delisting”; and “(5) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-tier takeover strategy)” in “3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer” above.

10. Other Information

(1) Publication of "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (under Japanese GAAP)"

The Company releases the Company’s Summary of the Financial Results as of today. For more detail, please refer to the detail of the release.

(2) Publication of "Notice of Revision to Year-end Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2025"

The Company resolved at a board meeting held today, to revise its dividend forecast for the fiscal year ending March 2025, and not to pay a year-end dividend for the fiscal year ending March 2025, subject to the success of the Tender Offer. For details, please refer to

(Translation)

"Notice of Revision to Year-End Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2025 " announced by the Company today.

(3) Publication of "Notice of Acquisition of Shares in MiyakoSeitou Co., Ltd. (becoming an equity method affiliate)"

The Company resolved to acquire shares in MiyakoSeitou Co., Ltd. at the Company's board meeting held today. For details, please refer to "Notice of Acquisition of Shares in MiyakoSeitou Co., Ltd. (becoming an equity method affiliate)" announced by the Company today.

(Reference) "Notice Concerning Commencement of Tender Offer for Toyo Sugar Refining Co., Ltd. (Securities Code: 2107)" dated today (attached)



February 6, 2025

(The correction made in the press release dated February 10, 2025 has been reflected.)

To whom it may concern:

Company Name WELLNEO SUGAR Co., Ltd.
Representative: Koji Yamamoto, President and
 Representative Director
 (Code No. 2117 TSE Prime Market)
Contact: Hiroyuki Iizuka, Executive Officer
 (TEL. 03-3668-1246)

Notice Concerning Commencement of Tender Offer to Toyo Sugar Refining Co., Ltd. (Securities Code: 2107)

WELLNEO SUGAR Co., Ltd. ("Company") hereby announces that it has resolved at its board of directors meeting held on February 6, 2025 to acquire common shares of Toyo Sugar Refining Co., Ltd. (Securities Code: 2107, Standard Market of Tokyo Stock Exchange, Inc. ("TSE"); "Target") ("Target Share") through a tender offer ("Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; "Act").

1. Purpose of the Purchase

(1) Outline of the Tender Offer

At its board of directors meeting held on February 6, 2025, the Company has resolved to implement the Tender Offer as part of a transaction aiming at acquiring all of the Target Shares (except for the treasury shares owned by the Target) and making the Target a wholly-owned subsidiary of the Company ("Transaction").

As of the filing date of this document, the Company does not own any Target Shares. Also, none of the companies in the Company's Group (to be defined in "(1) Background, Purpose, and Decision-making Process of the Company's Decision to Implement the Tender Offer" in "(2) Background, Purpose, and Decision-making Process to Implement the Tender Offer and Management Policy after the Tender Offer" below), other than the Company, owns any Target Shares as of the filing date of this document.

The Company has executed a tender offer agreement with Marubeni Corporation ("Marubeni") on

February 6, 2025 ("Tender Offer Agreement (Marubeni)"), and it has been agreed that all of the Target Shares owned by Marubeni (2,140,847 shares, Ownership Ratio (Note 1): 39.26%) will be tendered in the Tender Offer. For details of the Tender Offer Agreement (Marubeni), please refer to "(I) Tender Offer Agreement (Marubeni)" in "(6) Matters Related to Important Agreements Concerning the Tender Offer" below.

(Note 1) The "Ownership Ratio" refers to the ratio (rounded to two decimal places; the same applies hereinafter for the Ownership Ratio) to the number of shares (5,452,647 shares) obtained by deducting the number of treasury shares (3,353 shares) owned by the Target as of December 31, 2024 from the total number of issued shares (5,456,000 shares) of the Target as of the same date as stated in the "Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 [Japanese GAAP] (Consolidated)" ("Target's Financial Results") released by the Target on February 6, 2025.

The Transaction consists of (i) the Tender Offer and (ii) if, after successful completion of the Tender Offer, the Company fails to acquire all of the Target Shares (except for the treasury shares owned by the Target) through the Tender Offer, a series of procedures to make the Company the sole shareholder of the Target ("Squeeze-Out Procedures"; For details, please refer to "(4) Policy on Organizational Restructuring after the Tender Offer (Matters Related to the So-Called Two-Tier Takeover Strategy)").

Given that the Company intends to acquire all of the Target Shares (except for the treasury shares owned by the Target) and privatize the Target Shares in the Tender Offer, the Company has not set a maximum number of shares to be purchased and will purchase all of the share certificates tendered in the Tender Offer ("Tendered Share Certificates").

On the other hand, in cases of tender offers with the aim of privatizing, it is common to set the minimum number of shares to be purchased which ensures that the number of voting rights is equivalent to 2/3 of the total number of voting rights in the targeted company, from the perspective of ensuring that the squeeze-out procedures by way of the share consolidation are implemented after successful completion of the tender offer. However, when focused on the record of voting rights exercise ratio at the Target's general meetings of shareholders, it is not strictly necessary to acquire the shares equivalent to 2/3 of the total voting rights in the Target through the Tender Offer in order to implement the squeeze-out procedure by way of the share consolidation. Therefore, from the perspective of enhancing the likelihood of successfully completing the Transaction, the Company has decided to set the minimum number of shares to be purchased in the Tender Offer at the number which represents 50.10% of the Target's total voting rights (2,720,900 shares).

That is, when focused on the ratio of voting rights exercised at the Target's general meetings of shareholders over the past five years, the average ratio of voting rights exercised is 70.59% and the maximum ratio is 74.25% (Note 2). Even though the Company believes that it is sufficiently feasible to implement the squeeze-out procedures by way of share consolidation if the Company acquires the Target Shares

representing the number of voting rights equivalent to 49.50%, which is obtained by multiplying the maximum ratio (and not the average ratio) of 74.25% by $2/3$, a number which is necessary for adopting a special resolution at the general meeting of shareholders, through the Tender Offer, the Company has decided, conservatively, to set the minimum number of shares to be purchased at the number of shares representing 50.10% of the total voting rights of the Target (2,720,900 shares) (Note 3) in order to further increase the feasibility of implementing the squeeze-out procedures by way of the share consolidation after successful completion of the Tender Offer.

(Note 2) Based on the number of voting rights as of the record date for the 100th general meeting of shareholders as stated in the annual securities report filed by the Target on June 26, 2024, and the number of voting rights exercised at the 100th general meeting of shareholders as stated in the extraordinary report filed on June 21, 2024, the ratio of the voting rights exercised at the 100th general meeting of shareholders held in June 2024 to the total voting rights was 63.39% (rounded to two decimal places; the same applies hereinafter for the calculation of voting rights ratio unless otherwise stated). When the same calculation method is used, the ratio of the voting rights exercised is 67.08% for the 99th general meeting of shareholders held in June 2023, 74.12% for the 98th general meeting of shareholders held in June 2022, 74.25% for the 97th general meeting of shareholders held in June 2021, and 74.10% for the 96th general meeting of shareholders held in June 2020.

(Note 3) The number of shares is calculated by multiplying 50.1% by 54,309 units, which is the number of voting rights of all shareholders as of September 30, 2024 as stated in the 101st semi-annual securities report filed by the Target on November 12, 2024 (100 shares per unit), and then multiplying such number rounded up to the nearest whole number (27,209 units) by the number of the unit shares of the Target (100 shares).

Since the minimum number of shares to be purchased is not set at the number of shares that ensures the voting rights equivalent to $2/3$ of the total voting rights in the Tender Offer as described above, if the total number of voting rights of the Target owned by the Company falls below $2/3$ of the number of voting rights of all shareholders of the Target after the consummation of the Tender Offer, the proposal for the Share Consolidation which will be conducted as a part of the Squeeze-out Procedure may not be approved at the Extraordinary Shareholders Meeting (the terms "Share Consolidation" and the "Extraordinary Shareholders Meeting" are to be defined in "(4) Policy on Organizational Restructuring after the Tender Offer (Matters Related to the So-Called Two-Tier Takeover Strategy)" below; the same applies hereinafter).

However, even if such approval is not obtained, the Company intends to ultimately acquire all of the Target Shares (except for the treasury shares owned by the Target) with the aim of privatizing the Target Shares. Therefore, with the aim of privatizing the Target Shares, the Company plans to acquire additional Target Shares through market purchases, off-market over-the-counter acquisitions or other methods until the level at which the proposal for the share consolidation can be practically approved at the shareholders meeting of the Target (The specific level will be determined based on the ratio of voting rights exercised at the

Extraordinary Shareholders Meeting and latest shareholders composition of the Target), taking into account the tendering status of the Tender Offer, the ownership status and attributes of the shareholders of the Target at the time, and the trend of the market share price. With respect to such additional acquisition, the Company intends to acquire the Target Shares (i) at the market price in case of the market transaction, or (ii) in the case of any method other than the market transaction, at a price that is valued economically equivalent to the purchase price per Target Share in the Tender Offer (the "Tender Offer Price"), unless an event requiring an adjustment of the price, such as share consolidation or share split, occurs in relation to the Target Shares. The specific timing and method of such additional acquisition, or the time subsequently required until the proposal for the Share Consolidation is approved at a general shareholder meeting, cannot be determined at this time as it will depend on various circumstances such as market conditions, but the Company will make its best efforts to ensure that the Share Consolidation is implemented as soon as practically possible (no later than the end of 2026).

If the Company fails to acquire all of the Target Shares (except for the treasury shares owned by the Target) in the Tender Offer despite the successful completion of the Tender Offer, the Company plans to request the Target to implement the Squeeze-Out Procedures after the completion of the Tender Offer (Please refer to the preceding paragraph for the handling of the case where the proposal for the Share Consolidation is not approved at the Extraordinary Shareholders Meeting).

According to the "Notice concerning Expression of Opinion in Support of Tender Offer of WELLNEO SUGAR Co., Ltd. for the Company's Shares and Recommendation to Tender" released by the Target on February 6, 2025 ("Target's Press Release"), the Target has resolved, at its board of directors meeting held on February 6, 2025, to express an opinion that it is in support of the Tender Offer, and it recommends the shareholders of the Target to tender their shares in the Tender Offer.

For details of decision-making process of the Target's board of directors, please refer to the Target's Press Release and "(V) Approval of all Directors of the Target without Interest" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest".

(2) Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer

(I) Background, Purpose, and Decision-making Process of the Company's Decision to Implement the Tender Offer

The Company was established through a share transfer in October 2011 as Nissin Sugar Holdings Co., Ltd., which is the parent company of Nissin Sugar Manufacturing Co., Ltd. and Shinko Sugar Co., Ltd. In April 2013, the Company merged with Nissin Sugar Manufacturing Co., Ltd. and Shinko Sugar Co., Ltd. and changed its name to Nissin Sugar Co., Ltd., and then in January 2023, the Company implemented a

share exchange in which the Company is the wholly-owning parent company and ITOCHU Sugar Co., Ltd. is the wholly-owned subsidiary, as well as an absorption-type company split in which the Company is the splitting company (in which all businesses of the Company except for those relating to group management and administrations were split into Nissin Sugar Split Preparation Co., Ltd.). As a result, the Company changed its trade name to WELLNEO SUGAR Co., Ltd. and merged, by way of absorption-type merger, with its two wholly-owned subsidiaries (Nissin Sugar Co., Ltd. (which was renamed from Nissin Sugar Split Preparation Co., Ltd. in January 2023) and ITOCHU Sugar Co., Ltd.) in October 2024.

The shares of the Company were listed on the Second Section of the TSE in October 2011, designated as the First Section of the TSE in November 2015, and shifted from the First Section to the Prime Market of the TSE in April 2022 as a result of the TSE's reorganization of the market divisions.

As of December 31, 2024, the Company has 9 subsidiaries and 10 affiliates (the Company and its subsidiaries and affiliates are hereinafter collectively referred to as the "Company's Group").

The Company's Group mainly operates sugar manufacturing business and food science business. In the sugar manufacturing business, for example, the Company manufactures and sells sugar under the "Cup" brand and the "Kururu" brand and the Company's subsidiary DAIICHI TOGYO CO., LTD. manufactures and sells the "SEVEN" brand of sugar. In addition, the Company's Group has its production bases in Kanto region, Chubu region, Kansai region, and Kyushu region. In the food science business, it manufactures and sells functional materials, food additives, edible films, and sugar-derived and sweetener-related products, and with the collaboration of the Company's Neo-functional Ingredients Department and the Company's subsidiary, the Company strengthens R&D and marketing while proactively promoting investment.

As a major player in the sugar industry in Japan, the Company believes that it has contributed to the revitalization of agriculture, the preservation of the environment, and the development of the local economy through stable supply of sugar, which is a daily necessity, with a focus on quality and safety over a long period of time and by developing alongside local raw material producers and sugar manufacturers through sugar manufacturing business using sugar canes in Okinawa and Kagoshima as raw material and the procurement of domestic sugar (beet sugar and cane sugar). In addition, the Company believes that it has contributed to the formation of healthy lifestyles and a rich food culture by providing new added value through the development and commercialization of functional materials that contribute to the health of consumers.

Meanwhile, the environment surrounding the sugar industry in Japan has become increasingly uncertain against the backdrop of factors such as declining population, the rise of sugar substitutes due to a preference for low-sugar and low-calories products, intensified competition due to economic partnership agreements with other countries, and (as seen from the fact that the international raw sugar price rose by 39.7% between January 2020 and December 2024,) the rise in raw material prices in recent years. Amid such growing uncertainty, flexible responses to changes in the business environment, further

strengthening of the business base, and improvement of management efficiency have become particularly important management issues, and industry restructuring is underway, such as the establishment of Mitsui DM Sugar Holdings Co., Ltd. (which was established on April 1, 2021 by merger of Mitsui Sugar Co., Ltd. and Dai-Nippon Meiji Sugar Co., Ltd.) and the establishment of WELLNEO SUGAR Co., Ltd. in October 2024.

As one of the major players in the sugar industry, the Company aims to build and develop a sustainable sugar manufacturing business by effectively making capital investments while enhancing efficiency through quantitative expansion. In the sugar manufacturing business, on one hand, the Company believes that it is necessary to further enhance its competitiveness, and in the food science business including functional materials, on the other hand, the Company believes that differentiation through R&D backed by sufficient cash, marketing measures, and investment for growth will become increasingly important, given that the competitive environment is likely to intensify in this growing market.

On the other hand, the Target was established on November 29, 1949 as a spin-off of the sugar manufacturing division of former Akiyama Sugar Refinery, a joint stock company established as a sugar re-refining business in February 1927. The Target was listed on the First Section of the TSE in March 1953, listed on the First Section of the Osaka Securities Exchange in March 1954, delisted from the Osaka Securities Exchange in March 2003, and shifted to the TSE Standard Market in April 2022 as a result of the TSE's reorganization of the market divisions.

As of the filing date of this document, the corporate group of the Target consists of the Target, one consolidated subsidiary, and one equity-method affiliate (collectively, "Target's Group") and its main business activity is the manufacture and sales of refined sugar, food and beverage materials, and cosmetics materials, with two segments of sugar business and functional ingredients business. In its sugar business, the Target manufactures and sells refined sugar under the "Mitsuhana" brand, and in its functional ingredients business, it manufactures and sells enzyme-treated rutin, enzyme-treated hesperidin, stevia sweetener, yuzu polyphenol, glyceryl glucoside, baobab oil, and so on.

The Target's Group's mission is to contribute to the creation of a healthier and richer food culture and healthy lifestyles through each of its business. Its basic policy is to ensure social trust and increase corporate value by providing a variety of excellent products and services with the safety and security measures for food as a top priority, while strengthening corporate governance and ensuring strict compliance with laws and regulations.

The basic strategy of the Target's Group is to expand its functional ingredients business with the aim of making it its second pillar, while pursuing sustainable growth of its core sugar business and contemplating business investments such as construction of new plants to expand its production facility.

In its sugar business, the Target's Group manufactures and sells refined sugar under the system of price adjustment of sugar (Note) aimed at securing a stable supply of sugar in Japan under the Act on Price

Adjustment of Sugar and Starch (the " Price Adjustment Act"). The major products include white soft sugar, granulated sugar, brown soft sugar, and liquid sugar, which are shipped mainly for commercial use through trading companies and dealers in Japan. In a business environment where a significant recovery in consumption volume still cannot be expected due to various factors such as the influence of alternative sweeteners and the shift away from sweets, the Target's Group makes efforts to maintain sales volume by proposing sales to existing customers and finding new customers.

(Note) "System of price adjustment of sugar" is a mechanism designed to ensure a stable supply of sugar by preventing the influx of refined sugar, which is the final product, from overseas through high-level border measures, while also ensuring the continued viability of the businesses of producing sweet resource crops in Okinawa, Kagoshima, and Hokkaido and producing domestic sugar using such crops as raw materials, the businesses of producing refined sugar using both domestic sugar and imported raw sugar as raw materials, and other related industries.

In its functional ingredients business, the Target's Group mainly manufactures and sells functional ingredients using enzyme processing technology. The major products include enzyme-treated stevia, enzyme-treated rutin, and enzyme-treated hesperidin, which are shipped as raw materials in the fields of beverages/health foods, supplements, and cosmetics.

Under these circumstances, the Company came to believe that considering to pursue synergies through collaboration with the Target, which operates in the same industry as the Company in the sugar manufacturing business, would be beneficial, and after the Company making a contact to the Target, it managed to hold a meeting with the Target in mid April 2024. During that meeting, the Company made an initial request to the Target to consider collaboration. Since the Company received a response from the Target indicating that it would consider such collaboration, the Company and the Target started their discussion regarding the Transaction.

Furthermore, during the course of discussions regarding the Transaction with the Target, the Company has determined that, in order to enhance competitiveness, build a strong profit base, and achieve medium- to long-term enhancement of corporate value through strong collaboration with the Target, it is necessary to conduct a flexible, appropriate, and prompt decision-making that responds to changes in the external environment, as well as to promote various measures for the sustainable corporate growth and stable employment of the Company with its shareholders, management, and employees working together. To achieve this, the Company has decided, in late August, to make the Target a wholly-owned subsidiary of the Company, rather than a capital and business alliance that is premised on the Target staying listed on TSE.

Accordingly, the Company requested the Target to have a discussion, and in late September 2024, the Company informed the Target of its intention to make the Target its wholly-owned subsidiary. Since both the Company and the Target confirmed that they had the agreement to consider making the Target a wholly-owned subsidiary of the Company, the Company submitted to the Target, in early October 2024,

an initial proposal regarding its intention to the Transaction (which is not legally binding; "Proposal").

The Company believes that the synergies as set forth below can be specifically expected in the business operations of the Target through the Transaction.

(i) Strengthening the Competitiveness of the Sugar Business

In the sugar industry, where the supply and demand and market conditions change rapidly, the Company believes that integrating the Company and the Target will make them one of the leading companies in the industry both qualitatively and quantitatively and strengthen the competitiveness of the Target's sugar business. The Company believes that by building an optimal supply chain in cooperation between the Company and the Target in each aspect of joint procurement of raw materials, utilizing manufacturing know-hows by the Company and the Target, and realizing logistics and sales from the optimal production base among those of the Company and the Target, it will create a sustainable and competitive supply system, and that the Company will be able to provide benefits to its consumers by offering more competitive products.

In addition, the Company is also promoting the sales of value-added products, such as cane oligosaccharides and cane sugar in the sugar business, and also plans to consider adding greater values to the Target's products. In addition, the Company is promoting the improvement of productivity in the sugar business through digitalization, and the Company believes that it can contribute to the digitalization of the Target's sugar business.

(ii) Integration Synergies in Functional Ingredients

Also in the functional ingredients business of both companies, as with the case of the sugar business described in (i) above, the Company expects that the both companies will be able to further strengthen the value chain and create opportunities for revenue growth for both of them through joint procurement of raw materials, utilizing manufacturing know-hows by the Company and the Target, and realizing sales from the optimal production base among those of the Company and the Target. In addition, the Company believes that by sharing information between the two companies from the R&D phase, they will be able to accelerate the speed of product development and set out a unified and integrated direction as one group in the R&D strategy, leading to the creation of various functional ingredients.

(iii) Corporate Synergies

The Company believes that it will be possible to achieve greater efficiency of the management function and the administration system by the two companies having the mutual and integrated headquarter functions such as general affairs, accounting, human resources, and auditing, as well as information systems.

The Target pays audit fees, stock transfer agency service fees, and other expenses associated with the listing every year, and spends a certain amount of time dedicated by its management divisions for the listed stock-related business such as complying with the corporate governance code. However, it is believed that the Target is expected to reduce such listing costs and make more effective use of the human resources allocated to the management divisions if the Target is delisted through the Transaction, and both groups will expect to further strengthen their human capital management through mutual sharing of know-hows.

Meanwhile, the Company has reviewed, through its due diligence on the Target, the Transaction from the perspective of its future impact on the Target's major business partners and suppliers, its impact on brand power and credit, its impact on fund raising, its impact on recruitment and existing employees, and its impact on its governance system. However, Company believes that, (a) implementation of the Transaction will not have any impact on the Target's business partners, suppliers, brand power, or credit, or have any adverse impact on its fund raising or employees given that the business and profit structures of the Target will not change, and (b) no adverse impact is expected to be caused in terms of recruitment of human resources in the Target given that the Company, which is a listed company, will be the parent company of the Target after the Transaction. In conclusion, the Company believes that the Transaction will not cause any disadvantages on these matters.

Concurrently with the discussions with the Target described above, the Company appointed, in late October 2024, (a) EY Strategy and Consulting Co., Ltd. ("EY") as the financial advisor of the Company and (b) Anderson Mori & Tomotsune as the legal advisor of the Company (both of which are independent from the Company, Marubeni, and the Target) in order to establish a system for review.

Subsequently, after making an approach to the Target in October 2024 and with the consent of the Target, the Company conducted due diligence from mid November 2024 to mid January 2025 to examine the feasibility of the Tender Offer. Based on the results of the due diligence and other factors, the Company made a proposal to the Target on January 6, 2025 to set the Tender Offer Price at 1,780 yen (which is the price obtained by adding a premium of 21.09% (rounded to two decimal places; the same applies hereinafter for the calculation of premium rate) to the closing price of the Target Share on the TSE Standard Market on the previous business day (December 30, 2024) of 1,470 yen, a premium of 23.27% to the simple average closing price for the past one month until the record date of December 30, 2024 of 1,444 yen (rounded to the nearest whole number; the same applies hereinafter for the calculation of the simple average closing price), a premium of 25.97% to the simple average closing price for the past three (3) months until such date of 1,413 yen, and a premium of 22.17% to the simple average closing prices for the past six (6) months until such date of 1,457 yen) while the minimum number of shares to

be purchased would not be set. Thereafter, on January 14, 2025, the Company received a written response from the Target in the name of the Special Committee (to be defined in "(i) Background to the Establishment of a Consideration Framework" in "(II) Decision-making Process Leading to and Reasons for the Target's Opinion in Favor of the Tender Offer"; the same applies hereinafter) stating that the Target requested that the Tender Offer Price, etc. be reconsidered, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is substantially lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 15, 2025, the Company made a proposal to the Target to set the Tender Offer Price at 1,905 yen (which is the price obtained by adding a premium of 27.08% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 14, 2025) of 1,499 yen, a premium of 30.39% to the simple average closing price for the past one (1) month until the record date of January 14, 2025 of 1,461 yen, a premium of 34.25% to the simple average closing price for the past three (3) months until such date of 1,419 yen, and a premium of 32.11% to the simple average closing price for the past six (6) months until such date of 1,442 yen) and not to set the minimum number of shares to be purchased. Subsequently, on January 17, 2025, the Company received a written response from the Target in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light

of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 20, 2025, the Company submitted a proposal to the Target to set the Tender Offer Price at 1,980 yen (which is the price obtained by adding a premium of 35.80% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 17, 2025) of 1,458 yen, a premium of 35.34% to the simple average closing price for the past one (1) month until the record date of January 17, 2025 of 1,463 yen, a premium of 39.24% to the simple average closing price for the past three (3) months until such date of 1,422 yen, and a premium of 37.69% to the simple average closing price for the past six (6) months until such date of 1,438 yen) and to set the minimum number of shares to be purchased at 2,140,847 shares (the number of Target Shares held by Marubeni). On January 27, 2025, the Company then received a written response from the Target in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that accepting the minimum number of shares to be purchased as proposed by the Company would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that such minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 29, 2025, the Company submitted a proposal to the Target to set the Tender Offer Price at 2,050 yen (which is the price obtained by adding a premium of 28.61% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 28, 2025) of 1,594 yen, a premium of 35.31% to the simple average closing price for the past one (1) month until the record date of January 28, 2025 of 1,515 yen, a premium of 42.07% to the simple average closing price for the past three (3) months until such date of 1,443 yen, and a premium of 42.86% to the simple average closing price for the past six (6) months until such date of 1,435 yen) and to set the minimum number of shares to be purchased at 2,699,100 shares (Ownership Ratio: 49.50%, obtained by the maximum ratio of voting rights exercised at the Target's general meetings of shareholders over the past five years (74.25%))

multiplied by 2/3 which is necessary for adopting a special resolution at the general meeting of shareholders). In response to this, on January 29, 2025, the Company received a written response from the Target in the name of the Special Committee stating that the Tender Offer Price was unacceptable, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) there is concern that accepting the minimum number of shares to be purchased as proposed by the Company would result in a price proposal that is insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at an insufficient level for the shareholders of the Target, it cannot be said that the proposed minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Subsequently, the Company submitted a proposal to the Target on February 3, 2025 to set the Tender Offer Price at 2,080 yen (which is the price obtained by adding a premium of 33.08% to the closing price of the Target Share on the TSE Standard Market on February 3, 2025 of 1,563 yen, a premium of 35.86% to the simple average closing price for the past one (1) month until the record date of February 3, 2025 of 1,531 yen, a premium of 42.66% to the simple average closing price for the past three (3) months until such date of 1,458 yen, and a premium of 44.85% to the simple average closing price for the past six (6) months until such date of 1,436 yen) and to increase the minimum number of shares to be purchased from 2,699,100 shares (Ownership Ratio: 49.50%) to 2,720,900 shares (Ownership Ratio: 50.10%) based on the written response from the Target dated January 29, 2025. In response to this, on February 5, 2025, the Company received a written response from the Target in the name of the Special Committee stating that it accepts the Tender Offer Price and the minimum number of shares to be purchased proposed by the Company, and that it will submit a proposal to the Target's board of directors to express an opinion in favor of the Tender Offer and recommend that the Target's shareholders tender their shares in the Tender Offer.

Furthermore, the Company has been having discussions with Marubeni regarding the Tender Offer Agreement (Marubeni). Specifically, on December 23, 2024, the Company had a meeting with Marubeni and informed it that the Company had been having discussion with the Target to consider privatizing the Target through a scheme that includes a tender offer and also commenced discussions with Marubeni regarding the acquisition of all of the Target Shares owned by Marubeni. On January 14, 2025, the Company received a request from Marubeni stating that, although Marubeni would decide whether to sell all of the Target Shares owned by it depending on the conditions therefor, it would like to use the method

of tendering its shares in the tender offer implemented by the Company for the Target. Therefore, based on the discussions with the Target, the Company informed its proposal to set the Tender Offer Price at 2,080 yen on February 3, and received a response from Marubeni on February 4 stating that it would tender all of its shares in the Tender Offer at the Tender Offer Price. Accordingly, the Tender Offer Agreement (Marubeni) was executed on February 6, 2025.

(II) Decision-making Process Leading to and Reasons for the Target's Opinion in Favor of the Tender Offer

(i) Background to the Establishment of a Consideration Framework

According to the Target, as described in "(I) Background, Purpose, and Decision-making Process of the Company's Decision to Implement the Tender Offer" above, the Target began discussions with the Company regarding the Transaction in mid-April 2024. The Target then received the Proposal in writing from the Company in early October 2024. Taking into account that the Tender Offer will be implemented as part of the Transaction and that there is a possibility that the interests of Marubeni and the shareholders of the Target other than Marubeni may not coincide, in mid-October 2024, the Target appointed City-Yuwa Partners as its legal advisor, SMBC Nikko Securities Inc. ("SMBC Nikko") as its financial advisor, and Tokyo Kyodo Accounting Office as its third party valuation institution, each of which is independent from the Target, Marubeni, and the Company, in order to ensure the fairness of the Tender Offer Price, to eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer, and to ensure the fairness, transparency, and objectivity of the Transaction. The Target has not received any proposal similar to the Proposal from a third party other than the Company prior to the receipt of the Proposal.

In addition, based on the legal advice of City-Yuwa Partners, its legal advisor, at the meeting of the Target's board of directors held on November 11, 2024, the Target established a special committee to review and negotiate the Transaction from a position independent of Marubeni and the Company (the "Special Committee"; for the composition, specific activities, and other details of the Special Committee, please see "(III) Establishment of Independent Special Committee and Acquisition of Findings Report from the Special Committee on the Target" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below). Furthermore, with respect to the proposal to establish the Special Committee at the above meeting of the board of directors, a two-step process was adopted, whereby (i) two (2) of the five (5) directors of the Target, excluding Mr. Tomonobu Miki ("Mr. Miki"), President & CEO, who is a former employee of Marubeni, Mr. Noboru Suzuki ("Mr. Suzuki"), who is currently on secondment from Marubeni and is an employee of Marubeni, and Mr. Takanori Koso ("Mr. Koso"), who is also an employee of Marubeni, deliberated on the proposal and passed a resolution by the unanimous consent of both directors, and (ii) in view of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have the special interest prescribed by the

Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) with respect to the above proposal, the board of directors deliberated on the proposal again by the three (3) directors, adding Mr. Miki, who was transferred from Marubeni to the Target in April 2024 and is not currently employed by Marubeni, and is thus less likely to have an interest with respect to Marubeni than Mr. Suzuki and Mr. Koso, who are currently employed by Marubeni, to the members for the purpose of making an effective resolution that satisfies the quorum under the Companies Act.

(ii) Background to the Consideration and Negotiation

According to the Target, after receiving the Proposal in writing from the Company in early October 2024, the Target, with the advice of City-Yuwa Partners, its legal advisor, and SMBC Nikko, its financial advisor, carefully considered the merits and demerits of the Transaction and the appropriateness of the terms and conditions of the Transaction. The Special Committee approved the appointment of City-Yuwa Partners as legal advisor, SMBC Nikko as financial advisor, and Tokyo Kyodo Accounting Office as third party valuation institution, and based on the content of the Company's proposal regarding the Transaction and the explanation from the Target including the details of business, business environment, management issues and management measures that are currently anticipated for such issues, the details and premises of the business plan for the period from the fiscal year ending March 2025 to the fiscal year ending March 2030 (the "the Business Plan"), which serves as the basis for calculation of the Target Share value, the purpose, significance, background, development and synergistic effects of the Transaction for the Target, and the management policy after the Transaction, the Special Committee considered and discussed the matters thereof. In this context, the Special Committee confirmed that the Business Plan, presented by the Target to the Company and used by Tokyo Kyodo Accounting Office as the basis for calculation of the Target Share value, was prepared under the leadership of parties independent from Mr. Miki, Mr. Suzuki, Mr. Koso, Marubeni, and the Company, and approved the Business Plan after confirming the reasonableness of its details, material preconditions, and process of preparation, etc. The Special Committee also confirmed the business environment and management issues of the Target, the background and development of the Transaction, the necessity, purpose, and synergistic effects of taking the Target Share private, the management policy after the Transaction, the framework of the Transaction, and the terms and conditions of the Transaction through a question-and-answer session with the Target's directors and a question-and-answer session with the Company.

With respect to the negotiation concerning the Tender Offer Price, etc., the Target received a proposal from the Company on January 6, 2025 to set the Tender Offer Price at 1,780 yen (which is the price obtained by adding a premium of 21.09% to the closing price of the Target Share on the TSE Standard Market on the previous business day (December 30, 2024) of 1,470 yen, a premium of 23.27% to the simple average closing price for the past one month until the record date of December 30, 2024 of 1,444 yen, a premium of 25.97% to the simple average closing price for the past three (3) months until such date

of 1,413 yen, and a premium of 22.17% to the simple average closing prices for the past six (6) months until such date of 1,457 yen) and not to set the minimum number of shares to be purchased. In response to this, on January 14, 2025, the Target submitted a written response to the Company in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is substantially lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 15, 2025, the Target received a proposal from the Company to set the Tender Offer Price at 1,905 yen (which is the price obtained by adding a premium of 27.08% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 14, 2025) of 1,499 yen, a premium of 30.39% to the simple average closing price for the past one (1) month until the record date of January 14, 2025 of 1,461 yen, a premium of 34.25% to the simple average closing price for the past three (3) months until such date of 1,419 yen, and a premium of 32.11% to the simple average closing price for the past six (6) months until such date of 1,442 yen) and not to set the minimum number of shares to be purchased.

In response to this, on January 17, 2025, the Target submitted a written response to the Company in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of

shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 20, 2025, the Target received a proposal from the Company to set the Tender Offer Price at 1,980 yen (which is the price obtained by adding a premium of 35.80% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 17, 2025) of 1,458 yen, a premium of 35.34% to the simple average closing price for the past one (1) month until the record date of January 17, 2025 of 1,463 yen, a premium of 39.24% to the simple average closing price for the past three (3) months until such date of 1,422 yen, and a premium of 37.69% to the simple average closing price for the past six (6) months until such date of 1,438 yen) and to set the minimum number of shares to be purchased at 2,140,847 shares (the number of Target Shares held by Marubeni).

In response to this, on January 27, 2025, the Target submitted a written response to the Company in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that accepting the minimum number of shares to be purchased proposed by the Company would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that such minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 29, 2025, the Target received a proposal from the Company to set the Tender Offer Price at 2,050 yen (which is the price obtained by adding a premium of 28.61% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 28, 2025) of 1,594 yen, a premium of 35.31% to the simple average closing price for the past one (1) month until the record date of January 28, 2025 of 1,515 yen, a premium of 42.07% to the simple average closing price for the past three (3) months until such date of 1,443 yen, and a premium of 42.86% to the simple average closing price for the past six (6) months until such date of 1,435 yen) and to set the minimum number of shares to be purchased at 2,699,100 shares (Ownership Ratio: 49.50%).

In response to this, on January 29, 2025, the Target submitted a written response to the Company in the name of the Special Committee stating that the Tender Offer Price was unacceptable, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, and (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that accepting the minimum number of shares to be purchased proposed by the Company would result in a price proposal that is insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at an insufficient level for the shareholders of the Target, it cannot be said that setting such minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on February 3, 2025, the Target received a proposal from the Company to set the Tender Offer Price at 2,080 yen (which is the price obtained by adding a premium of 33.08% to the closing price of the Target Share on the TSE Standard Market on the date of proposal (February 3, 2025) of 1,563 yen, a premium of 35.86% to the simple average closing price for the past one (1) month until the record date of February 3, 2025 of 1,531 yen, a premium of 42.66% to the simple average closing price for the past three (3) months until such date of 1,458 yen, and a premium of 44.85% to the simple average closing price for the past six (6) months until such date of 1,436 yen) and to set the minimum number of shares to be purchased at 2,720,900 shares (Ownership Ratio: 50.10%). In response to this, on February 5, 2025, the Target submitted a written response to the Company in the name of the Special Committee stating that it accepts the Tender Offer Price and the minimum number of shares to be purchased proposed by the Company, and that it will submit a proposal to the Target's board of directors to express an opinion in favor of the Tender Offer and recommend that the Target's shareholders tender their shares in the Tender Offer.

(iii) Details of the Target's Decision Making

According to the Target, under the circumstances described above, the Target carefully considered and discussed the merits and demerits of the Transaction, including the Tender Offer, and the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, taking into consideration the legal advice received from City-Yuwa Partners, the advice received from SMBC Nikko, the advice and the contents of the Share Valuation Report relating to the Target Share (the "Share Valuation Report (Tokyo Kyodo Accounting Office)") received from Tokyo Kyodo Accounting Office, and respecting to the maximum extent the opinions of the Special Committee indicated in the findings report submitted by the Special Committee dated February 5 2025 (the "Findings Report"; for an overview of the Findings Report,

please see "(III) Establishment of Independent Special Committee and Acquisition of Findings Report from the Special Committee on the Target" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

As a result, the Target, at the meeting of its board of directors held on February 6 2025, concluded that becoming a wholly-owned subsidiary of the Company through the Transaction would contribute to the enhancement of the corporate value of the Target, taking into consideration the following points.

(a) Establishment of a Competitive Advantage in the Sugar Production Business through Expansion of the Business Scale and Effective Utilization of the Sugar Production Bases of the Two Groups

According to the Target, in light of the expected long-term decline in demand for sugar and the increasingly challenging industry environment, the Target's Group believes that by making the Target a wholly-owned subsidiary of the Company's Group through the Tender Offer and thereby becoming a member of a leading group of companies in the industry (Note 1), the Target's Group will be able to establish an advantageous position in the industry.

In addition, the Company's Group has four sugar production bases nationwide in Chiba, Hekinan (Aichi), Osaka, and Miyazaki, respectively. As the Target's Group operates in areas where the Company's Group has not yet entered, the Target recognizes that the Target's Group's participation in the Company's Group will enable stable supply to customers nationwide and will also be effective in terms of BCP (Note 2) measures against natural disasters, etc. In the medium to long term, the Target believes that it will be possible to reduce costs by rationalization and streamlining through the promotion of consolidation and closure of excess facilities in Japan, although no specific plan has been decided as of today.

(Note 1) When comparing the sales of the six listed companies operating the refined sugar business for the fiscal year ended March 31, 2024, the Company ranks second, accounting for 22.65% (rounded to two decimal places) of the total sales of all companies.

(Note 2) BCP refers to the business continuity plan.

(b) Growth of Functional Materials Business

With respect to the functional materials business, which the Target's Group has started as part of its efforts to diversify its business, the Target recognizes that there is a shortage of production capacity in the face of increased demand in recent years, and that such shortage of production capacity has become a bottleneck in the expansion of such business. However, the Target expects that by participating in the Company's Group, the two groups will be able to share their respective management resources, such as know-how, research and development, production bases, funds, and human resources, and effectively utilize such management resources to formulate growth strategies and make business investments, thereby achieving further business expansion.

(c) Integration of Human Resources Platforms between the Company's Group and the Target's Group

According to the Target, in order for the Target's Group to operate as an independent group, it is necessary for the Target's Group to secure all personnel in manufacturing, sales, and administration by itself. However, due to the limited number of personnel in each department of the Target's Group, the Target's Group cannot implement appropriate job rotation, and the dependence on specific individuals has become a serious problem in its operations. The Target believes that it will be difficult for the Target's Group to continue to operate at the current scale in the future because, while the core employees of the Target are expected to gradually retire over the next five (5) to ten (10) years, it does not have the resources to hire new employees in sufficient numbers due to the limited number of personnel in each department and the lack of personnel to train and mentor newly hired employees, and there are few employees expected to lead the next generation. The Target believes that by joining the Company's Group, the Target's Group will be able to secure and rotate personnel on a larger platform.

As another advantage of the Transaction, the Target expects that it will be able to reduce fixed costs such as the cost of audits, the cost of operating the shareholders meetings, and the cost of outsourcing administrative work to shareholder registry administrator by taking the Target Share private through the Transaction.

The common disadvantages of taking the Target Share private are that the Target will not be able to raise funds from the capital market and will not be able to enjoy the benefits of being a listed company, such as gaining social credibility from the outside, including its business partners, and maintaining its name recognition. However, given that the Target had cash and deposits equivalent to 5.3 months of monthly sales (rounded to one decimal place) and had no interest-bearing debt as of September 30, 2024, it does not necessarily need to raise funds from the market, and the relationship of trust with many of its corporate business partners has already been established to a certain extent through business relationships over the years, and it is not expected that the existing business relationships will be substantially diminished by going private. In addition, by becoming a group company of the Company which is listed on the TSE Prime Market, it is expected that the Target's social credibility and name recognition will be maintained and improved, and the trust it has built up and the name recognition it has gained through its business operations to date will not be lost as a result of the delisting. Therefore, the Target believes that the impact of such disadvantages after taking the Target Share private will be insignificant. In addition, the Target sells its products (refined sugar) to Marubeni's customers through Marubeni Foods Corporation, a subsidiary of Marubeni ("Marubeni Foods"), as its general sales agent. The Target believes that even if the capital relationship with Marubeni will be terminated as a result of the Transaction, the distribution channel, in which Marubeni Foods acts as an agent, will continue after the Transaction with

a view to continuously enhancing the corporate value. On the other hand, even if such distribution channel is not continued, the Target believes that, given that domestic refined sugar manufacturers are subject to restrictions on the amount of raw sugar they can import under the system of price adjustment of sugar, it would be difficult for Marubeni Food's customers, who had been purchasing the Target's products (refined sugar), to immediately purchase the same amount of refined sugar from a competitor, and thus it will be possible for the Company's Group to take over the distribution channel from Marubeni Foods. Therefore, the Target does not expect any negative impact on its business as a result of the Transaction.

Furthermore, the Target has determined that the Tender Offer Price (2,080 yen) and other terms and conditions of the Tender Offer are appropriate for the shareholders of the Target, and that the Tender Offer provides the shareholders of the Target with a reasonable opportunity to sell their shares, in light of the following points.

(a) The Tender Offer Price is above the upper limit of the range of the value of the Target Share calculated based on the market share price method and above the median of the range of such value calculated based on the discounted cash flow method (the "DCF method") by Tokyo Kyodo Accounting Office as described in "(II) Acquisition of the Share Valuation Report from an Independent Third-Party Valuation Institution on the Target" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below .

(b) The Tender Offer Price is a price obtained by adding a premium of 31.40% to the closing price of the Target Share of 1,583 yen on the TSE Standard Market on February 5, 2025, which is the business day immediately preceding the date of announcement of the Tender Offer, 35.50% to the simple average closing price of 1,535 yen for the past one (1) month (from January 6, 2025 to February 5, 2025), 42.17% to the simple average closing price of 1,463 yen for the past three (3) months (from November 6, 2024 to February 5, 2025), and 44.44% to the simple average closing price of 1,440 yen for the past six (6) months (from August 6, 2024 to February 5, 2025), respectively. Although the premium ratios over the closing price on the business day immediately preceding the date of announcement and over the simple average closing prices for the past one (1) month is lower than the premium ratios of similar transactions by other companies (Note 3), the premium ratios over the simple average closing prices for the past three (3) months and the past six (6) months are comparable to those of similar transactions by other companies, indicating that a reasonable level of premium has been added.

(Note 3) With respect to the premium ratios in similar transactions by other companies, the Target referred to the premium ratios in the 171 cases of tender offers with the aim of taking stock private, excluding MBOs (management buyouts; Note 4) and real estate-related transactions, that were publicly

announced and successfully completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry publicly announced the "Fair M&A Guidelines," to December 9, 2024, and the median of the premiums over the closing price on the business day prior to the date of announcement and over the simple average closing prices for the past one (1) month, three (3) months, and six (6) months in those transactions were 43.51%, 43.37%, 43.40%, and 44.49%, respectively.

(Note 4) "MBO (management buyout)" means a transaction in which the tender offeror conducts a tender offer in accordance with the agreement with the officers of the target company and shares common interests with the officers of the target company.

(c) The Tender Offer Price exceeds the Target's consolidated net asset value per share as of September 30, 2024.

(d) The Tender Offer Price is the price determined through repeated negotiations in good faith between the Target and the Company after taking measures to ensure the fairness of the Tender Offer as described in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below. Specifically, the price was increased by 300 yen per share (16.85%) (rounded to the second decimal place) from the initial offer price (1,780 yen per share) as a result of continuous discussions and negotiations in good faith between the Target and the Company based on the calculation results of the value of the Target Share by Tokyo Kyodo Accounting Office, the legal advice on the process and method of decision making regarding the Transaction and other matters to be considered by City-Yuwa Partners, and the negotiation policy and opinions, instructions, and requests of the Special Committee in the negotiation phase.

- (e) While the minimum number of shares to be purchased is set at a number of shares equivalent to 50.10% of the total voting rights of the Target (2,720,900 shares), based on the Company's explanation and taking into account the following points, it is considered that, although the minimum number of shares to be purchased is lower than usual minimum number of shares to be purchased in a tender offer aimed at delisting, appropriate measures have been taken to address the theoretical possibility of coercion. Considering the voting rights exercise ratio at the Target's annual general meetings of shareholders over the past five years, in order to further enhance the feasibility of implementing the squeeze-out procedure after the successful completion of the Tender Offer, the Company conservatively set the minimum number of shares to be purchased in the Tender Offer at 50.10% of the Ownership Ratio of the Target (2,720,900 shares) with the aim of achieving a majority of the voting rights, and the possibility of the proposal for share consolidation being rejected at the shareholders' meeting in the squeeze-out procedure despite the Tender Offer being successful is not considered high, and therefore, the possibility of shareholders being coerced into tendering their

shares in the Tender Offer against their will due to concerns about the non-delisting of the Target Share despite the Tender Offer being successful is practically low.

- Even if the proposal for share consolidation is rejected at the shareholders' meeting in the squeeze-out procedure, the Company aims delist the Target Share, and depending on the status of the tender of shares in the Tender Offer, the shareholding status and attributes of the Target's shareholders at that time, and the trend of the market share price, the Company intends to acquire additional shares through market purchases or private transactions to reach a level where the proposal for share consolidation will realistically be approved at the shareholders' meeting with the aim of delisting the Target Share.
- With respect to the additional acquisition, the Company intends to acquire the Target Shares either at the market price, in the case of an on-market transaction, or at a price that is assessed to be economically equivalent to the Tender Offer Price per share, in the case of an off-market transaction, unless an event requiring price adjustment such as a share consolidation or a share split of the Target Shares occurs, and the Company has expressed its intention to make its best efforts to ensure that the Share Consolidation is implemented as soon as practicable.
- Considering the Company's intention to acquire additional Target Shares as described above, if the Target's shareholders who do not tender their shares in the Tender Offer apply for the additional acquisition by the Company, it is not considered highly likely that the Target Share will remain listed despite the Tender Offer being successful.
- The setting of the minimum number of shares to be purchased in the Tender Offer enhances the feasibility of the Tender Offer, which is considered desirable as it will contribute to the realization of the Transaction, which is considered to enhance the Target's corporate value, and provide appropriate selling opportunities for minority shareholders.

(f) In the Findings Report acquired from the Special Committee, as described in "(III) Establishment of Independent Special Committee and Acquisition of Findings Report from the Special Committee on the Target" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, it was determined that the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, has been ensured.

(g) Measures to ensure the fairness of the Tender Offer have been taken as described in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below and it is deemed that consideration has been given to the interests of the minority shareholders.

Based on the above, the Target has determined that the Transaction will contribute to the enhancement of the corporate value of the Target, that the Tender Offer Price is a reasonable price at which the interests to be enjoyed by the shareholders of the Target are secured, and that the Tender Offer will provide the shareholders of the Target with a reasonable opportunity to sell their shares. Accordingly, at a meeting of its board of directors held on February 6, 2025, the Target expressed an opinion in favor of the Tender Offer and resolved to recommend that the Target's shareholders tender their shares in the Tender Offer.

(III) Management Policy after the Tender Offer

In implementing the Tender Offer, the Company and the directors of the Target have not reached any agreement regarding the appointment of officers after the Tender Offer. As for the details of the management structure after the implementation of the Tender Offer, including the composition of officers of the Target, although the Company may dispatch directors in the future, matters such as the specific number of directors, the timing of dispatch, and the candidates have not been determined at this point and are planned to be determined in consultation with the Target after the successful completion of the Tender Offer.

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

As of the filing date of this document, the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, as it is not planned that all or part of the Target's management will directly or indirectly invest in the Company, the Transaction, including the Tender Offer, do not constitute an MBO. However, since the Company has concluded the Tender Offer Agreement (Marubeni) with Marubeni, the largest shareholder of the Target, and the interests of Marubeni and the minority shareholders of the Target may not necessarily coincide, the Target and the Company have taken the measures in (I) through (VI) below to ensure the fairness of the Tender Offer, to eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer, and to ensure the fairness and transparency of the Transaction.

As described in "(1) Outline of the Tender Offer" above, since Marubeni owns 2,140,847 Target Shares (Ownership Ratio: 39.26%) and the Company believes that setting the minimum number of shares to be purchased by the so-called "Majority of Minority" in the Tender Offer would make the successful completion of the Tender Offer uncertain and may not serve the interests of the minority shareholders who wish to tender their shares in the Tender Offer, the Company has not set the minimum number of shares to be purchased by the so-called "Majority of Minority" in the Tender Offer. However, the Company believes that due consideration has been given to the interests of the minority shareholders of the Target by taking the measures in (I) through (VI) below.

In the section below, the descriptions regarding the measures taken by the Target are based on the Target's Press Release and the explanations received from the Target.

(I) Acquisition of the Share Valuation Report by the Company from an Independent Third-Party Valuation Institution

To ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Company requested EY, a third party valuation institution independent of the Company's Group, the Target's Group, and Marubeni, to calculate the value of the Target Share.

For details, please see "(I) Basis of Calculation" in "(4) Basis for Calculating Purchase Price" in "2. Outline of the Purchase" below.

(II) Acquisition of the Share Valuation Report from an Independent Third-Party Valuation Institution on the Target

(i) Name of Valuation Institution and Relationship with the Target, Marubeni and the Company

In rendering its opinion regarding the Tender Offer, in order to eliminate arbitrariness in the decision making process with respect to the Tender Offer Price presented by the Company and to ensure the fairness of the Tender Offer Price, the Target, requested Tokyo Kyodo Accounting Office to calculate the Target Share value as a third-party valuation institution independent of the Target, Marubeni and the Company, and obtained the Share Valuation Report (Tokyo Kyodo Accounting Office) on February 5, 2025. Tokyo Kyodo Accounting Office is not a related party of the Target, Marubeni or the Company and does not have any material interest with respect to the Transaction including the Tender Offer. The remuneration paid to Tokyo Kyodo Accounting Office in connection with the Transaction are only a fixed remuneration that would be paid regardless of the conclusion of the Transaction and does not include a contingency fee to be paid contingent on the conclusion of the Transaction.

As the Target believes that, as described in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest", the Target and the Company have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore sufficient consideration has been given to the interests of the minority shareholders of the Target, the Target has obtained no opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Tokyo Kyodo Accounting Office.

(ii) Summary of Calculation of the Target Shares

In order to gather and examine information necessary for the calculation of the Target Share value, Tokyo Kyodo Accounting Office obtained and received explanations from the Target's management concerning the current status and future prospects of its business, and calculated the Target Share value

based on such information. Tokyo Kyodo Accounting Office calculated the Target Share value by adopting the market share price method as the Target is listed on the TSE Standard Market and a market share price exists for its shares, and the DCF method to reflect the status of future business activities in the evaluation. The share value per share of the Target Shares calculated by Tokyo Kyodo Accounting Office based on the above methods are as follows:

Market share price method	: between 1,440 yen and 1,535 yen
DCF method	: between 1,844 yen and 2,251 yen

Under the market share price method, the range of the value per share of the Target Shares has been calculated to be between 1,440 yen and 1,535 yen based on the simple average closing price of the Target Shares over the past one month (1,535 yen), the simple average closing price of the Target Shares over the past three months (1,463 yen), and the simple average closing price of the Target Shares over the past six months (1,440 yen) on the TSE Standard Market, with February 5, 2025 as the reference date.

Under the DCF method, the range of the value per share of the Target Shares has been calculated to be between 1,844 yen and 2,251 yen by analyzing the corporate value and share value by discounting the free cash flow which the Target is expected to generate in and after the fiscal year ending March 2025 based on the earnings forecasts and investment plans in the Business Plan and the Target's future earnings forecasts for the period from the fiscal year ending March 2025 to the fiscal year ending March 2030, to present value at a certain discount rate.

In addition, although the Business Plan which Tokyo Kyodo Accounting Office used as a basis for the DCF method calculations does not include any fiscal years in which significant increases or decreases in profits are expected, it does include fiscal years in which significant increases or decreases in cash flow are expected. Specifically, free cash flow is expected to decrease in the fiscal year ending March 2028 to minus 658 million yen, mainly due to an increase in capital expenditures. Free cash flow is expected to increase in the fiscal year ending March 2029 to 1,428 million yen, mainly due to a decrease in capital expenditures compared to the previous fiscal year. With respect to the Business Plan, Tokyo Kyodo Accounting Office conducted question-and-answer sessions with the Target and analyzed and considered the content thereof. The Special Committee also conducted question-and-answer sessions with the Target separately from Tokyo Kyodo Accounting Office, and the Special Committee confirmed the reasonableness of the content and preconditions, etc. thereof. Also, although synergies expected to be realized through the execution of the Transaction are not included in the Business Plan as it is difficult to specifically estimate such at present, with respect to the acquisition of shares of Miyakoseitou Co., Ltd. (for details, please refer to "Notice Regarding the Acquisition of Shares (Conversion to an Equity Method Affiliate) of Miyakoseitou Co., Ltd." announced by the Target on February 6, 2025) which is scheduled to be implemented independently of the Transaction, the expected reduction in procurement costs, etc. from such acquisition

has been incorporated into the Business Plan.

(III) Establishment of Independent Special Committee and Acquisition of Findings Report from the Special Committee on the Target

(i) Circumstances Surrounding the Establishment, etc.

The Target decided to establish the Special Committee in early October 2024, following receipt of the Proposal in writing from the Company, taking into consideration the advice of City-Yuwa Partners, in order to pay careful attention to the Target's decision making regarding the Transaction and eliminate any risk of arbitrariness or conflicts of interest in the decision making process of the Target's board of directors' meeting to ensure the fairness of such decision making process, before deliberating on and adopting a resolution for or against the Transaction in the meeting. The Target also considered candidates for members of the Special Committee, concurrently with the advice of City-Yuwa Partners. In addition to the above, the Target appointed three candidates for the Special Committee namely Ms. Kumi Murano, an independent outside director of the Target and attorney, Mr. Toshiaki Mizunuma, an attorney of Nomura & Partners, who was introduced as a candidate for a member by City-Yuwa Partners, and Mr. Masaaki Suda, a certified public accountant of Suda Certified Public Accountant Office, who was also introduced as a candidate for a member by City-Yuwa Partners, upon confirmation that the candidates for the members of the Special Committee are independent from the Target, Marubeni and the Company, and that they do not have any material interest that differ from the minority shareholders with respect to the conclusion of the Transaction, and also with the aim to ensure that the Special Committee be composed of an appropriate size while maintaining the balance of knowledge, experience and ability as a whole with the advice of City-Yuwa Partners, and subsequently established the Special Committee composed of such three members by the resolution of the board of directors' meeting held on November 11, 2024. Ms. Kumi Murano was selected as chair of the Special Committee by mutual election of its members. The members of the Special Committee have not changed since its establishment. In addition, the proposal to establish the Special Committee at the abovementioned board of directors' meeting has been processed through two steps that is (i) to deliberate by two out of five directors of the Target, by excluding Mr. Miki, who was originally from Marubeni, Mr. Suzuki, who was seconded from Marubeni and is still employed by Marubeni as an employee, and Mr. Koso, who concurrently serves as an employee of Marubeni, and pass the resolution by unanimous agreement of all such directors, and (ii) in light of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have a special interest prescribed in the Companies Act with respect to the abovementioned proposal, from the perspective of passing an effective resolution that satisfies a quorum under the Companies Act, to deliberate the resolution again by three directors, by including Mr. Miki, who transferred from Marubeni to the Target in April 2024 and therefore is not currently employed by Marubeni and considered to have less of a vested interest in

Marubeni than Mr. Suzuki and Mr. Koso, who are currently employed by Marubeni, and pass the resolution by unanimous agreement of all such directors. The remuneration paid to the members of the Special Committee are only a fixed remuneration that would be paid regardless of the conclusion of the Transaction and the details of the findings report, and does not include a contingency fee to be paid contingent on the conclusion of the Transaction including the Tender Offer.

In addition, as described in "(II) Decision-making Process Leading to and Reasons for the Target's Opinion in Favor of the Tender Offer" above under "(2) Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer", the Target established the Special Committee by the resolution of its board of directors' meeting held on November 11, 2024 and consulted with the Special Committee regarding: (a) the legitimacy and reasonableness of the purposes of the Transaction (including enhancement of the Target's corporate value through the Transaction); (b) the adequacy of the terms and conditions of the Transaction (including the Tender Offer Price); (c) the fairness of the negotiation process and the process leading up to decision making with respect to the Transaction; (d) whether the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Target in connection with the Transaction) would be disadvantageous to the minority shareholders of the Target; and (e) based on (a) through (d) above, whether the Target's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target tender their shares in the Tender Offer ((a) through (e) collectively referred to as "Consultation Matters"). Furthermore, the Target has positioned the Special Committee as a meeting body independent from the Target's board of directors, and the Target's board of directors' meeting has resolved to give maximum consideration to the opinion of the Special Committee as expressed in the Findings Report in its decision making regarding the Transaction.

Furthermore, the Target has resolved to grant to the Special Committee the authority to: (A) negotiate on its own and substantially affect the negotiation process with respect to the transaction terms by receiving reports on the status of negotiations in a timely manner, expressing its opinions and giving instructions and requests at important phases, or doing the other things; (B) appoint its own external advisors (such as financial advisors, third-party valuation institutions and legal advisors) as necessary (in which case expenses shall be borne by the Target), or nominate or approve (including post approval) the external advisors appointed by the Target, and utilize such advisors if the Special Committee determines that it can rely on the external advisors appointed by the Target to seek professional advice; and (C) request the Target's officers, employees, and external advisors to gather any and all information necessary for preparing a report.

(ii) Circumstances Surrounding Consideration

The Special Committee met a total of 10 times between November 18, 2024 and February 5, 2025, and discussed and considered the Consultation Matters by reporting, information sharing, deliberation, decision making, and doing the other things.

Specifically, the Special Committee approved the appointment of SMBC Nikko Securities, which is the Target's financial advisor, Tokyo Kyodo Accounting Office, which is the Target's third party valuation institution, and City-Yuwa Partners, which is the Target's legal advisor, after confirming that they are not related parties of the Target, Marubeni, or the Company, that they do not have any material interests regarding the Transaction including the Tender Offer, and that there are no issues with their independence and expertise otherwise regarding the Transaction.

The Special Committee approved after confirming that there are no issues with respect to the independence and fairness of the system for consideration of the Transaction that the Target has established internally (including the scope of the Target's officers and employees who are involved in the consideration, negotiation and decision related to the Transaction and their duties). Further, based on the advice received from City-Yuwa Partners, the Special Committee is considering measures to be taken to ensure the fairness of the procedures under the Transaction. In addition, the Special Committee received an explanation from the Target regarding the details, material preconditions and the process of preparation, etc. of the Business Plan, has confirmed the reasonableness of these matters and approved such.

The Special Committee received an explanation from the Target including the details of business, business environment, management issues and management measures that are currently anticipated for such issues, the details and premises of the Business Plan, the purpose, significance, background, development and synergistic effects of the Transaction for the Target, and the management policy after the Transaction, then considered and discussed the matters thereof. In this context, the Special Committee confirmed that the Business Plan, presented by the Target to the Company and used by Tokyo Kyodo Accounting Office as the basis for calculation of the Target Share value, was prepared under the leadership of parties independent from Mr. Miki, Mr. Suzuki, and Mr. Koso, as well as Marubeni and the Company, and approved the Business Plan after confirming the reasonableness of its details, material preconditions, and process of preparation, etc. Furthermore, as described in "(II) Acquisition of the Share Valuation Report from an Independent Third-Party Valuation Institution on the Target" above, Tokyo Kyodo Accounting Office has calculated the Target Share value based on the Business Plan, and the Special Committee has received an explanation from Tokyo Kyodo Accounting Office on the calculation methods for the Target Share value, the reasons for the adoption of such calculation methods, the details of the calculation using each calculation method, and the material preconditions, etc., and has conducted question-and-answer sessions with respect to such details, etc.

In addition, the Special Committee received timely reports from the Target on the negotiations between the Target and the Company, and provided its opinions on the Target's negotiation policy as

necessary. Specifically, as soon as the Target received the proposal from the Company on the terms and conditions of the Transaction including the Tender Offer Price, the Special Committee received a report from the Target, and considered such proposal based on the analysis and opinion on the negotiation policy with the Company by City-Yuwa Partners, SMBC Nikko Securities and Tokyo Kyodo Accounting Office, and explanations on the calculation result of the share price provided by Tokyo Kyodo Accounting Office, etc.

Furthermore, the Special Committee has received an explanation from City-Yuwa Partners on the press release draft concerning the Tender Offer that the Target plans to announce or submit, and has confirmed that appropriate disclosure is scheduled to take place.

(iii) Details of Decision

Under the circumstances described above, the Special Committee, having carefully considered and discussed the Consultation Matters, submitted the Findings Report on the Consultation Matters to the Target's board of directors' meeting, by unanimous agreement of all members of the board on February 5, 2025, summarized as follows.

(a) Content of the Findings Report

(A) The Transaction is considered to contribute to the enhancement of the corporate value of the Target, and its purpose is considered legitimate and reasonable.

(B) The terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the minority shareholders of the Target.

(C) The negotiation process and the process leading up to decision making with respect to the Transaction are considered to ensure fairness.

(D) The decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target tender the shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the of the Target in connection with the Transaction) is not considered disadvantageous to the minority shareholders of the Target.

(E) Based on (a) through (d) above, it is considered appropriate for the Target's board of directors to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target to tender their shares in the Tender Offer.

(b) Reasons for the Findings Report

(A) Legitimacy and reasonableness of the purpose of the Transaction (including enhancement of the Target's corporate value through the Transaction)

Considering the following points comprehensively, the Transaction is considered to contribute to the enhancement of the corporate value of the Target, and its purpose is considered legitimate and reasonable:

- According to the Target, regarding the business environment surrounding the Target's Group, a significant recovery in consumption volume cannot be expected due to various factors such as population decline, the influence of alternative sweeteners, and a consumer shift away from sweet foods, and the domestic sugar market is on a declining trend. Additionally, the balance of adjustment funds based on the Price Adjustment Act to support the domestic sugar industry is in deficit, and in order to maintain the Price Adjustment Act, it is necessary to turn the balance of adjustment funds into surplus. The Ministry of Agriculture, Forestry and Fisheries, however, is requesting sugar manufacturers to reorganize and rationalize their factories to achieve a surplus. Against this backdrop, in April 2021, the top two companies in the industry, Mitsui Sugar Co., Ltd. and Dai-Nippon Meiji Sugar Co., Ltd., merged, creating the largest corporate group with over 40% market share, indicating a growing momentum for industry restructuring.
- As management issues for each business of the Target, (i) in its sugar business, the production volume of sugar is based on import quotas from the Ministry of Agriculture, Forestry and Fisheries, and the Target cannot change the import volume by its own efforts, making it impossible to develop an independent growth strategy in its sugar business, and (ii) in the functional materials business, production capacity has become a bottleneck for growth. Additionally, while it is necessary to employ all personnel in manufacturing, sales, and management to operate as an independent company, it has become a serious issue that personnel shortages are leading to over-reliance on specific personnel, which raises concerns about the medium to long-term sustainability of the business.
- According to the Target, by becoming a wholly-owned subsidiary of the Company through the Transaction, the Target expects synergy effects such as (i) establishing superiority in the sugar production business through business expansion and effective utilization of sugar production bases of both groups, (ii) growth in the functional materials business, (iii) integration of the human resource platforms of the Company's Group and the Target's Group, and (iv) reduction of the burden of listing maintenance costs. Based on interviews with the Company, the Company also expects to strengthen competitiveness in the sugar production business and achieve integration synergies in functional materials business, and we do not find any significant discrepancy in the recognition of synergistic effects resulting from the Transaction between the Target and the Company. The explanation regarding these synergistic effects is also sufficiently convincing to the Special Committee.
- According to the Target, if the capital alliance is limited to the extent that the Target Share remain listed, it will be difficult to fully share management resources between the two parties, and therefore there are limits to realizing the above synergistic effects. To maximize the synergistic effects with the Company's Group, it is considered optimal for the Target to become a wholly-owned subsidiary of the Company and further integrate as a business entity. According to interviews with the Company, the Company also has the same recognition as above, and the two parties' understandings are the same. The Special Committee does not find any unreasonable point in the explanations provided by both parties and thus considers that there is a certain rationality in the Target becoming a wholly-owned subsidiary of the Company.

- Regarding the potential disadvantages of the Target's delisting due to the Transaction, after examining through interviews with the Target and the Company, it is considered that (I) the impact on future business relationships with the Marubeni Group and the Target's business, (II) the return of officers and employees dispatched from the Marubeni Group and its impact on the Target's business, (III) the impact on business partners other than the Marubeni Group, (IV) the impact on competition with listed competitors, (V) the impact on future fundraising, (VI) the compliance systems, and (VII) the impact on future recruitment and existing employees of the Target, etc. are limited, and there are no specific concerns that the disadvantages would outweigh the expected synergistic effects of this Transaction.

(B) Reasonableness of the Terms and Conditions of the Transaction (including the Tender Offer Price)

Considering the following points comprehensively, the terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the minority shareholders of the Target.

- The Tender Offer Price exceeds the upper limit of range of the stock value of the Target calculated by Tokyo Kyodo Accounting Office based on the market stock price method and exceeds the median of the range of the valuation result based on the DCF method. In this regard, based on the explanation received from Tokyo Kyodo Accounting Office regarding the valuation results, there was no arbitrary treatment that could not be justified in light of the stock value evaluation practice in the selection of calculation methods or the specific calculation process using various calculation methods. In addition, there were no particular circumstances that raised doubts about the independence of the Target, including instructions from the Company and Marubeni, in the process of formulating the Business Plan used as the basis for the DCF method calculation, and the content was not excessively conservative, nor was it considered to be detrimental to the interests of the minority shareholders of the Target. Therefore, the valuation results by Tokyo Kyodo Accounting Office can be considered to be a reasonable reference for determining the appropriateness of the Tender Offer Price.
- The premium attached to the Tender Offer Price is considered reasonable to a certain extent compared to the premium levels in similar cases extracted by SMBC Nikko.
- The Tender Offer Price exceeds the net asset value per share on a consolidated basis as of the end of September 2024 (2,079.72 yen), and there is no particular reason to deny the reasonableness of the Tender Offer Price, at least in comparison with the book value of net assets.
- According to the Company, there is no plan to set a minimum number of shares to be purchased in the Tender Offer, which corresponds to the so-called majority of minority. While there is certainly room to consider that setting such a minimum number of shares to be purchased in the Tender Offer would benefit the interests of the Target's minority shareholders, the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests" published on June 28, 2019, also expresses concerns that setting such majority of minority conditions could hinder the successful completion of M&A that contributes to enhancing corporate value, especially when the acquirer's shareholding ratio in the target

is already high, and states that it is difficult to say that setting such conditions is always desirable. Considering that (i) Marubeni, which plans to enter into a tender offer agreement with the Company, owns 2,140,847 Target Shares (Ownership Ratio: 39.26%), it is considered that the above concerns are reasonably applicable, (ii) setting a majority of minority condition could harm the interests of minority shareholders who tender their shares in the Tender Offer, and (iii) considering the implementation status of other measures to ensure of the fairness of the Tender Offer, it can be evaluated that the fairness of the negotiation process and decision-making procedures related to the Transaction is ensured, the Special Committee considers that the fairness of the terms and conditions of the Transaction will not be denied by the absence of a majority of minority condition.

- In this Tender Offer, the minimum number of shares to be purchased is set at 2,720,900 shares (equivalent to 50.10% of the Ownership Ratio of the Target Shares). There is a possibility that the number of voting rights of the Target Shares owned by the Company after the successful completion of the Tender Offer may fall below two-thirds of the total voting rights of the Target, resulting in a situation where the Target Shares are not delisted despite the Tender Offer being successful. In such a case, there is a theoretical possibility that shareholders who are concerned about the non-delisting of the Target Share despite the Tender Offer being successful, consequently placing them in a less favorable position than shareholders who have tendered their shares in the Tender Offer, may be forced to tender their shares in the Tender Offer (so-called coercion). According to the Company, considering the voting rights exercise ratio at the Target's annual general meetings of shareholders over the past five years, the average voting rights exercise ratio is 70.59%, and the maximum is 74.25%. The Company believes that if it acquires Target Shares through the Tender Offer corresponding to 49.50% of the Ownership Ratio (a percentage obtained by multiplying 74.25%, the maximum (and not the average) voting rights exercise ratio, by two-thirds, which is required for a special resolution at the shareholders' meeting), the implementation of this squeeze-out procedure is sufficiently feasible. However, to further enhance the feasibility of implementing the squeeze-out procedure after the successful completion of the Tender Offer, the Company conservatively set the minimum number of shares to be purchased in the Tender Offer at 50.10% of the Ownership Ratio of the Target (2,720,900 shares). Based on the Company's explanation, the possibility of the proposal for share consolidation being rejected at the shareholders' meeting in the squeeze-out procedure despite the Tender Offer being successful is not considered high. Therefore, the possibility of shareholders being coerced into tendering their shares in the Tender Offer against their will due to concerns about the non-delisting of the Target Share despite the Tender Offer being successful, consequently placing them in a less favorable position than shareholders who have tendered their shares in the Tender Offer, is practically low. Furthermore, according to the Company, even if the proposal for share consolidation is rejected at the shareholders' meeting in the squeeze-out procedure, the Company aims to ultimately acquire all of the Target Shares (excluding treasury shares owned by the Target) and delist the Target Share. Depending on the status of the tender of shares in the Tender Offer, the shareholding status and attributes of the Target's shareholders at that time, and the trend of the market share

price, the Company intends to acquire additional shares through market purchases or private transactions to reach a level where the proposal for share consolidation will realistically be approved at the shareholders' meeting (the specific level will be determined based on the voting rights exercise ratio at the shareholders' meeting and the recent shareholder composition of the Target) with the aim of delisting the Target Share. With respect to the additional acquisition, the Company intends to acquire the Target Shares either at the market price, in the case of an on-market transaction, or at a price that is assessed to be economically equivalent to the Tender Offer Price, in the case of an off-market transaction, unless an event requiring price adjustment such as a share consolidation or a share split of the Target Shares occurs. The specific timing and method of such additional acquisition, or the time subsequently required until the proposal for the Share Consolidation is approved at a general shareholder meeting, cannot be determined at this time as it will depend on various circumstances such as market conditions, but the Company has expressed its intention to make its best efforts to ensure that the Share Consolidation is implemented as soon as practicable. Considering the Company's intention to acquire additional Target Shares as described above, if the Target's shareholders who do not tender their shares in the Tender Offer apply for the additional acquisition by the Company, it is not considered highly likely that the Target Share will remain listed despite the Tender Offer being successful. Additionally, the setting of the minimum number of shares to be purchased in the Tender Offer enhances the feasibility of the Tender Offer, which is considered desirable as it will contribute to the realization of the Transaction, which is considered to enhance the Target's corporate value, and provide appropriate selling opportunities of Target Shares for minority shareholders. Based on the Company's explanation as described above, although the minimum number of shares to be purchased in the Tender Offer is lower than the usual minimum number of shares to be purchased in a tender offer aimed at delisting, appropriate measures have been taken to address the theoretical possibility of coercion, and it is considered that the necessity to oppose the Tender Offer is not necessarily high solely based on this point.

- As for the squeeze-out procedure, either a demand for cash-out or share consolidation is planned. In either case, the law ensures that shareholders who did not tender their shares in the Tender Offer have the right to request stock purchase or price determination. According to the Company, the squeeze-out procedure is planned to proceed promptly after the settlement of the Tender Offer. Additionally, (i) in the case of a demand for cash-out, the Company will pay the same amount of money as the Tender Offer Price to each shareholder for each share, and (ii) in the case of share consolidation, the sale price of the total number of fractional shares resulting from the consolidation will be set so that the amount of money paid to shareholders who did not tender their shares in the Tender Offer will be the same as the price obtained by multiplying the Tender Offer Price by the number of shares owned by each shareholder, and then a petition will be filed with the court for approval of a voluntary sale. Therefore, in the Transaction, including the Tender Offer, consideration has been given to the interests of shareholders who do not tender their shares in the Tender Offer in order to address the issue of coercion, and the conditions of the squeeze-out procedure are considered reasonable.
- As described in (C) below, the negotiation process and decision-making procedures related to the Transaction

is considered to ensure fairness, and the terms and conditions of the Transaction, including the Tender Offer Price, are recognized as having been determined through fair procedures.

(C) The fairness of the negotiation process and the process leading up to decision making with respect to the Transaction

Considering the following points comprehensively, the negotiation process and decision-making procedures related to the Transaction are considered to ensure fairness:

- The Target has established the Special Committee as part of measures to ensure the fairness of the Tender Offer to eliminate arbitrariness and avoid conflicts of interest in the decision-making process. The Special Committee was established before entering into specific negotiations on the Tender Offer Price, and there are no reasons to doubt the independence of each committee member. When the Target's board of directors resolved to establish the Special Committee, it granted the Special Committee the authority to (i) negotiate directly with the Company, and even if the Target's personnel or advisors conduct negotiations with the Company, substantially affect the negotiation process with respect to the transaction terms by receiving reports on the status of negotiations in a timely manner, expressing its opinions and giving instructions and requests at important phases, or doing the other things, (ii) appoint its own external advisors as needed (in which case expenses shall be borne by the Target), or nominate or approve (including post approval) the external advisors appointed by the Target, and (iii) request the Target's officers, employees, and external advisors to gather any and all information necessary for preparing a report. Based on this, the Special Committee confirmed that there were no issues with the independence of the financial advisor, third-party valuation institution, and legal advisor appointed by the Target and approved them as the Target's advisors. Furthermore, when the Target's board of directors resolved to establish the Special Committee, it resolved to respect the content of the findings report of the Special Committee to the maximum extent possible when deliberating on the content of the opinion to be expressed regarding the Tender Offer and not to support the Tender Offer if the Special Committee determined the terms and conditions of the Transaction to be unreasonable, ensuring the effectiveness of the Special Committee's judgment. Therefore, after taking practical measures to enhance the effectiveness of the Special Committee, the Special Committee considered and determined the appropriateness of the Transaction, the reasonableness of the terms and conditions of the Transaction, and the fairness of the procedures from the standpoint of enhancing corporate value and protecting the interests of minority shareholders.
- To ensure the fairness of the decision-making process regarding the Tender Offer Price, the Target obtained a share valuation report from Tokyo Kyodo Accounting Office, an independent third-party valuation institution, and received legal advice from City-Yuwa Partners, an independent legal advisor, regarding the decision-making process, methods, and other considerations for the Target's board of directors in relation to the Transaction. Although the Target did not obtain a fairness opinion from Tokyo Kyodo Accounting Office

stating that the Tender Offer Price is fair or reasonable from a financial perspective, it is considered in Japan that the effectiveness of the fairness opinion as a fairness assurance measure varies depending on the case. Based on the process for the consideration of the Transaction, there are no circumstances that would require the acquisition of a fairness opinion to consider the appropriateness of the Transaction, and the fairness of the negotiation process and decision-making process related to the Transaction is not denied even without obtaining a fairness opinion.

- The Special Committee conducted negotiations with the Company itself, and there are no unreasonable points in the negotiation process from the perspective of protecting the interests of the Target's minority shareholders.
- According to the Company, it plans to adopt a two-step process, whereby (i) two (2) of the five (5) directors of the Target, excluding Mr. Miki, who is a former employee of Marubeni, Mr. Suzuki, who is currently on secondment from Marubeni and is an employee of Marubeni, and Mr. Koso, who is also an employee of Marubeni, will deliberate on the proposal and pass a resolution by the unanimous consent of both directors, and (ii) in view of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who do not participate in the deliberation and resolution, may not have the special interest prescribed by the Companies Act with respect to the above proposal, the board of directors will deliberate on the proposal again by the three (3) directors, adding Mr. Miki, who was transferred from Marubeni to the Target in April 2024 and is not currently employed by Marubeni, to the members for the purpose of making an effective resolution that satisfies the quorum under the Companies Act. This two-step resolution method is considered not problematic from the perspective of independence and fairness in the Target's decision-making process related to the Transaction, and there are no other particular circumstances that would unduly harm the Target's independence in the process of discussions, examinations, and negotiations related to the Transaction.
- According to the Company, by setting the tender offer period of the Tender Offer ("Tender Offer Period") to be longer than the minimum period specified by laws and regulations, the Company has given consideration to provide the Target's shareholders with an appropriate opportunity to make a judgment regarding the tender of their shares in the Tender Offer and to provide the opportunity for parties other than the Company to purchase the Target Shares, etc., , thereby ensuring the fairness of the Tender Offer Price. Additionally, the Company and the Target have not entered into any agreement that restricts the Target from having contact with a competing offeror, such as an agreement that includes a deal protection clause that prohibits the Target from having contact with a competing offeror and, together with the abovementioned establishment of the tender offer period, consideration has been given to ensure the fairness of the Tender Offer by providing opportunities for competing offers, etc.
- The press release related to the Transaction is planned to disclose certain information about the Special Committee, the content of the results of the valuation of the Target Share, the background and purpose of the Transaction, and the specific process of discussions and negotiations regarding the terms and conditions of the Transaction between the Target and the Company, ensuring that sufficient information is disclosed for

the Target's shareholders to determine the reasonableness of the terms and conditions of the Transaction.

(D) Whether the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Target in connection with the Transaction) would be disadvantageous to the minority shareholders of the Target

As described above, (a) the Transaction are considered to contribute to the enhancement of the Target's corporate value, and its purpose is deemed legitimate and reasonable, (b) the terms and conditions of the Transaction, including the Tender Offer Price, are considered adequate in light of the interests of the Target's minority shareholders, and (c) the negotiation process and decision-making procedures related to the Transaction are considered to ensure fairness. Additionally, there are no other particular circumstances that would suggest that the Transaction are disadvantageous to the Target's minority shareholders. Therefore, the decision to make the Transaction (including expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target tender their shares in the Tender Offer, and making other decisions relating to the procedures to be followed by the Target in connection with the Transaction) is not considered disadvantageous to the Target's minority shareholders.

(E) Based on (A) through (D) above, whether the Target's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target tender their shares in the Tender Offer

Based on (A) through (D) above, it is considered appropriate for the Target's board of directors to express its opinion in favor of the Tender Offer and recommend the Target's shareholders to tender their shares in the Tender Offer.

(IV) Independent law firm advice to the Target

In order to ensure the fairness and appropriateness of decision making of the Target's board of directors in relation to the Transaction including the Tender Offer, the Target has appointed City-Yuwa Partners as its legal advisor independent from the Target, Marubeni, and the Company, and has received legal advice from City-Yuwa Partners on the method and process of decision making of the Target's board of directors and other considerations in regard to decision making in relation to the Transaction including the Tender Offer. City-Yuwa Partners is not a related party of the Target, Marubeni, or the Company and does not have any material interest in relation to the Transaction including the Tender Offer. The remuneration paid to City-Yuwa Partners in connection with the Transaction are only a fixed

remuneration that would be paid regardless of the conclusion of the Transaction and does not include a contingency fee to be paid contingent on the conclusion of the Transaction.

(V) Approval of all Directors of the Target without Interest

As described in "(II) Decision-making Process Leading to and Reasons for the Target's Opinion in Favor of the Tender Offer" above under "(2) Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer", while giving utmost consideration to the opinions of the Special Committee as expressed in the Findings Report, in light of the legal advice received from City-Yuwa Partners, the advice received from SMBC Nikko Securities, the advice received from Tokyo Kyodo Accounting Office and the contents of the Share Valuation Report (Tokyo Kyodo Accounting Office), the Target's board of directors carefully considered and discussed the appropriateness of the Transaction including the Tender Offer, and the terms and conditions of the Transaction including the Tender Offer Price.

As a result, as described in "(II) Decision-making Process Leading to and Reasons for the Target's Opinion in Favor of the Tender Offer" above under "(2) Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer", the Target's board of directors determined that with respect to the Tender Offer, (i) the Tender Offer is expected to enhance the Target's corporate value, and (ii) the Tender Offer Price is at a reasonable price which secures the interests to be enjoyed by the Target's shareholders, and the Tender Offer provides the Target's shareholders with a reasonable opportunity to sell their shares, and at the Target's board of directors' meeting held on February 6, 2025, the Target's board of directors resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target tender their shares in the Tender Offer.

The resolution of the Target's board of directors' meeting was based on the assumption that the Target Shares were scheduled to be delisted as a result of implementation of the Tender Offer and the series of subsequent procedures by the Company.

In addition, the proposal to express opinion on the Tender Offer at the abovementioned board of directors' meeting has been processed through two steps that is (i) to deliberate by two out of five directors of the Target, by excluding Mr. Miki, who was originally from Marubeni, Mr. Suzuki, who was seconded from Marubeni and is still employed by Marubeni as an employee, and Mr. Koso, who concurrently serves as an employee of Marubeni, and pass the resolution by unanimous agreement of all such directors, and (ii) in light of the possibility that Mr. Miki, Mr. Suzuki, and Mr. Koso, who did not participate in the deliberation and resolution, may not have a special interest prescribed in the Companies Act with respect to the abovementioned proposal, from the perspective of passing an effective resolution that satisfies a quorum under the Companies Act, to deliberate the resolution again by three directors, by including Mr. Miki, who transferred from Marubeni to the Target in April 2024

and therefore is not currently employed by Marubeni and considered to have less of a vested interest in Marubeni than Mr. Suzuki and Mr. Koso, who are currently employed by Marubeni, and pass the resolution by unanimous agreement of all such directors.

Of the three corporate auditors of the Target, as Mr. Toshiro Nozaki, who is a full-time corporate auditor, has been seconded from Marubeni and is still employed by Marubeni, and Mr. Yoshikazu Egawa and Mr. Kazuyuki Matsuura, who are outside corporate auditors, concurrently serve as employees of Marubeni, none of them participated in the discussion of the proposal to express opinion on the Tender Offer at the above board of directors' meeting.

(VI) Securing Objective Conditions to Ensure Fairness of the Tender Offer

The Company has set the Tender Offer Period at 30 business days, which is relatively long compared to the minimum period specified by laws and regulations that is 20 business days. By setting the Tender Offer Period to be longer than the minimum period specified by laws and regulations, the Company has given consideration to ensure the fairness of the Tender Offer by providing the Target's shareholders with an appropriate opportunity to make a judgment regarding the tender of their shares in the Tender Offer and by providing the opportunity for parties other than the Company to purchase the Target Shares, etc.

Furthermore, the Company and the Target have not entered into any agreement that restricts the Target from having contact with a competing offeror, such as an agreement that includes a deal protection clause that prohibits the Target from having contact with a competing offeror. In this way, together with the abovementioned establishment of the tender offer period, consideration has been given to ensure the fairness of the Tender Offer by providing opportunities for competing offers, etc.

(4) Policy on Organizational Restructuring after the Tender Offer (Matters Related to the So-Called Two-Tier Takeover Strategy)

As described in "(1) Outline of the Tender Offer" above, if the Company is unable to acquire all of the Target Shares (excluding treasury shares owned by the Target) through the Tender Offer, after the consummation of the Tender Offer, the Company plans to implement the Squeeze-Out Procedures with the intention of making the Target Shares private by making the Company the only shareholder of the Target, in the method below.

(I) Demand for Cash-Out

If, as a result of the Tender Offer, the total number of voting rights represented by the Target Shares held by the Company becomes 90% or more of the total number of voting rights of all shareholders of the Target, and the Company becomes a special controlling shareholder as set forth in Article 179, Paragraph 1 of the Companies Act, the Company plans to demand all of the shareholders of the Target

(excluding the Company and the Target) ("Shareholders Subject to Cash-Out") to sell all of their Target Shares pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act ("Demand for Cash-Out"), promptly after the completion of the settlement of the Tender Offer. It is scheduled to prescribe that in the Demand for Cash-Out, money equal to the Tender Offer Price will be delivered to the Shareholders Subject to Cash-Out as consideration per Target Share. In this case, the Company will notify the Target to that effect and request the Target to approve the Demand for Cash-Out. If the Target approves the Demand for Cash-Out by a resolution of its board of directors' meeting, the Company will acquire all of the Target's shares held by the Shareholders Subject to Cash-Out on the acquisition date specified in the Demand for Cash-Out, in accordance with the procedures prescribed by relevant laws and regulations, without requiring individual consent of the Shareholders Subject to Cash-Out. The Company plans to deliver money equal to the Tender Offer Price to the Shareholders Subject to Cash-Out as consideration per Target Share held by the Shareholders Subject to Cash-Out.

According to the Target's Press Release, if the Target receives a notice from the Company that it intends to make a Demand for Cash-Out and on the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act, the Target plans to approve the Demand for Cash-Out at its board of directors' meeting.

As a provision of the Companies Act aimed at protecting the rights of minority shareholders in relation to a Demand for Cash-Out, it is provided that the Shareholders Subject to Cash-Out may file a petition to the court to determine the sale price of the Target Shares held by them in accordance with Article 179-8 of the Companies Act and other applicable laws and regulations. If such a petition is filed, the court will make the final decision on the sale price.

(II) Share Consolidation

If the total number of voting rights represented by the Target Shares owned by the Company is less than 90% of the number of voting rights of all shareholders of the Target after the consummation of the Tender Offer, the Company intends to request the Target to hold, promptly after the completion of the settlement of the Tender Offer, an extraordinary general meeting of shareholders ("Extraordinary Shareholders Meeting") that includes, in its agenda items, proposals to consolidate the Target Shares pursuant to Article 180 of the Companies Act ("Share Consolidation") and to partially amend its articles of incorporation to abolish the provisions on share units, conditional on the effectuation of the Share Consolidation. The Company believes that it is desirable to hold the Extraordinary Shareholders Meeting at the earliest possible date and intends to request that a public notice be made, announcing the establishment of a record date for the Extraordinary Shareholders Meeting at a date as close as possible after the commencement of the settlement of the Tender Offer. In addition, the Company intends to vote in favor of each of the above proposals at the Extraordinary Shareholders Meeting. As of

the filing date of this document, the date of the Extraordinary Shareholders Meeting is scheduled to be in the middle of May 2025.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, the Target's shareholders will, on the effective date of the Share Consolidation, own the number of Target Shares corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders Meeting. The Target's shareholders, who will end up holding any fractional shares of less than one share as a result of the Share Consolidation, will be paid the money obtained by selling to the Target or the Company the Target Shares equivalent to the aggregate number of such fractional shares (any fractional shares of less than one share remaining after the aggregation will be rounded down; the same applies hereinafter), etc. in accordance with the procedures prescribed by Article 235 of the Companies Act and other relevant laws and regulations.

The Company intends to request the Target to petition the court to approve a voluntary sale, after calculating the sale price of the Target Shares equivalent to the aggregate number of such fractional shares so that, as a result of such sale, the amount of money to be delivered to the shareholders of the Target, who do not tender their shares in the Tender Offer (excluding the Company and the Target), will be equal to the amount obtained by multiplying the Tender Offer Price by the number of Target Shares owned by such shareholders. In addition, the Company intends to request the Target to determine the ratio of the Share Consolidation, which has not been determined as of the filing date of this document, in a way that will result in the number of Target Shares owned by the shareholders of the Target, who do not tender their shares in the Tender Offer (excluding the Company and the Target), being fractional shares of less than one share, so that the Company will ultimately own all of the Target Shares (excluding treasury shares owned by the Target).

It is provided in the Companies Act aimed at protecting the rights of minority shareholders in relation to the Share Consolidation that, if the Share Consolidation results in any fractional shares of less than one share, the shareholders of the Target (excluding the Company and the Target) are entitled, in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations, to request the Target to purchase all of such fractional shares at a fair price and to petition the court to determine the price of the Target Shares.

In the event that the Squeeze-Out Procedures are expected to be completed by June 30, 2025, the Company intends to request the Target to make a partial amendment to its articles of incorporation to abolish the provisions on record dates for voting rights at annual shareholders' meetings, in order to ensure that the shareholders, who will be able to exercise their rights at the annual shareholders' meeting of the Target for the fiscal year ending March 2025 which is scheduled to be held in late-June 2025 ("Annual Shareholders' Meeting"), are shareholders after the completion of the Squeeze-Out Procedures, provided that the Squeeze-Out Procedures have been completed. Consequently, the

shareholders listed or recorded on the Target's shareholder register as of March 31, 2025 may not be able to exercise their rights at the Annual Shareholders' Meeting.

As described above, as a result of the Share Consolidation, the number of Target Shares owned by the shareholders of the Target who do not tender their shares in the Tender Offer (excluding the Company and the Target) is expected to be fractional shares of less than one share. Therefore, the shareholders of the Target who oppose the Share Consolidation (excluding the Company and the Target) will be entitled to file the above petition. If the above petition is filed, the purchase price of the Target Shares will be ultimately determined by the court.

Please note that the Tender Offer does not, in any way, constitute a solicitation of the approval of the shareholders of the Target at the Extraordinary Shareholders Meeting.

With regard to each of the procedures in (I) and (II) above, the method and timing of implementation may change depending on the status of amendments to, enforcement of, and authorities' interpretation of, relevant laws and regulations. However, even in such case, the method of delivering money will ultimately be adopted with respect to the shareholders of the Target who do not tender their shares in the Tender Offer (excluding the Company and the Target), in which case, the amount of money to be delivered to each such shareholder will be calculated so that the price will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Shares owned by each such shareholder.

Specific procedures and the timing of implementation in the above case will be announced by the Target as soon as they are determined upon consultation between the Company and the Target. In addition, the shareholders of the Target are requested to confirm the tax treatment of their acceptance of the Tender Offer or the above procedures with experts such as tax accountants at their own responsibility.

(5) Prospects and Reasons for Delisting

As of the filing date of this document, the Target Shares are listed on the TSE Standard Market. However, as the Company has not set a maximum number of shares to be purchased in the Tender Offer, the Target Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the TSE, depending on the result of the Tender Offer. In addition, even if the Target Shares may not fall under such criteria at the time of consummation of the Tender Offer, since the Company plans to implement the Squeeze-Out Procedures as described in "(4) Policy on Organizational Restructuring after the Tender Offer (Matters Related to the So-Called Two-Tier Takeover Strategy)" above after the consummation of the Tender Offer, the Target Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE when the Squeeze-Out Procedures are implemented. After the delisting, the Target Shares will no longer be traded on the TSE Standard Market.

(6) Matters Related to Important Agreements Concerning the Tender Offer

(I) Tender Offer Agreement (Marubeni)

The Company has executed the Tender Offer Agreement (Marubeni) with Marubeni on February 6, 2025.

Under the Tender Offer Agreement (Marubeni), Marubeni has agreed: (A) to tender all of the Target Shares it owns (2,140,847 shares, Ownership Ratio: 39.26%) to the Tender Offer and not to withdraw such tender; (B) not to transfer, provide as collateral, or otherwise dispose of (including, but not limited to, tendering to any tender offer other than the Tender Offer) all or any part of the Target Shares it owns, and not to acquire any Target Shares or any rights related to the Target Shares; and (C) not to directly or indirectly engage in any action (including, but not limited to, entering into agreements with third parties, making offers to enter into agreements, or inviting, accepting, discussing, negotiating, soliciting, or providing information regarding offers) that will or may likely to compete, contradict, or conflict with the Tender Offer. However, if, within three (3) business days prior to the last day of the Tender Offer Period, a third party other than the Company commences, or is reasonably expected to commence, a tender offer ("Counter-Tender Offer") for all of the Target Shares (excluding treasury shares) with a tender offer price that exceeds the Tender Offer Price by 5% or more, Marubeni may request discussions with the Company to change the Tender Offer Price. If, by the earlier of either the date five (5) business days after the date of such request or the business day immediately preceding the expiration date of the Tender Offer Period, the Company does not change the Tender Offer Price to a price that exceeds the tender offer price of the Counter-Tender Offer, and if the Company receives advice from its legal advisor that the performance of the obligations set out in (a) to (c) above is reasonably likely to violate the duty of care or duty of loyalty of the officers of Marubeni, Marubeni may immediately terminate the Tender Offer Agreement (Marubeni) without being subject to any obligation set out in (a) to (c) above, and without subject to any payment, obligation, or burden.

In addition, under the Tender Offer Agreement (Marubeni), Marubeni has agreed that: (I) Marubeni will not, during the period from the date of execution of the Tender Offer Agreement (Marubeni) to the date of commencement of settlement of the Tender Offer, exercise the right to demand the convocation of the Target's shareholders' meeting (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder rights, without the prior written consent of the Company; (II) if Marubeni is entitled to exercise its voting rights at the Target's shareholders' meeting to be held between the date of execution of the Tender Offer Agreement (Marubeni) and the date of commencement of settlement of the Tender Offer, and if such proposals are submitted (including by way of shareholder proposal) that (i) relate to the distribution or other disposition of surplus and (ii) if adopted, have or are reasonably expected to have a material effect on the Target's financial condition, operating results, cash flows, businesses, assets, liabilities, or future revenue plans or projections, then Marubeni will exercise its voting rights, which are represented by the Target Shares owned by Marubeni and exercisable at

such shareholders' meeting, in opposition to such proposals; and (III) if the Tender Offer is successful and the Target's shareholders' meeting is to be held, with a record date for the exercise of rights being set at any date prior to the date of commencement of settlement of the Tender Offer, Marubeni will exercise the voting rights and all other rights, which are represented by the Target Shares owned by Marubeni and exercisable at such shareholders' meeting, in accordance with the instructions of the Company.

Under the Tender Offer Agreement (Marubeni), it is stipulated, as preconditions for Marubeni to tender in the Tender Offer (provided that Marubeni may, at its discretion, waive any or all of the following preconditions), that: (i) the Special Committee will have reported to the Target's board of directors that it is appropriate for the board of directors to express its support for the Tender Offer, and such report will not have been amended or withdrawn; (ii) the Target's board of directors will have passed a resolution to express its support for the Tender Offer, which will have been announced to the public in accordance with the law, and such expression of opinion will have not been amended or withdrawn; (iii) no petition, litigation, or proceedings seeking to restrict or prohibit the Tender Offer will have been pending before any of the judicial or administrative agencies, and no judgment by the judicial or administrative agencies to restrict or prohibit the Tender Offer will have been made or is likely to be made; (iv) all obligations to be performed or complied with by the Company under the Tender Offer Agreement (Marubeni) by the commencement date of the Tender Offer (exclusive of the date) will have been performed or complied with in all material respects (Note 1); (v) all of the representations and warranties of the Company will be true and correct in material respects (Note 2); and (vi) (a) the Target will have confirmed that there are no material facts concerning the business pertaining to the Target as set forth in the main clause of Article 166, Paragraph 1 of the Financial Instruments and Exchange Act or no facts concerning the implementation of a tender offer or concerning the suspension of a tender offer as set forth in the main clause of Article 167, Paragraph 1 of the same Act (limited to those related to tender offers by parties other than the Company and Marubeni) that have not been disclosed (as defined in Article 166, Paragraph 4 or Article 167, Paragraph 4 of the same Act) ("Undisclosed Material Facts"), and there will be no Undisclosed Material Facts known to Marubeni, or (b) if Target confirms that there are Undisclosed Material Facts, or Marubeni is aware of any Undisclosed Material Facts through other means, Marubeni will have notified the Company of such Undisclosed Material Facts and received from the Company a response that the Company has confirmed such Undisclosed Material Facts.

(Note 1) Under the Tender Offer Agreement (Marubeni), the Company is obligated to give notice in the event of any breach of representations and warranties or breach of obligations, to indemnify for any breach of representations and warranties or breach of obligations, to maintain confidentiality, and not to dispose of its position under the Tender Offer Agreement (Marubeni) or its rights and obligations under the said agreement.

(Note 2) Under the Tender Offer Agreement (Marubeni), the Company has made representations and warranties to Marubeni that, as of the date of the Tender Offer Agreement (Marubeni), the last day of the Tender Offer Period, and the date of commencement of settlement of the Tender Offer, (i) it is lawfully and validly established and existing, has the capacity to exercise rights and the capacity to perform acts, (ii) the Tender Offer Agreement (Marubeni) is legally binding and enforceable, (iii) it has obtained all necessary licenses and approvals to enter into and perform the Tender Offer Agreement (Marubeni), (iv) it has not violated laws and regulations in connection with the execution and performance of the Tender Offer Agreement (Marubeni) and has not violated judgments of judicial and administrative agencies, (v) there are no bankruptcy proceedings pending, (vi) it does not fall under the category of antisocial forces and does not have any relationship with antisocial forces, and (vii) it has sufficient funds necessary for the implementation of the Tender Offer.

On the other hand, under the Tender Offer Agreement (Marubeni), it is stipulated, as preconditions for the Company to commence the Tender Offer (provided that Company may, at its discretion, waive any or all of the following preconditions), that: (i) the Special Committee will have reported to the Target's board of directors that it is appropriate for the board of directors to express its support for the Tender Offer, and such report will not have been amended or withdrawn; (ii) the Target's board of directors will have passed a resolution to express its support for the Tender Offer, which will have been announced to the public in accordance with the law, and such expression of opinion will have not been amended or withdrawn; (iii) no petition, litigation, or proceedings seeking to restrict or prohibit the Tender Offer will have been pending before any of the judicial or administrative agencies, and no judgment by the judicial or administrative agencies to restrict or prohibit the Tender Offer will have been made or is likely to be made; (iv) all obligations to be performed or complied with by Marubeni under the Tender Offer Agreement (Marubeni) by the commencement date of the Tender Offer (exclusive of the date) will have been performed or complied with in all material respects (Note 3); (v) all of the representations and warranties of Marubeni will be true and correct in material respects (Note 4); and (vi) the Target will have confirmed that there are no Undisclosed Material Facts.

(Note 3) Under the Tender Offer Agreement (Marubeni), Marubeni is obligated to give notice when becomes aware of any Undisclosed Material Facts, to give notice in the event of any breach of representations and warranties or breach of obligations, to indemnify for any breach of representations and warranties or breach of obligations, to maintain confidentiality, and not to dispose of its position under the Tender Offer Agreement (Marubeni) or its rights and obligations under the said agreement.

(Note 4) Under the Tender Offer Agreement (Marubeni), Marubeni has made representations and warranties to the Company that, as of the date of the Tender Offer Agreement (Marubeni), the last day of the Tender Offer Period, and the date of commencement of settlement of the Tender Offer, (i) it is lawfully

and validly established and existing, has the capacity to exercise rights and the capacity to perform acts, (ii) the Tender Offer Agreement (Marubeni) is legally binding and enforceable, (iii) it has obtained all necessary licenses and approvals to enter into and perform the Tender Offer Agreement (Marubeni), (iv) it has not violated laws and regulations in connection with the execution and performance of the Tender Offer Agreement (Marubeni) and has not violated judgments of judicial and administrative agencies, (v) there are no bankruptcy proceedings pending, (vi) it does not fall under the category of antisocial forces and does not have any relationship with antisocial forces, and (vii) it owns the Target Shares (2,140,847 shares), (viii) the Target's statutory disclosure documents are accurate, (ix) there are no material adverse effects on the Target's business, (x) it has not violated applicable laws and regulations, (xi) there are no litigations or material claims involving the Target, and (xii) there are no Undisclosed Material Facts related to the Target.

In addition to the above, the Company and Marubeni have each confirmed that, (I) in light of the fact that the capital relationship between Marubeni and the Target will change as a result of the Tender Offer, they will in principle terminate existing commercial transactions (including those in which Marubeni and Marubeni subsidiaries are the contracting parties), (II) if the Company or the Target wishes to continue existing commercial transactions (including a part thereof) or to change the terms and conditions or the form of the transactions, Marubeni will respond to such request to the extent that it is not commercially unreasonable, (III) even after the completion of the Tender Offer, the Company will provide Marubeni with the opportunity to propose sales terms to the Target regarding the Target's purchase of raw sugar, (IV) to the extent that the Company and the Target determine that it will contribute to the enhancement of corporate value, Marubeni Foods, a subsidiary of Marubeni, will be appointed as a sales agent of the Target, and (V) with regard to the assignment of employees from Marubeni to the Target (limited to assignments to positions at the Target as agreed upon by the Company and Marubeni), the Target will accept the assignment of employees that Marubeni and the Target agree are appropriate.

Under the Tender Offer Agreement (Marubeni), the Company and Marubeni may immediately terminate the Tender Offer Agreement (Marubeni) if (I) the other party commits a material breach of its obligations under the Tender Offer Agreement (Marubeni), (II) the other party commits a material breach of its representations and warranties, or (III) the Company withdraws the Tender Offer in accordance with laws and regulations. In addition, under the Tender Offer Agreement (Marubeni), Marubeni may immediately terminate the Tender Offer Agreement (Marubeni) if the Tender Offer is not commenced by March 31, 2025 due to reasons not attributable to Marubeni.

There is no agreement between the Company and Marubeni other than the Tender Offer Agreement (Marubeni), and there is no benefit to be granted to Marubeni in relation to the Tender Offer other than the purchase price for the Tender Offer.

2. Outline of the Purchase

(1) Outline of the Target

1. Name	Toyo Sugar Refining Co., Ltd.	
2. Location	18-20 Nihombashi-Koamicho, Chuo-ku, Tokyo	
3. Title/Name of Representative	Tomonobu Miki, President and CEO	
4. Business	Refining and sale of sugar; manufacturing and sale of functional ingredients	
5. Amount of Capital	2,904 million yen	
6. Date of Establishment	November 29, 1949	
7. Major Shareholders and Shareholding Ratio (As of September 30, 2024)	Marubeni Corporation	39.26%
	Yoto Stock Ownership Association	2.12%
	Yamasan Co., Ltd.	2.11%
	The Master Trust Bank of Japan, Ltd. (Trust account)	1.35%
	Yoshihiko Hirata	1.08%
	JP Morgan Securities Japan Co., Ltd.	0.78%
	Takeshi Onda	0.66%
	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS MILM FE (Standing proxy: Settlement & Clearing Services Division, MUFG Bank, Ltd.)	0.64%
	Daichimirai Shinkin Bank	0.63%
	Morgan Stanley MUFG Securities Co., Ltd.	0.62%
8. Relationship between the Company and the Target		
	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Status as a related party	Not applicable.

(Note) "7. Major Shareholders and Shareholding Ratio (As of September 30, 2024)" is stated based on "Status of Major Shareholders" in the Target's Semiannual Securities Report.

(2) Schedule

(I) Schedule

Date of Resolution of Board of Directors	February 6, 2025, Thursday
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Date of Public Notice of Commencement of Tender Offer	February 7, 2025, Friday
Name of Newspaper in which the Public Notice is Published	An electronic public notice will be made and a notice to that effect will be published in the Nihon Keizai Shimbun. (Address for electronic public notices: https://disclosure2.edinet-fsa.go.jp/)
Date of Filing of Tender Offer Registration Statement	February 7, 2025, Friday

(II) Purchase Period set at the Time of Filing

From February 7, 2025, Friday to March 25, 2025, Tuesday (30 business days)

(III) Possibility of Extension at the Request of the Target

Not applicable.

(IV) Contact Information for Confirmation of Extension

Not applicable.

(3) Purchase Price

2,080 yen per common share

(4) Basis for Calculating Purchase Price

(I) Basis of Calculation

In determining the Tender Offer Price, the Company requested EY, a third party valuation institution of the Company, to calculate the value of the Target Shares, in respect of which the Company has received a share valuation report dated February 5, 2025 prepared by EY ("Share Valuation Report (EY)") (Note). EY is not a related party of the Company's Group, the Target's Group, or Marubeni and does not have any material interest in connection with the Tender Offer. The Company has not received from EY any written opinion regarding the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion), and EY has not expressed any such opinion, as it is believed that the Company has implemented measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest between the Company and the Target (specifically, the measures described in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose of the Purchase" above), and that sufficient consideration has been given to the interests of the minority shareholders of the Target.

In evaluating the value of the Target Shares, EY considered the share valuation methods to be adopted from several share valuation methods, and used the market share price method, because the Target is listed on the TSE Standard Market and there is a market price for its shares, and also to use the DCF method to reflect the status of future business activities in the valuation.

According to the Share Valuation Report (EY), the valuation methods adopted and the range of values per Target Share calculated based on each of the valuation methods are as follows:

Market share price method	: 1,440 yen - 1,583 yen
DCF method	: 1,769 yen - 2,240 yen

Under the market share price method, the value range per Target Share is calculated to be between 1,440 yen and 1,583 yen, based on, using February 5, 2025 as the reference date, the closing price of 1,583 yen of the Target Shares on the TSE Standard Market on the reference date, the simple average closing price of 1,535 yen for the past one (1) month up to the reference date, the simple average closing price of 1,463 yen for the past three (3) months up to the reference date, and the simple average closing price of 1,440 yen for the past six (6) months up to the reference date.

Under the DCF method, the value range per Target Share is calculated to be between 1,769 yen and 2,240 yen, by discounting the free cash flows expected to be generated by the Target in and after the third quarter of the fiscal year ending March 2025 to their present value at a certain discount rate, based on the Target's future financial projections, which have been revised by the Company based on the business plan for the period from the fiscal year ending March 2025 to the fiscal year ending March 2030 presented by the Target, and taking into account various factors, including recent performance trends, the results of the due diligence conducted by the Company from mid November 2024 to mid January 2025, and publicly available information. Please note that the financial projections used as a basis for the DCF method include the fiscal year in which a significant increase or decrease in free cash flow and a significant decrease in profit are expected. Specifically, in the fiscal year ending March 2028, we expect a significant decrease in free cash flow and a significant decrease in operating profit due to increases in capital expenditures and operating expenses, respectively. In addition, in the fiscal year ending March 2029, we expect a significant increase in free cash flow due to a decrease in capital expenditures compared to the previous year. The synergies expected to be realized as a result of the execution of the Transaction have not been reflected as it was difficult to specifically estimate them at this time.

Based on the due diligence conducted on the Target from mid November 2024 to mid January 2025, in addition to the Share Valuation Report (EY), the Company, by comprehensively considering factors, including the movement in the market price of the Target Shares, the decision of the Target's board of directors to support or oppose the Tender Offer, and the prospects for acceptance of the Tender Offer,

and taking into account the results of the discussions and negotiations with the Target and Marubeni, finally decided at the meeting of its board of directors held on February 6, 2025 to implement the Tender Offer for 2,080 yen as the Tender Offer Price.

The Tender Offer Price of 2,080 yen will be calculated by adding, respectively, 31.40 % of premium to the closing price of 1,583 yen of the Target Shares on the TSE Standard Market on February 5, 2025, which is the business day immediately preceding the filing date of this document, 35.50 % of premium to the simple average closing price of 1,535 yen for the past one (1) month up to the same date, 42.17 % of premium to the simple average closing price of 1,463 yen for the past three (3) months up to the same date, and 44.44 % of premium to the simple average closing price of 1,440 yen for the past six (6) months up to the same date.

(Note) For the purpose of calculating the value of the Target Shares, EY has, in principle, adopted the information provided by the Target or the Company and publicly available information as is, assuming that all such information adopted is accurate and complete, and has not independently verified the accuracy and completeness of such information. In addition, EY has not conducted any independent evaluation, appraisal, or valuation of the assets or liabilities (including contingent liabilities) of the Target and its affiliates, including any analysis and valuation of their individual assets and liabilities. Furthermore, the financial projections of the Target are assumed to have been reasonably prepared based on the best possible current estimates and judgments of the management of the Company. The share value calculation conducted by EY is based on the above information and economic conditions available as of February 5, 2025.

(II) Background of Calculation

As stated in "(I) Background, Purpose, and Decision-making Process of the Company's Decision to Implement the Tender Offer" in "(2) Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer" in "1. Purpose of the Purchase" above, the Company, during discussions with the Target regarding the Transaction, has determined that, in order to enhance competitiveness, build a strong profit base, and achieve medium- to long-term enhancement of corporate value through a strong partnership with the Target, it is necessary to engage in a flexible, appropriate, and prompt decision making in response to changes in the external environment, and furthermore, for shareholders, management, and employees to work together to promote various measures for the sustainable growth and stable employment of the company, and has come to the conclusion in late August, 2024 that the Target should be made a wholly-owned subsidiary of the Company, rather than entering into a capital and business alliance on the premise of maintaining the listing.

Accordingly, the Company requested the Target to set up a meeting for discussions, and in late September 2024, the Company communicated the idea of making the Target a wholly-owned subsidiary of the Company and confirmed a consensus of perception between the Company and the Target to consider making the Target a wholly-owned subsidiary of the Company. Therefore, the Company submitted the Proposal to the Target in early October 2024.

In late October 2024, concurrently with the discussions with the Target described above, the Company appointed (A) EY as the financial advisor to the Company and (B) Anderson Mori & Tomotsune as the legal advisor to the Company, in order to establish a review system.

Subsequently, after making an approach to the Target in October 2024 and with the consent of the Target, the Company conducted due diligence from mid November 2024 to mid January 2025 to examine the feasibility of the Tender Offer. Based on the results of the due diligence and other factors, the Company made a proposal to the Target on January 6, 2025 to set the Tender Offer Price at 1,780 yen (which is the price obtained by adding a premium of 21.09% to the closing price of the Target Share on the TSE Standard Market on the previous business day (December 30, 2024) of 1,470 yen, a premium of 23.27% to the simple average closing price for the past one month until the record date of December 30, 2024 of 1,444 yen, a premium of 25.97% to the simple average closing price for the past three (3) months until such date of 1,413 yen, and a premium of 22.17% to the simple average closing prices for the past six (6) months until such date of 1,457 yen) while the minimum number of shares to be purchased would not be set. Thereafter, on January 14, 2025, the Company received a written response from the Target in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is substantially lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased, there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 15, 2025, the Company made a proposal to the Target to set the Tender Offer Price at 1,905 yen (which is the price obtained by adding a premium of 27.08% to the closing price of the

Target Share on the TSE Standard Market on the previous business day (January 14, 2025) of 1,499 yen, a premium of 30.39% to the simple average closing price for the past one (1) month until the record date of January 14, 2025 of 1,461 yen, a premium of 34.25% to the simple average closing price for the past three (3) months until such date of 1,419 yen, and a premium of 32.11% to the simple average closing price for the past six (6) months until such date of 1,442 yen) and not to set the minimum number of shares to be purchased. Subsequently, on January 17, 2025, the Company received a written response from the Target in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that not setting the minimum number of shares to be purchased would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that not setting the minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 20, 2025, the Company submitted a proposal to the Target to set the Tender Offer Price at 1,980 yen (which is the price obtained by adding a premium of 35.80% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 17, 2025) of 1,458 yen, a premium of 35.34% to the simple average closing price for the past one (1) month until the record date of January 17, 2025 of 1,463 yen, a premium of 39.24% to the simple average closing price for the past three (3) months until such date of 1,422 yen, and a premium of 37.69% to the simple average closing price for the past six (6) months until such date of 1,438 yen) and to set the minimum number of shares to be purchased at 2,140,847 shares (the number of Target Shares held by Marubeni). On January 27, 2025, the Company then received a written response from the Target in the name of the Special Committee stating that the Target requested that the Tender Offer Price, etc. be reconsidered with respect to the minimum number of shares to be purchased, specifically such that the total number of voting rights of the Target to be owned by the Company after the successful completion of the Tender Offer will be 2/3 or more of the total voting rights of the Target, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii)

the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is significantly insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) with respect to the minimum number of shares to be purchased there is concern that accepting the minimum number of shares to be purchased as proposed by the Company would result in a price proposal that is significantly insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at a significantly insufficient level for the shareholders of the Target, it cannot be said that such minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Then, on January 29, 2025, the Company submitted a proposal to the Target to set the Tender Offer Price at 2,050 yen (which is the price obtained by adding a premium of 28.61% to the closing price of the Target Share on the TSE Standard Market on the previous business day (January 28, 2025) of 1,594 yen, a premium of 35.31% to the simple average closing price for the past one (1) month until the record date of January 28, 2025 of 1,515 yen, a premium of 42.07% to the simple average closing price for the past three (3) months until such date of 1,443 yen, and a premium of 42.86% to the simple average closing price for the past six (6) months until such date of 1,435 yen) and to set the minimum number of shares to be purchased at 2,699,100 shares (Ownership Ratio: 49.50%, obtained by the maximum ratio of voting rights exercised at the Target's general meetings of shareholders over the past five years (74.25%) multiplied by 2/3 which is necessary for adopting a special resolution at the general meeting of shareholders). In response to this, on January 29, 2025, the Company received a written response from the Target in the name of the Special Committee stating that the Tender Offer Price was unacceptable, based on a comprehensive review of (i) the results of the valuation of the Target's shares obtained from a third party valuation institution, (ii) the level of the premium compared to transactions similar to the Transaction, (iii) the fact that the proposed price is still lower than the Target's net asset value per share as of the end of September 2024, and given that the proposed price is insufficient as a price that an appropriate portion of the value expected to be realized in the future by the execution of the Transaction is properly distributed to the Target's shareholders, and is thus still absolutely unacceptable, and (iv) there is concern that accepting the minimum number of shares to be purchased as proposed by the Company would result in a price proposal that is insufficient in light of the interests of the minority shareholders, and considering that the proposed price is in fact at an insufficient level for the shareholders of the Target, it cannot be said that the proposed minimum number of shares to be purchased would contribute to the interests of the minority shareholders.

Subsequently, the Company submitted a proposal to the Target on February 3, 2025 to set the Tender Offer Price at 2,080 yen (which is the price obtained by adding a premium of 33.08% to the closing price of the Target Share on the TSE Standard Market on February 3, 2025 of 1,563 yen, a premium of 35.86%

to the simple average closing price for the past one (1) month until the record date of February 3, 2025 of 1,531 yen, a premium of 42.66% to the simple average closing price for the past three (3) months until such date of 1,458 yen, and a premium of 44.85% to the simple average closing price for the past six (6) months until such date of 1,436 yen) and to increase the minimum number of shares to be purchased from 2,699,100 shares (Ownership Ratio: 49.50%) to 2,720,900 shares (Ownership Ratio: 50.10%) based on the written response from the Target dated January 29, 2025. In response to this, on February 5, 2025, the Company received a written response from the Target in the name of the Special Committee stating that it accepts the Tender Offer Price and the minimum number of shares to be purchased proposed by the Company, and that it will submit a proposal to the Target's board of directors to express an opinion in favor of the Tender Offer and recommend that the Target's shareholders tender their shares in the Tender Offer.

(i) Name of Third Party whose Opinion was Heard in Calculation Process

In determining the Tender Offer Price, the Company requested EY, a third party valuation institution of the Company, to calculate the value of the Target Shares. EY is not a related party of the Company's Group, the Target's Group, and Marubeni, and does not have any material interest in connection with the Tender Offer. The Company has not received from EY any written opinion regarding the fairness of the Tender Offer Price or the Tender Offer (a fairness opinion), and EY has not expressed any such opinion, as it is believed that the Company has implemented measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest between the Company and the Target (specifically, the measures described in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose of the Purchase"), and that sufficient consideration has been given to the interests of the minority shareholders of the Target.

(ii) Summary of the Opinion

According to the Share Valuation Report (EY), the methods adopted and the range of values per Target Share calculated based on each of the methods are as follows:

Market share price method	: 1,440 yen - 1,583 yen
DCF method	: 1,769 yen - 2,240 yen

(iii) Reasons for Determining the Tender Offer Price Based on the Opinion

Based on the due diligence conducted on the Target from mid November 2024 to mid January 2025, in addition to the Share Valuation Report (EY), the Company, by comprehensively considering factors, including the movement in the market price of the Target Shares, the decision of the Target's board of

directors to support or oppose the Tender Offer, and the prospects for acceptance of the Tender Offer, and taking into account the results of the discussions and negotiations with the Target and Marubeni, finally decided at the meeting of its board of directors held on February 6, 2025 to implement the Tender Offer for 2,080 yen as the Tender Offer Price.

(5) Number of Share Certificates to be Purchased

Type of Share Certificates	Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
Common Shares	5,452,647 (shares)	2,720,900 (shares)	— (shares)
Total	5,452,647 (shares)	2,720,900 (shares)	— (shares)

(Note 1) If the total number of Tendered Share Certificates is less than the minimum number of shares to be purchased (2,720,900 shares), there will be no purchase of any of the Tendered Share Certificates. If the total number of Tendered Share Certificates is more than the minimum number of shares to be purchased, there will be a purchase of all of the Tendered Share Certificates.

(Note 2) As the maximum number of shares to be purchased has not been set in the Tender Offer, the number of shares to be purchased is the maximum number of the Target Shares to be purchased (5,452,647 shares) by the Company in the Tender Offer. The number of shares to be purchased is the total number of issued shares (5,456,000 shares) as of December 31, 2024, as shown in the Target's Financial Results, less the number of treasury shares owned by the Target as of the same date (3,353 shares).

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If the shareholders of the Target exercise their right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Target may purchase its own shares during the Tender Offer Period in accordance with the procedures required by laws and regulations.

(Note 4) There is no plan to acquire treasury shares owned by the Target through the Tender Offer.

(6) Change in Ownership Ratio of Share Certificates due to Purchase

Number of Voting Rights Represented by Share Certificates Owned by the Company Before the Purchase	— voting rights	(Ownership Ratio of Share Certificates Before the Purchase: — %)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Before the Purchase	— voting rights	(Ownership Ratio of Share Certificates Before the Purchase: — %)
Number of Voting Rights Represented	54,309 voting rights	(Ownership Ratio of Share Certificates After the

by Share Certificates Owned by the Company After the Purchase		Purchase: 100%)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties After the Purchase	– voting rights	(Ownership Ratio of Share Certificates Before the Purchase: – %)
Number of Voting Rights of All Shareholders of the Target	54,309 voting rights	

(Note 1) The "Number of Voting Rights of All Shareholders of the Target" is the number of voting rights held by all of the shareholders as of September 30, 2024 (100 shares constitute one share unit) as stated in the 101st Semiannual Securities Report submitted by the Target on November 12, 2024. However, since shares of less than one unit (excluding treasury shares of less than one unit owned by the Target) are also subject to the Tender Offer, the "Ownership Ratio of Share Certificates Before the Purchase" and the "Ownership Ratio of Share Certificates After the Purchase" are calculated using the number of voting rights (54,526 voting rights) as the denominator, which is represented by the number of shares (5,452,647 shares) obtained by the total number of issued shares of the Target (5,456,000 shares) as of December 31, 2024, as shown in the Target's Financial Results, less the number of treasury shares held by the Target (3,353 shares) as of the same date.

(Note 2) The "Number of Voting Rights Represented by Share Certificates Held Before the Purchase" and the "Ownership Ratio of Share Certificates After the Purchase" are rounded to two (2) decimal places.

(7) Purchase Price 11,341,505,760 yen

(Note) The purchase price is the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (5,452,647 shares) by the Tender Offer Price (2,080 yen).

(8) Settlement Method

(I) Name and Location of Head Office of Securities Company, Bank, etc. that Settles the Purchase

Tokai Tokyo Securities Co., Ltd. 4-7-1 Meieki, Nakamura-ku, Nagoya-city, Aichi Prefecture

(II) Settlement Commencement Date

March 31, 2025, Monday

(III) Settlement Method

A notice of purchase through the Tender Offer will be sent by mail to the addresses of the tendering shareholders (or their standing proxies in the case of foreign shareholders) without delay after the end of the Tender Offer Period. The purchase will be made in cash. In accordance with the instructions of the tendering

shareholders (or their standing proxies in the case of foreign shareholders), the tender offer agent will, without delay after the commencement date of settlement, remit the purchase price of the purchased share certificates to the place designated by the tendering shareholders (or their standing proxies in the case of foreign shareholders) or pay the purchase price to the brokerage account of the tendering shareholders accepted by the tender offer agent.

(IV) Method of Return of Share Certificates

If all of the Tendered Share Certificates are not to be purchased pursuant to the conditions set forth in "(I) Existence and Details of the Conditions Set Forth in the Items of Article 27-13, Paragraph 4 of the Act" or "(ii) Existence of Conditions for Withdrawal, etc. of the Tender Offer, the Details Thereof, and the Method of Disclosure of Withdrawal, etc." of "(9) Other Conditions and Methods of Purchase" below, the tender offer agent will return the share certificates that required to be returned by promptly restoring records to the state immediately before the tender offer (i.e. recording them in the brokerage account of the tender offer agent) on or after the second business day following the last day of the Tender Offer Period (in the event that the Tender Offer is withdrawn, the day of withdrawal).

(9) Other Conditions and Methods of Purchase

(I) Existence and Details of the Conditions Set Forth in the Items of Article 27-13 Paragraph 4 of the Act

If the total number of the Tendered Share Certificates falls short of the minimum number of share certificates to be purchased (2,720,900 shares), the Company will purchase none of the Tendered Share Certificates. If the total number of the Tendered Share Certificates is equal to or more than the minimum number of share certificates to be purchased, the Company will purchase all of the Tendered Share Certificates.

(II) Existence of Conditions for Withdrawal, etc. of the Tender Offer, the Details Thereof, and the Method of Disclosure of Withdrawal, etc.

If any of the events set forth in Article 14, Paragraph 1, Item 1 (a) to (j) and (m) to (s) and Item 3 (a) to (h) and (j) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; "Order"), and in Paragraph 2, Item 3 to 6 of the same Article occurs, the Tender Offer may be withdrawn. The "facts equivalent to the facts listed in (a) through (i)" as set forth in Article 14, Paragraph 1, Item 3 (j) of the Order refers to (1) cases where it is found that the statutory disclosure documents submitted by the Target in the past contain false statements on important matters or lack a statement on important matters that should be stated therein, or (2) when any of the facts listed in (a) through (g) of the same Item occur to a significant subsidiary of the Target.

If the Company intends to withdraw the Tender Offer, the Company will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make the public

notice by the last day of the Tender Offer Period, the Company will make a public announcement by the method prescribed in Article 20 of the Cabinet Office Ordinance and make a public notice immediately after the announcement.

(III) Existence of Conditions for the Reduction in Purchase Price, the Details Thereof, and the Method of Disclosure of the Price Reduction;

Pursuant to the provisions of Article 27-6, Paragraph 1, Item 1 of the Act, if the Target conducts any of the acts set forth in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced in accordance with the standards set forth in Article 19, Paragraph 1 of the Cabinet Office Order.

If the Company intends to reduce the purchase price, the Company will make an electronic public notice and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make the public notice by the last day of the Tender Offer Period, the Company will make a public announcement by the method prescribed in Article 20 of the Cabinet Office Order and make a public notice immediately after the announcement. If the purchase price is reduced, the Tendered Share Certificates tendered prior to the date of the public notice will also be purchased at the reduced purchase price.

(IV) Matters Concerning the Right to Cancel the Contract of Tendering Shareholders

The tendering shareholders may cancel the contract related to the Tender Offer at any time during the Tender Offer Period. In case of cancellation of the contract, please attach the acceptance sheet of the tender offer application to the head office or each branch office in Japan of the tender offer agent who accepted the Tender Offer and deliver or send a document to the effect that you cancel the contract related to the Tender Offer ("Letter of Cancellation") by 4:00 PM on the last day of the Tender Offer Period. The cancellation of the contract will become effective when the Letter of Cancellation is delivered to or reaches the tender offer agent. Therefore, if you send a Letter of Cancellation, please note that the Letter of Cancellation must reach the tender offer agent by 4:00 PM on the last day of the Tender Offer Period.

The Company will not demand the payment of damages or penalties from the tendering shareholders even if the tendering shareholders cancel the contract. The Company will also bear the expenses required for returning the Tendered Share Certificates. If the tendering shareholders requests the cancellation of the contract, the Tendered Share Certificates will be returned promptly after the completion of the procedure for requesting the cancellation by the method described in "(IV) Method of Return of Share Certificates" in "(8) Settlement Method" above.

Persons Authorized to Receive Letter of Cancellation

Tokai Tokyo Securities Co., Ltd. 4-7-1 Meieki, Nakamura-ku, Nagoya-city, Aichi Prefecture

(And other branches of Tokai Tokyo Securities Co., Ltd. in Japan)

(V) Method of Disclosure in Case of Changes in the Terms of Purchase

The Company may make changes to the terms of purchase during the Tender Offer Period except as prohibited by Article 27-6, Paragraph 1 of the Act and Article 13 of the Order. In the event that the Company wishes to make changes to the terms of purchase, the Company will make an electronic public notice regarding the details of the change and publish a notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to make the public notice by the last day of the Tender Offer Period, the Company will make a public announcement by the method prescribed in Article 20 of the Cabinet Office Order and make a public notice immediately after the announcement. If the terms of purchase are changed, the Tendered Share Certificates tendered prior to the date of the public notice will also be purchased based on the changed terms of purchase.

(VI) Method of Disclosure in Case of Filing of Amendment Statement

If the Company files an amendment statement with the Director-General of the Kanto Local Finance Bureau (except as provided in the proviso of Article 27-8, Paragraph 11 of the Act), the Company will immediately make a public announcement of the details relating to those stated in the public notice of the commencement of the tender offer among other things stated in the amendment statement by the method prescribed in Article 20 of the Cabinet Office Order. The Company will also immediately amend the tender offer explanatory statement and deliver the amended tender offer explanatory statement to the tendering shareholders to whom the tender offer explanatory statement has already been delivered. However, if the amendment is limited to a small scope, the Company will make an amendment by preparing a document stating the reason for the amendment, the amended matters, and the contents after the amendment and by delivering such document to the tendering shareholders.

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

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period by the method set forth in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

(10) Date of Public Notice of Commencement of the Tender Offer

February 7, 2025, Friday

(11) Tender Offer Agent

Tokai Tokyo Securities Co., Ltd. 4-7-1 Meieki, Nakamura-ku, Nagoya-city, Aichi Prefecture

3. Policies after the Tender Offer and Future Outlook

For the policies after the Tender Offer, please see "(2)Background, Purpose, and Decision-making Process of Decision to Implement the Tender Offer and Management Policy after the Tender Offer", "(4) Policy on Organizational Restructuring after the Tender Offer (Matters Related to the So-Called Two-Tier Takeover

Strategy) " and "(5) Prospects and Reasons for Delisting" in "1. Purpose of the Purchase" above.

The Company will promptly announce the impact of the Tender Offer on the performance of the Company if any event that should be announced occurs in the future.

4. Others

(1) Existence and Details of Agreement between the Company and the Target or Its Officers

(I) Support and Recommendation to Participate in the Tender Offer

According to the Target's press release, the Target, at its board of directors' meeting held today, expressed its support for the Tender Offer and resolved to recommend that the shareholders of the Target tender their shares in the Tender Offer.

Please see the Target's press release and "(V) Approval of all Directors of the Target without Interest" in "(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose of the Purchase" above.

(2) Other Information Deemed Necessary for Investors to Decide whether to Participate in Purchase

(I) Publication of "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (under Japanese GAAP)"

The Target published its financial results on February 6, 2025. The summary of the financial results of the Target based on this publication is as follows. The content of this publication has not undergone a mid-term review by an auditing firm pursuant to Article 193 - 2, Paragraph 1 of the Act. In addition, the following summary of the publication is an excerpt from the content published by the Target. Please see the content of the publication for details.

(i) Status of Profit and Loss (Consolidated)

Accounting Period	Fiscal Year Ending March 2025 (Third Quarter Consolidated Cumulative Period)
Revenue	14,060 million yen
Cost of Sales	11,616 million yen
Selling, General and Administrative Expenses	1,296 million yen
Non-operating Income	72 million yen
Non-operating Expenses	76 million yen
Quarterly Net Income Attributable to Owners of the Parent	798 million yen

(ii) Status per Share (Consolidated)

Accounting Period	Fiscal Year Ending March 2025 (Third quarter consolidated cumulative period)
Quarterly Net income per Share	146.38 yen
Dividend per Share	35 yen

(II) Publication of "Notice of Revision to Year-end Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2025"

The Target resolved at a board of directors' meeting held on February 6, 2025, to revise its dividend forecast for the fiscal year ending March 2025 announced on May 9, 2024, and not to pay a year-end dividend for the fiscal year ending March 2025, subject to the success of the Tender Offer. For details, please see "Notice of Revision to Year-End Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2025 " announced by the Target on February 6, 2025.

(III) Publication of "Notice of Acquisition of Shares of Miyako Sugar Co., Ltd. (Equity Method Affiliate)"

The Target resolved to acquire shares of Miyako Sugar Co., Ltd. at the Target's board of directors' meeting held on February 6, 2025. For details, please see "Notice of Acquisition of Shares of Miyako Sugar Co., Ltd. (Equity Method Affiliate)" announced by the Target on February 6, 2025.

End

[Restrictions on Solicitation]

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting sales of shares. If you are willing to make an offer to sell shares, please make sure to read the tender offer explanatory statement and make an offer at your own discretion. This press release does not constitute, nor form part of, an offer or a solicitation to sell or an offer or a solicitation to purchase securities. Furthermore, neither this press release (or any part of it) nor the fact of its distribution form the basis of any agreement related to the Tender Offer, nor may it be relied upon in entering into any such agreement.

[Future Forecast]

The matters described in this press release contains statements of prediction and outlook regarding future plans and strategies of the Company and the Company's Group in the case of the acquisition of the Target Share. These statements are the prediction of the Company based on the assumptions and beliefs that the Company determined in light of the information currently available. Please note that the actual results may differ materially from the prediction of the Company due to various risks and uncertainties. The Company assumes no obligation to update forward-looking expressions in this information to reflect actual business results, various circumstances, changes in conditions, etc.

[U.S. Regulations]

The Tender Offer is for the common shares of the Target, a company incorporated in Japan. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards prescribed by the laws of Japan, which may differ from the procedures and information disclosure standards in the United States. In particular, Article 13, Paragraph (e) or Article 14, Paragraph (d) of the U.S. Securities Exchange Act of 1934 (as amended; "U.S. Securities Exchange Act of 1934") and the rules and regulations thereunder will not be applied to the Tender Offer and the Tender Offer is not in accordance with these procedures and standards. The financial information contained in this press release or in the reference materials of this press release are those based on Japanese accounting standards, which may substantially differ from generally accepted accounting principles in the United States and other countries. In addition, because the Company is a corporation incorporated outside the United States and some or all of its officers are not residents of the United States, it may be difficult to exercise or claim rights that may be claimed under U.S. securities laws. It also may not be possible to commence legal proceedings in a court outside of the United States against a non-U.S. entity or its officers for violations of U.S. securities laws. Furthermore, non-U.S. entities or its affiliates may not necessarily be subject to the jurisdiction of U.S. courts.

Unless otherwise stated, all procedures relating to the Tender Offer will be conducted entirely in Japanese. All or part of the documents relating to the Tender Offer will be prepared in English; however, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation shall prevail.

The Company and its affiliates, each financial advisor of the Company and the Target, and the tender offer agent (including its affiliates) may, in addition to their ordinary business, purchase or conduct any act toward the purchase of the common shares of the Target for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of the Tender Offer or during the purchase period for the Tender Offer, to the extent permitted under Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations, and in accordance with the requirements of Rule 14e-5 (b) of the U.S. Securities Exchange Act of 1934. Such purchase may be made at the market price through market transactions or at a price determined through off-market negotiations. If Information regarding such a purchase is disclosed in Japan, it will also be disclosed on the English website of the person who made such purchases or their affiliates (or by other disclosure method).

If shareholders exercise their right to demand purchase of shares less than one unit in accordance with the Companies Act, the Target may purchase its own shares during the purchase period for the Tender Offer in accordance with the procedures required by laws and regulations.

Certain statements in this press release or in the reference materials of this press release contain "forward-looking statements" as defined in Article 27A of the U.S. Securities Act of 1933 (as amended) and Article 21E of the U.S. Securities Exchange Act of 1934. Actual results may substantially differ from projections expressed or

implied as "forward-looking statements" due to known and unknown risks, uncertainties, and other factors. None of the Company or its affiliates guarantees that such projections expressed or implied as "forward-looking statements" will be achieved. The "forward-looking statements" in this press release or in the reference materials of this press release were prepared based on information owned by the Company as of the date of this press release and, unless required by law and regulations, the Company and its affiliates will not be obligated to amend or revise the statements to reflect any future event or circumstance.

[Other Countries]

Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. This press release will not constitute a solicitation of an offer to purchase or an offer to sell share certificates relating to the Tender Offer and will be deemed as distribution of materials for informational purposes only.