

Translation

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January 31, 2025

To whom it may concern:

Company name: Chuoh Pack Industry Co., Ltd.  
Name of representative: Masashi Yamashita, President  
(Securities code: 3952; NSE Main Market)  
Inquiries: Kenta Mae, Director, General Manager of the  
General Affairs Division  
(TEL. +81-52-400-2800)

**Notice Concerning Opinion in Favor of Tender Offer for the Company's Stock by NIKKON Holdings Co., Ltd. and Recommendation to Tender**

Chuoh Pack Industry Co., Ltd. (the "Company") hereby announces that its board of directors, at its meeting held today, resolved to express its opinion in favor of a tender offer (the "Tender Offer") for the common stock of the Company (the "Company's Stock") by NIKKON Holdings Co., Ltd. (the "Offeror") and to recommend that the shareholders of the Company tender their shares in the Tender Offer, as detailed below.

Please note that this resolution of the board of directors was adopted on the premise that the Offeror intends to limit the Company's shareholders to only the Offeror and Toyota Motor Corporation ("Toyota Motor"), the Company's largest shareholder and "other associated company," through the Tender Offer and a series of subsequent transactions for privatizing the Company's Stock and that the Company's Stock will be delisted.

1. Overview of the Offeror

(1) Name	NIKKON Holdings Co., Ltd.
(2) Location	6-17, Akashi-cho, Chuo-ku, Tokyo
(3) Job title and name of representative	Masakatsu Kuroiwa, President and Representative Director
(4) Description of business	Comprehensive logistics services
(5) Share capital	11,316 million yen (as of September 30, 2024)

(6)	Date of establishment	August 27, 1953
(7)	Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (trust account) 12.70%
	(as of September 30, 2024)	THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO.1 4.34% (Standing Proxy: Mizuho Bank, Ltd.)
		BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE 4.16% (Standing Proxy: MUFG Bank, Ltd.)
		General Incorporated Association Kuroiwa-Kai 4.10%
		Honda Motor Co., Ltd. 3.93%
		NORTHERN TRSUT CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST 3.78% (Standing Proxy: HSBC Tokyo)
		Custody Bank of Japan, Ltd. (trust account) 3.42%
		GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Japan Co., Ltd.) 3.25%
		Panicum Funding Ltd. (Standing Proxy: Goldman Sachs Japan Co., Ltd.) 3.21%
		Isuzu Motors Limited 2.71%
(8)	Relationship between the Company and the Offeror	
	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Related party relationship	Not applicable.

(Note) The information in "(7) Major shareholders and ownership ratios (as of September 30, 2024)" is based on the information under "Major shareholders" in the Semi-annual Securities Report for the 84th Fiscal Year filed by the Offeror on November 13, 2024.

## 2. Price of Purchase

5,034 yen per common share (the "Tender Offer Price").

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

#### (1) Details of the opinion

The Company, at its board of directors meeting held today, 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 based on the grounds and reasons described in "(2) Grounds and reasons for the opinion" below.

The above-mentioned resolution of the board of directors was adopted in the manner described in "(VI) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

#### (2) Grounds and reasons for the opinion

Descriptions of the Offeror among the descriptions in this "(2) Grounds and reasons for the opinion" are based on the explanation provided by the Offeror.

##### (I) Outline of the Tender Offer

According to the Offeror, at a meeting of the board of directors held today, the Offeror passed a resolution to acquire all shares of the Company's Stock listed on the Main Market of the Nagoya Stock Exchange, Inc. (the "NSE") (excluding 1,200,000 shares of the Company's Stock held by Toyota Motor (Ownership Percentage (Note 1): 24.16%; the "Shares Held by Toyota Motor") and treasury shares held by the Company; the "Shares Subject to Tender Offer") and to implement the Tender Offer as part of a series of transactions (the "Transaction") to take the Company's Stock private. As of this day, the Offeror does not own any shares of the Company's Stock.

(Note 1) According to the Offeror, "Ownership Percentage" is the percentage (rounded off to the second decimal place) with respect to the result (4,966,911 shares) when the number of treasury shares held by the Company as of September 30, 2024 (258,097 shares) is subtracted from the total number of issued shares of the Company as of such date (5,225,008 shares), as set forth in the "Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 2025 [Japanese GAAP]" (the "Company Q2 Earnings Report") published by the Company on November 7, 2024.

The same applies to the calculation of the Ownership Percentage below.

According to the Offeror, the Transaction is constituted by the following: (i) the Tender Offer; (ii) in the event that the Tender Offer is completed and the Offeror is unable to acquire all of

the Shares Subject to Tender Offer in the Tender Offer, a share consolidation in accordance with Article 180 of the Companies Act (Law No. 86 of 2005, as amended; hereinafter the same), for the purpose of making the Offeror and Toyota Motor the only shareholders of the Company (the "Share Consolidation"; the series of procedures to make the Offeror and Toyota Motor the only shareholders of the Company through the Share Consolidation and to delist the Company's Stock are referred to as the "Squeeze-out Process"); and (iii) a buyback of own shares for the Shares Held by Toyota Motor (the "Treasury Share Acquisition") to be implemented by the Company subject to the completion of the Squeeze-out Process, with the intention that ultimately the Offeror and Toyota Motor will hold 95% and 5% of the voting rights in the Company, respectively (the "Voting Rights Ratio") (Note 2).

According to the Offeror, in connection with the Tender Offer, the Offeror has entered into a master transaction agreement (the "Master Transaction Agreement") with Toyota Motor, the largest shareholder of the Company, dated as of January 31, 2025, under which Toyota Motor will not tender any of the Shares Held by Toyota Motor in the Tender Offer and, following the completion of the Squeeze-out Process, will sell a portion of the Shares Held by Toyota Motor in the Treasury Share Acquisition, so as to reflect the Voting Rights Ratio. For details of the Master Transaction Agreement, please refer to "4. Matters concerning Material Agreements regarding the Tender Offer" below.

(Note 2) According to the Offeror, regarding the Voting Rights Ratio, as a result of comprehensively taking into account the background of the development and growth of the Company's business due to its business and personnel relationships with Toyota Motor, as well as the role and importance of Toyota Motor in the Company's business and in the building of a management structure that has supported the Company's development and growth up to now, the Offeror has decided that having Toyota Motor retain a certain percentage of the Company's Stock after the Transaction and continue to have a certain level of involvement in the Company's management will contribute to the enhancement of the Company's corporate value; thus, in the end, the Offeror decided the Voting Rights Ratio after negotiations with Toyota Motor. If the total number of issued shares of the Company decreases through the Share Consolidation, and the total number of issued shares and the number of shares owned by the Offeror and Toyota Motor become such that the number of shares cannot be divided in a manner reflecting the Voting Rights Ratio through the Treasury Share Acquisition alone, it is planned to implement a share split at a ratio that will enable the Voting Rights Ratio to be achieved.

According to the Offeror, the Offeror plans to make the Offeror and Toyota Motor the only shareholders of the Company by the time of the Treasury Share Acquisition, and in the event that the Share Consolidation will be implemented, a special resolution at a general meeting of

shareholders stipulated in Article 309, Paragraph 2 of the Companies Act will be required. Therefore, in order to ensure that the Transaction is carried out, and to ensure that the Offeror and Toyota Motor will own a total of at least two-thirds (2/3) of the total number of voting rights of all shareholders of the Company after the completion of the Tender Offer, the minimum number of shares planned for purchase was obtained by subtracting the number of treasury shares held by the Company as of September 30, 2024 (258,097 shares) from the total number of issued shares of the Company as of the same date stated in the Company Q2 Earnings Report (5,225,008 shares) (resulting in 4,966,911 shares), then multiplying the number of voting rights (49,669) attached to those shares by two-thirds (2/3) (resulting in 33,113; rounded up to the nearest whole number), and subtracting from this figure the number of voting rights (12,000) attached to the Shares Held by Toyota Motor (1,200,000 shares) (resulting in 21,113 voting rights), and multiplying this figure by one share unit of the Company's Stock (100 shares), resulting in 2,111,300 shares. As the Offeror intends to delist the Company's Stock by acquiring all Shares Subject to Tender Offer, the Offeror has not set a maximum number of shares planned for purchase, and will purchase etc. all share certificates etc. tendered in the Tender Offer (the "Tendered Shares").

According to the Offeror, if the Offeror is unable to acquire all Shares Subject to Tender Offer through the Tender Offer, it is planned that the Offeror will implement the Squeeze-out Process as described in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below after the Tender Offer is completed.

According to the Offeror, if the Tender Offer is completed, the Offeror plans to receive a loan (the "Acquisition Loan") from MUFG Bank, Ltd. ("MUFG Bank") up to 19.1 billion yen by the business day immediately preceding the settlement commencement date for the Tender Offer, and plans to use these funds to pay for the settlement of the Tender Offer. The details of the loan terms for the Acquisition Loan will be determined in the loan agreement for the Acquisition Loan, following separate discussions with MUFG Bank.

According to the Offeror, after the Squeeze-out Process has been completed, it is planned that the Company will implement a Treasury Share Acquisition in which the Company will acquire a portion of the Company's Stock held by Toyota Motor (1,001,741 shares prior to implementation of the Squeeze-out Process) for a total amount of 4,204,306,977 yen (Note 3) (if as a result of the Squeeze-out Process any fractional shares of the Company's Stock held by Toyota Motor arise, the amount of money to be delivered to Toyota Motor as consideration for such fractional shares will be deducted; the "Treasury Share Acquisition Price"). In the Treasury Share Acquisition (i) by setting the Tender Offer Price higher than the acquisition price per share of the Company's Stock in the Treasury Share Acquisition (prior to implementation of the Squeeze-out Process), it is intended to allocate more of the funds required to acquire a portion of the Company's Stock to the Company's minority shareholders and to provide such

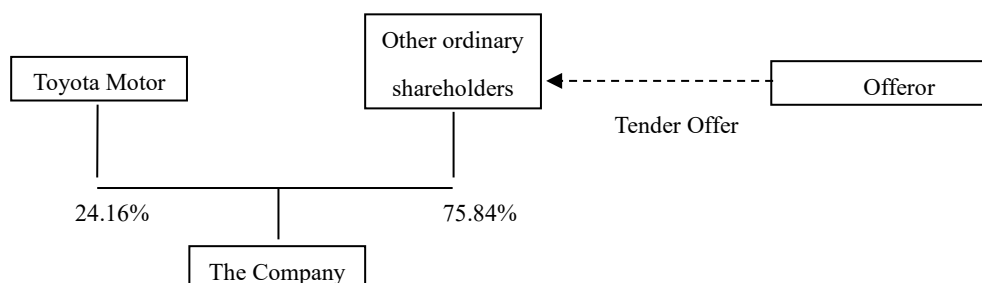
shareholders with a more advantageous opportunity to sell and thus increasing their profits, and (ii) because the Treasury Share Acquisition Price will be subject to the provisions of the Corporation Tax Act (Law No. 34 of 1965, as amended; hereinafter the same) regarding the exclusion of deemed dividends from gross revenue, the Treasury Share Acquisition Price has been set based on the amount at which, even in the case where the relevant tax benefits that Toyota Motor could theoretically enjoy are taken into account to the maximum extent, the after-tax net proceeds that Toyota Motor will receive from the Treasury Share Acquisition will be equal to the amount of the after-tax net proceeds that it would receive were it to tender in the Tender Offer the number of shares it will trade in the Treasury Share Acquisition.

(Note 3) According to the Offeror, this amount is calculated by multiplying the acquisition price of the Treasury Share Acquisition, which is 4,197 yen per share of the Company's Stock (prior to implementation of the Squeeze-out Process), by the number of shares of the Company's Stock that the Company is scheduled to acquire through the Treasury Share Acquisition (1,001,741 shares prior to implementation of the Squeeze-out Process).

#### Transaction Scheme Diagram

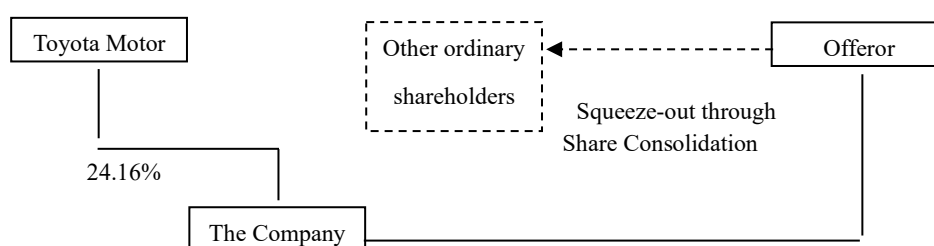
##### (i) Tender Offer (February 3, 2025-March 18, 2025 (tentative))

The Offeror is conducting the Tender Offer in order to acquire all Shares Subject to Tender Offer.



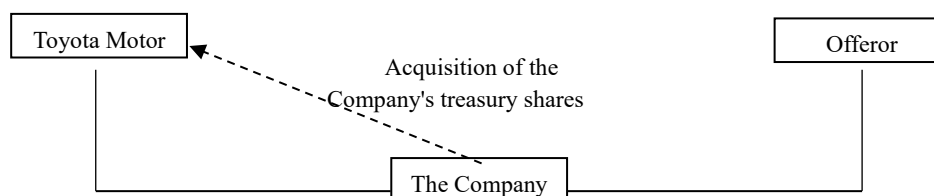
##### (ii) Share Consolidation (around June 2025 (tentative))

If the Offeror is unable to acquire all Shares Subject to Tender Offer in the Tender Offer, after the Tender Offer is completed, the Offeror will request that the Company implement the Share Consolidation procedures, and will implement a series of procedures to make the Offeror and Toyota Motor the only shareholders of the Company.



(iii) Treasury Share Acquisition (around August 2025 (tentative))

After shares of the Company's Stock are delisted and the Squeeze-out Process is completed, the Company will use its cash and deposits to implement the Treasury Share Acquisition. If the Voting Rights Ratio cannot be achieved solely through the Treasury Share Acquisition, prior to the Treasury Share Acquisition, it is planned to implement a share split at a ratio that will enable the Voting Rights Ratio to be achieved.



(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer

(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer

According to the Offeror, the Offeror was established on August 27, 1953 as Nippon Konpo Unpan Co., Ltd. for the purpose of engaging in land transportation and transportation agency services, freight trucking services, freight handling services for rail-bound cargo, contracting for cargo packaging and packing work, sales of packaging materials, and non-life insurance agency services. Later, on May 25, 1965, with the aim of changing the par value of shares, the company was merged into Toyo Kasei Kogyo Co., Ltd., established on December 7, 1950 (which had suspended business activities from February 1962 and changed its trade name to Nippon Konpo Unpan Co., Ltd. in April 1963), and on October 1, 1968, the company changed its trade name to Nippon Konpo Unyu Soko Co., Ltd. On October 1, 2015, the company changed its name to NIKKON Holdings Co., Ltd due to the transition to a holding company structure.

According to the Offeror, the Offeror listed its shares on the Second Section of the Tokyo Stock Exchange, Inc. (the "TSE") in August 1970, was transferred to the First Section of the TSE in September 1997, and was transferred from the First Section to the Prime Market due to

a review of the market classification of the TSE in April 2022, and its shares are currently listed on the Prime Market of the TSE.

According to the Offeror, the Offeror's corporate group is composed of the Offeror and 80 affiliated companies (as of this day; collectively, the "Offeror Group"), and its main business activities are transportation, warehousing, packaging, and testing, as well as other businesses incidental to these.

According to the Offeror, in April 2024, the Offeror Group launched its 13th Medium-Term Management Plan, a new three-year plan, and set out on a new challenge by establishing three pillars of business strategy: "overseas business," "recycling business," and "three-temperature-zone business."

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On the other hand, the Company was established in Arimatsu-cho, Chita-gun, Aichi in May 1957. The Company's main business activities include the manufacture and sale of a range of packing materials, with a primary focus on corrugated-cardboard products. Shares of the Company's Stock were initially listed on the Second Section of Market of the NSE in December 1993. Following the revision of the market classification of the NSE in April 2022, shares of the Company's Stock are now listed on the Main Market of the NSE. In April 1997, Toyota Motor became a capital investor, and as of today, the Company is an equity method affiliate of Toyota Motor.

As of today, the group consisting of the Company, three subsidiaries, and one affiliate (the "Group") adopts "to help bring about a livable Earth and society of abundance by providing high-value-added packing materials that take the environment into account" as its management philosophy and operates under the management mission of enhancing the prosperity of the Company's shareholders and business partners and the stability of its employees' welfare through growing productivity.

In addition, the Group has developed its medium-term management plan, "VISION 2025," to advance the achievement of the management philosophy and management mission mentioned above. Rooted in a corporate culture that prioritizes safety and employee satisfaction, and supported by production capabilities tailored for small-lot, high-mix manufacturing, the



Group strives to become a steadily-growing company by delivering packing and logistics solutions closely aligned with customer needs. To this end, the Group has set and is working to achieve the following objectives: (a) achieve SDGs and CN (carbon neutrality), (b) become the safest company in the industry, (c) establish an optimal production and logistics system, (d) develop high-value-added new products, (e) expand sales channels, and (f) cultivate human resources and enhance corporate value.

Regarding the economic environment surrounding the Group, personal consumption is expected to recover, and the domestic economy is anticipated to gradually improve, supported by better employment and income conditions despite ongoing price increases. However, the future economic outlook remains uncertain due to surging raw material and energy prices and exchange rate fluctuations driven by prolonged global instability, and significant labor shortages.

In this economic environment, the domestic corrugated-cardboard industry has experienced relatively unchanged production volumes. Although price revisions have yielded positive results, persistent increases in overhead costs and labor shortages have prolonged a challenging business environment. To navigate this business environment, the Group is striving toward achieving further sustainable growth and enhancing corporate value across the entire Group, with the aim of realizing "VISION 2025," through price revisions to offset rising costs, securing new orders, and pursuing Group-wide cost reduction initiatives, including administrative divisions, to maintain and strengthen its earnings base.

In this situation, in mid-March 2024, the Company received notice from Toyota Motor, its largest shareholder, regarding its intention to evaluate the necessity of remaining listed on the stock exchange and the treatment of its shares of the Company's Stock in light of the challenging economic environment surrounding the Group. In response to this notice, the Company engaged in repeated discussions and reviews with Nomura Securities Co., Ltd. ("Nomura Securities"), its lead underwriter. These discussions and reviews focused on capital policy based on Toyota Motor's intended sale of its shares of the Company's Stock (not limited to transactions aimed at privatizing the Company's Stock), with the goal of maximizing the Company's corporate value from a medium- to long-term perspective. As a result, in late August 2024, the Company determined that, in order to further enhance its corporate value and maximize the common interests of its shareholders, including Toyota Motor, it would be more beneficial to pursue a bidding process led by the Company (the "Bidding Process") for its privatization through the acquisition of the Company's Stock, open to multiple business companies and investment funds that appeared to express interest in the Company's business, rather than proceeding with the business independently on the Company's own.

According to the Offeror, in light of this background, on September 12, 2024, the Offeror received a notice from Nomura Securities that the Company intended to conduct a first bidding

process (the "First Bidding Process") in the Bidding Process and that the Company had expressed an interest in the Offeror, which like the Company ran a packing business, and wished to invite the Offeror to participate in the First Bidding Process. In response to this, because it could be anticipated that the Transaction would lead to a greater ability to appeal to existing customers by supplementing the Offeror's services with the Company's high-quality products and services, cross-selling between the Company's customer base focused on the Toyota Motor Group and the strong customer base of the Offeror within the automobile and industrial machinery industries, and by leveraging the Offeror's broad geographical networks to expand the sale of the Company's products to areas where the Company has been unable to sell its products because of geographical limitations, the Offeror decided to participate in the First Bidding Process in late September 2024, as it believed that the Transaction was consistent with the cross-selling strategy of the Offeror's 13th Medium-Term Management Plan, and that it would be able to achieve further growth in the business conducted by the Company by creating synergies with the Offeror Group.

According to the Offeror, after that, the Offeror conducted an analysis and consideration based on the information disclosed by the Company during the First Bidding Process, including the information in the information package describing the significance of investing in the Company; securities reports, financial statements and other timely disclosed public information of the Company; and the Company's business strengths, and other information, and on October 15, 2024, the Offeror submitted a non-legally binding letter of intent to the Company, based on the premise of taking the Company private. The Offeror proposed a scheme based on the assumption that the Shares Held by Toyota Motor would also be tendered in the Tender Offer, in the letter of intent. In addition, the Offeror stated that a scheme to acquire the Shares Held by Toyota Motor through the Treasury Share Acquisition would also be available for consideration.

According to the Offeror, then, on October 22, 2024, the Offeror received a notice from the Company through Nomura Securities that it had passed the First Bidding Process and was permitted to participate in the second bidding process (the "Second Bidding Process"), and the Offeror decided to participate in the Second Bidding Process. During the Second Bidding Process, the Offeror conducted due diligence on the Company's business, financial, tax, and legal matters, and held meetings with the Company's management team from late October 2024 to early December 2024, and proceeded with analysis and consideration regarding the acquisition of the Company's Stock. As a result of the analysis and consideration, (i) the Offeror came to understand that the businesses and customer bases developed by the Offeror and the Company are in a mutually complementary relationship, and to believe that by cooperating, the Offeror and the Company would be able to provide mutual services and products to their respective business partners, and there was a possibility that the sales of both companies would

increase significantly. In addition, (ii) by utilizing the know-how, and human and financial resources related to logistics that the Offeror has cultivated, and by supporting the transportation of the Company products as part of the Group support, it was recognized that it would be possible to significantly reduce the logistics costs of the Company, including the costs of outsourcing transportation, and that it would be possible to further improve the cost competitiveness of the Company's business. (iii) Furthermore, the Offeror came to believe that the Company's nationwide and international expansion and business scale-up would maximize the synergy effects described in (i) and (ii) above and promote further growth for both companies. The Offeror does not believe that there are any disadvantages to the Transaction.

According to the Offeror, in addition, on November 13, 2024, the Offeror received a notice from Toyota Motor that, (i) in light of the fact that Toyota Motor was expected to be subject to the provisions of the Corporation Tax Act regarding the exclusion of deemed dividends from gross revenue, it would be possible to maximize the Tender Offer Price and ensure fairness among shareholders by increasing the distribution to minority shareholders of the Company, and (ii) Toyota Motor would intend to consider the Transaction through the Treasury Share Acquisition in consideration of the fact that in the First Bidding Process, it had received, through the Company, proposals relating to the Treasury Share Acquisition (including a proposal that a scheme to acquire the Shares Held by Toyota Motor may also be considered) from the Second-round Candidates (defined below), including the Offeror. Subsequently, through the interviews with Toyota Motor in late November 2024 in parallel with the Second Bidding Process and the process of negotiations regarding the Master Transaction Agreement conducted during the Second Bidding Process, the Offeror confirmed that Toyota Motor intended to maintain transactions with the Company and that Toyota Motor intended to continue to own the Company's Stock at the Voting Rights Ratio even after the Transaction. As a result of comprehensively taking into account the background of the development and growth of the Company's business due to its business and personnel relationships with Toyota Motor, as well as the role and importance of Toyota Motor in the Company's business and in building a management structure that had supported the Company's development and growth up to now, the Offeror decided that having Toyota Motor retain a certain percentage of the Company's Stock after the Transaction and continue to have a certain level of involvement in the Company's management would contribute to the development and enhancement of the Company's business and corporate value by building a cooperative relationship between the Offeror and Toyota Motor aimed at improving the Company's business performance, and accepted this intention.

According to the Offeror, therefore, on December 16, 2024, the Offeror submitted to the Company a legally binding final letter of intent that included statements concerning the Company's Stock evaluated at 23 billion yen (the value per share of the Company's Stock evaluated at 4,631 yen), a Tender Offer Price of 4,824 yen, a Treasury Share Acquisition Price

of 4,024 yen, and other assorted Tender Offer Price etc. terms and conditions, on the assumption that the Company would be delisted. Furthermore, it was confirmed that the Tender Offer Price represented a premium of 267.96% (rounded off to the second decimal place; hereinafter the same applies in the calculation of the premium (%) relative to the share price) over the closing price of 1,311 yen for the Company's Stock on the Main Market of the NSE on December 13, 2024, the business day before the submission date of the final letter of intent, a premium of 267.12% over the simple average closing price for the preceding one month of 1,314 yen (rounded off to the nearest whole number; hereinafter the same applies in the calculation of the simple average of closing share prices (yen)), a premium of 263.53% over the simple average closing price for the preceding three months of 1,327 yen, and a premium of 257.07% over the simple average closing price for the preceding six months of 1,351 yen. It should be noted that in light of the fact that Toyota Motor was expected to be subject to the provisions of the Corporation Tax Act regarding the exclusion of deemed dividends from gross revenue, and with the belief that by increasing the distribution to minority shareholders of the Company, it would be possible to maximize the Tender Offer Price and ensure fairness among shareholders, the Treasury Share Acquisition Price has been set based on the amount that would result in the after-tax net proceeds for Toyota Motor were it to tender in the Tender Offer the number of shares it will trade in the Treasury Share Acquisition, being the same as the amount of the after-tax net proceeds it would receive in selling its shares in the Treasury Share Acquisition.

According to the Offeror, after that, the Offeror comprehensively considered the competitive situation, etc. in the Second Bidding Process and submitted a final letter of intent (the "Final Letter of Intent") to the Company on December 17, 2024, setting the Company's Stock evaluated at 24 billion yen (the value per share of the Company's Stock evaluated at 4,832 yen), the Tender Offer Price at 5,034 yen (representing a premium of 283.98% over the closing price of 1,311 yen for the Company's Stock on the Main Market of the NSE on December 13, 2024, a premium of 283.11% over the simple average closing price for the preceding one month of 1,314 yen, a premium of 279.35% over the simple average closing price for the preceding three months of 1,327 yen, and a premium of 272.61% over the simple average closing price for the preceding six months of 1,351 yen) and the Treasury Share Acquisition Price at 4,197 yen.

According to the Offeror, on December 20, 2024, the Offeror received a notice from the Company that the Offeror was selected as the final candidate for the tender offer with the most favorable Final Letter of Intent, including the tender offer price, and that the Company would begin discussions and consideration with the Offeror and Toyota Motor for the implementation of the Transaction, including the Treasury Share Acquisition.

Following the above course of events, according to the Offeror, today, the Offeror decided to implement the Tender Offer with the Tender Offer Price of 5,034 yen and executed the Master Transaction Agreement with Toyota Motor. the Offeror has engaged in no discussions or

negotiations with Toyota Motor concerning the Tender Offer Price and the Treasury Share Acquisition Price.

(ii) Management policy after the Tender Offer

According to the Offeror, with respect to management policy after the Tender Offer, for the steady creation of the synergy from the Transaction set forth in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" above, the Offeror's policy is to give the utmost respect to matters such as the Company's management philosophy, human resources and brand, regional connections built since the establishment of the Company, and customer's trust, and to pursue integrated management as a part of the Offeror Group to maximize synergy with the management resources of the Offeror Group. The details of the management structure of the Company after the Transaction including the composition of officers have not been decided at this time, but it is expected that the Company's management team will continue to play a leading role in the operation of its business, but for the purpose of supporting the medium-to-long-term growth of the Company as its shareholders, the Offeror plans to dispatch one representative director and one outside statutory auditor etc. Moreover, the Offeror executed the Master Transaction Agreement with Toyota Motor as of January 31, 2025, and said agreement provides that for three years after the Treasury Share Acquisition, Toyota Motor can nominate one candidate as the Company's statutory auditor, and by the date that marks the third anniversary of the Treasury Share Acquisition, the handling of the right to appoint a statutory auditor after the passing of such period will be decided through good-faith consultations.

According to the Offeror, as for the employees of the Group, it is the Offeror's basic policy to continue their employment after the Transaction and not to make any unfavorable changes to their employment conditions. Further, the Offeror, as the management policy of the Company after the Transaction, plans to maintain and respect the autonomy of the Company's management as the basis policy, and at the same time, to decide the details of the management policy of the Company after the Transaction through discussions with the Company after the completion of the Tender Offer.

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

As stated in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" under "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" above, as the Company strives toward achieving further sustainable growth and enhancing corporate value across the entire Group, the Company received notice in

mid-March 2024 from Toyota Motor, its largest shareholder, regarding its intention to evaluate the necessity of remaining listed on the stock exchange and the treatment of its shares of the Company's Stock in light of the challenging economic environment surrounding the Group. In response to this notice, the Company initiated discussions and reviews with Nomura Securities, its lead underwriter. These discussions and reviews focused on capital policy based on Toyota Motor's intended sale of its shares of the Company's Stock (not limited to transactions aimed at privatizing the Company through the acquisition of the Company's Stock), with the goal of maximizing the Company's corporate value from a medium- to long-term perspective. Specifically, alongside the discussions and reviews on capital policy aimed at maximizing the Company's corporate value, the Company engaged in discussions with four investment funds that were potential candidates to purchase the Company's Stock. The Company received initial capital policy proposals that did not include economic conditions from all of them. Although there were no further developments in the discussions based on the initial capital policy proposals with the four investment funds, the Company reflected on the significance of remaining listed on the stock exchange, considering the results of those discussions with the four investment funds, including the initial capital policy proposals, and the drastic changes in the stock market environment. In late August 2024, the Company determined that, in order to further enhance its corporate value and maximize the common interests of its shareholders, including Toyota Motor, it would be more beneficial to pursue the Bidding Process for its privatization through the acquisition of the Company's Stock, open to multiple business companies and investment funds that appeared to express interest in the Company's business, rather than proceeding with the business independently on the Company's own. The Bidding Process aimed to create a competitive environment, with bidders required to present specific acquisition prices. The Company confirmed that Toyota Motor was willing to cooperate with the Bidding Process.

Subsequently, in early September 2024, the Company reached out to 19 business companies and investment funds, including the Offeror, to gauge their interest in participating in the Bidding Process. As a result, the Company confirmed that 14 of these entities expressed interest in participating in the Bidding Process, and written non-disclosure covenants were submitted by the interested candidates. The Company initiated the First Bidding Process in mid-September 2024, during which it submitted its business plan for the five fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2029 (the "Business Plan"), which the Company prepared, to all candidates participating in the First Bidding Process. In mid-October 2024, the Company received the first round of letters of intent from several candidates, including the Offeror. The Company then carefully compared and assessed the understanding of the Company reflected in the content of these letters of intent received from the respective candidates, the value of the Company's Stock, proposed measures for expanding the Company's business, the intended acquisition structure, and other relevant information. On October 17, the Company selected three

candidates, including the Offeror, to invite to the Second Bidding Process (the "Second-round Candidates").

In reviewing, negotiating, and making decisions regarding the Transaction, the Company has been receiving advice from Nomura Securities since mid-March 2024, as well as from Anderson Mori & Tomotsune and Anderson Mori & Tomotsune LPC (collectively, "Anderson Mori & Tomotsune") since late August 2024, respectively. With this background, at the meeting of the Company's board of directors held on October 17, 2024, the Company officially approved the appointment of Nomura Securities as its third-party valuator and financial advisor, and the appointment of Anderson Mori & Tomotsune as its legal advisor. In addition, as stated in "(i) Background of establishment of the committee" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, to officially begin reviewing the Transaction and prior to deliberating and resolving whether to proceed with the Transaction, on the same date, the Company established a special committee (the "Special Committee") for purposes of eliminating arbitrariness in its decision-making as a listed company regarding the Transaction, and ensuring fairness, transparency, and objectivity in the process. The Special Committee is composed of the following four members, who are independent from the Company, the Offeror, and Toyota Motor, and designed to ensure balanced knowledge, experience, and capabilities as a whole: Mr. Satoru Horiike (Representative Director and President of Horiike Sangyo Co., Ltd.), an independent outside director of the Company; Mr. Kiyotaka Saito (attorney-at-law of Kiyotaka Saito Law Firm), an independent outside auditor of the Company; Mr. Hidetaka Nishina (attorney-at-law of Nakamura, Tsunoda & Matsumoto), an outside expert; and Mr. Takashi Kagami (certified public accountant; Representative Director of Takano Sogo Consulting Co.), an outside expert. The Company consulted with the Special Committee on whether the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company and other matters. In addition, as stated in "(i) Name of the valuator and its relationship with the Company and the Offeror" under "(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator," under "(3) Matters concerning valuation" below and "(IV) Procurement by the Company of advice from an independent law firm" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, the Special Committee has confirmed that there were no issues regarding the independence of Nomura Securities and Anderson Mori & Tomotsune from the Company, Offeror, and Toyota Motor. Furthermore, as stated in "(ii) Background of consideration" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness

of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, the Special Committee has confirmed the reasonableness of the Company's determination regarding the selection of the Second-round Candidates.

Subsequently, starting from October 22, 2024, the Company initiated the Second Bidding Process and provided the Second-round Candidates with the opportunity to conduct due diligence from that day until early December 2024. On December 16 and 17, 2024, the Company received legally binding final letters of intent from all Second-round Candidates. While the Company received final letters of intent from all Second-round Candidates on December 16, 2024, it confirmed with them on the same day whether its understanding was correct that the prices offered in their respective final letters of intent were highest possible valuations of the Company's Stock. In response, on December 17, 2024, two of the Second-round Candidates, including the Offeror, informed the Company of their intention to raise their offered prices. The Offeror actually resubmitted a legally binding final letter of intent reflecting the increased price. At the time, the Offeror submitted to the Company a legally binding final letter of intent to privatize the Company, which included terms and conditions such as the Tender Offer Price, with the Company's Stock evaluated at 23 billion yen (the value per share of the Company's Stock evaluated at 4,631 yen), the Tender Offer Price at 4,824 yen, and the Treasury Share Acquisition Price at 4,024 yen. Subsequently, on December 17, 2024, the Offeror resubmitted a legally binding final Letter of Intent, which included terms and conditions such as the Tender Offer Price, with the Company's Stock evaluated at 24 billion yen (the value per share of the Company's Stock evaluated at 4,832 yen), the Tender Offer Price at 5,034 yen, and the Treasury Share Acquisition Price at 4,197 yen. In late November 2024, alongside the Second Bidding Process, Toyota Motor conducted interviews with all Second-round Candidates. During these interviews, Toyota Motor informed all Second-round Candidates of its intention to (a) retain shares of the Company's Stock equivalent to 5% after the Transaction and (b) dispatch an auditor from Toyota Motor to the Company after the Transaction. In the Second Bidding Process, Toyota Motor engaged in repeated discussions with the Second-round Candidates regarding (a) and (b) above. As a result, all Second-round Candidates, including the Offeror, agreed to Toyota Motor's intentions.

With advice from Nomura Securities, the Company's financial advisor, and Anderson Mori & Tomotsune, the Company's legal advisor, the Company carefully discussed and reviewed the value of the Company's Stock, the business strategy direction after the Transaction, synergy effects, employee treatment, governance structure, management policy after the Transaction, the certainty of obtaining clearances under competition laws and other required procedures, and other relevant factors. As a result, on December 19, 2024, the Company determined that, based on the factors described above, the Offeror's offer was the most favorable, and selecting the Offeror as the final candidate would contribute to maximizing the common interests of the Company's



shareholders and further enhancing the Company's corporate value in the future, in light of the fact that the value of the Company's Stock offered by the Offeror was the highest among the Second-round Candidates participating in the Second Bidding Process (for the details of the management policy after the Transaction, including the business strategy and synergies after the Transaction, please see "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" and "(ii) Management policy after the Tender Offer" under "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" above). As stated in "(ii) Background of consideration" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, the Special Committee has confirmed the reasonableness of the Company's determination regarding the selection of the Offeror as the final candidate based on the final letters of intent received from the Second-round Candidates participating in the Second Bidding Process.

As stated above, following the determination to select the Offeror as the final candidate, the Company thereafter, through the Special Committee, engaged in a Q&A session and sought confirmations from the Offeror regarding whether to proceed with, and the terms and conditions of, the Transaction, with advice from Nomura Securities and Anderson Mori & Tomotsune.

Specifically, on December 26, 2024, the Special Committee sent a written inquiry (the "Written Inquiry") to the Offeror regarding synergies expected from the Transaction, any potential disadvantages of the Transaction, and the fairness of the procedures for the Transaction. On January 14, 2025, the Special Committee received a written response from the Offeror addressing the Written Inquiry. Subsequently, on January 17, 2025, the Special Committee conducted a Q&A session with the Offeror based on those responses. On the same day, the Special Committee confirmed with the Offeror that there was no intention to amend the price offered in the Final Letter of Intent resubmitted on December 17, 2024. For the details, please see "(iii) Determinations" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

With the background described above, and based on the content of a share valuation report from Nomura Securities on January 30, 2025 (the "Share Valuation Report (Nomura Securities)"), as well as legal advice from Anderson Mori & Tomotsune, the Company carefully reviewed whether to proceed with, and the terms and conditions of, the Transaction from the perspective of enhancing corporate value and maximizing the common interests of the Company's shareholders, giving the utmost respect to the deliberations of the Special Committee and the

content of its report (the "Report").

As a result, the Company has concluded that the Transaction will contribute to achieving further sustainable growth and enhancing corporate value across the entire Group toward the realization of "VISION 2025," based on the following reasons: after the implementation of the Transaction, as stated in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" under "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" above, (i) collaboration between the Offeror and the Company will enable both companies to provide mutual services and products to their respective clients, significantly boosting sales for both companies; (ii) leveraging the logistics know-how, human resources, and financial resources that the Offeror has cultivated, along with support for the transportation of the Company's products as part of support for the Group, will substantially reduce the Company's logistics costs, including those for outsourced transportation, and further enhance the cost competitiveness of the Company's business; and (iii) expanding nationwide and overseas operations and scaling the business of the Company will maximize the synergy effects described in (i) and (ii) above and foster further growth of both companies. The implementation of those various measures and realizing the resulting synergies will, in turn, lead to overcoming the Company's management challenges, such as rising overhead costs and labor shortages.

In addition to the above, the Company has determined that the Tender Offer Price is a reasonable price, ensuring the profits that the minority shareholders of the Company should receive, and that the Tender Offer provides the minority shareholders of the Company with a reasonable opportunity to sell their shares of the Company's Stock at a price with an appropriate premium, due to the following reasons:

- (i) Measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, have been taken by the Company as described in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, it is recognized that consideration is being given to the minority shareholders of the Company, and the Tender Offer Price has been determined after taking measures to ensure the fairness of the Tender Offer;
- (ii) The Tender Offer Price is the price resulting from competition among multiple candidates in the Bidding Process (and the price offered by the Offeror is also the highest);
- (iii) Based on the results of the valuation of the Company's Stock by Nomura Securities in the Share Valuation Report (Nomura Securities) as described in "(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator" under "(3) Matters concerning valuation" below, the Tender Offer Price exceeds the upper limit of the ranges calculated under the average market share price method, the comparable

- company method and the discounted cash flow method (the "DCF method").;
- (iv) The Tender Offer Price represents a premium of 273.17% over the closing price of the Company's Stock of 1,349 yen on the Main Market of the NSE as of January 30, 2025, which is the business day immediately preceding the announcement date of the implementation of the Tender Offer; a premium of 275.11% over the simple average closing price of 1,342 yen for the most recent one month until January 30, 2025; a premium of 280.50% over the simple average closing price of 1,323 yen for the most recent three months until January 30, 2025; and a premium of 277.93% over the simple average closing price of 1,332 yen for the most recent six months until January 30, 2025; and a premium of 147.98% over the all-time record high of the Company's Stock, which was 2,030 yen in June 1994. Accordingly, it is considered to provide an adequate level of premium, offering all shareholders of the Company an economic benefit that exceeds this premium; and
  - (v) As described in "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, the Tender Offer Price has been determined to fully reflect the value of the Company's Stock and is set at a level that fully considers the interests of the minority shareholders in the Report submitted by the Special Committee.

Generally, the disadvantages associated with privatizing a company's stock include the loss of access to capital markets for equity finance and the absence of benefits associated with being a listed company, such as enhanced name recognition and social credibility. However, given the Company's current financial position, there is no significant need for equity financing for the time being. Additionally, the Company can continue to enhance name recognition and social credibility through its diligent business performance. Therefore, the Company believes the disadvantages associated with privatizing the Company's Stock are limited.

For the foregoing reasons, the Company, at its board of directors meeting held today, resolved 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, based on the determination that the implementation of the Transaction will contribute to maximizing the common interests of the Company's shareholders and further enhancing the Company's corporate value in the future, that the Tender Offer Price is a reasonable price, ensuring the profits that the Company's shareholders should receive, and that the Tender Offer will provide the Company's shareholders with a reasonable opportunity to sell their shares.

For the details of resolution at the above board of directors meeting, please see "(VI) Unanimous approval of all disinterested directors of the Company and the opinion of all

disinterested auditors of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

(3) Matters concerning valuation

(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator

(i) Name of the valuator and its relationship with the Company and the Offeror

In expressing its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Company, the Offeror, and Toyota Motor, to evaluate the value of the Company's Stock and received the Share Valuation Report (Nomura Securities) on January 30, 2025. As the Company and the Offeror have taken the measures to ensure fairness of the Tender Offer and to prevent conflict of interest, the Company has not procured a written opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Nomura Securities. In addition, Nomura Securities is not an affiliate of the Offeror or Toyota Motor and has no material interest in the Transaction, including the Tender Offer, that should be disclosed. The fees payable to Nomura Securities in connection with the Transaction include a performance fee, which is payable subject to the successful completion of the Transaction and other conditions. The Company has appointed Nomura Securities as its financial advisor and third-party valuator under such fee structure, based on the judgment that the independence is not denied by the inclusion of a performance fee to be paid on the condition that the Tender Offer is completed, taking into account the general practice in similar transactions and the merits of the fee structure which would impose a reasonable financial burden on the Company if the Transaction is not successful. In addition, the Special Committee has confirmed that there were no issues regarding the independence of Nomura Securities.

(ii) Overview of valuation

After examining the valuation method applicable to the Tender Offer, based on the premise that the Company is a going concern and the belief that the value of the Company's Stock should be evaluated from multiple perspectives, Nomura Securities used the following methods to evaluate the value of the Company's Stock: the average market share price method, as the shares of the Company's Stock are listed on the Main Market of the NSE; the comparable company method, as there are several listed companies relatively similar to the Company and it is possible to analogize the share value of the Company's Stock by comparing to that of similar listed companies; and the DCF method to reflect the future business activities of the Company in the valuation.

According to Nomura Securities, the methods used to evaluate the value of the Company's

Stock and the range of the value per share of the Company's Stock evaluated under such methods are as follows:

Average market share price method:	From 1,322 yen to 1,354 yen
Comparable company method:	From 657 yen to 2,696 yen
DCF method:	From 2,629 yen to 4,817 yen

Under the average market share price method, with January 29, 2025 being set as the reference date, the value per share of the Company's Stock is evaluated to range from 1,322 yen to 1,354 yen based on the closing price of the Company's Stock on the Main Market of the NSE as of the reference date of 1,345 yen; the simple average closing price for the most recent five business days of 1,354 yen; the simple average closing price for the most recent one month of 1,342 yen; the simple average closing price for the most recent three months of 1,322 yen; and the simple average closing price for the most recent six months of 1,333 yen.

Under the comparable company method, the value per share of the Company's Stock is evaluated to range from 657 yen to 2,696 yen, by evaluating the share value of the Company's Stock by comparing it with financial indicators indicating the market share price or profitability of a listed company that is engaged in business similar to that of the Company.

Under the DCF method, the Company's corporate value was assessed by discounting the free cash flow expected to be generated by the Company from and including the third quarter of the fiscal year ending March 31, 2025 back to the present value using a certain discount rate in accordance with the business risks, taking into account assumptions considered reasonable, such as the revenue forecast and investment plans based on the Business Plan developed by the Company, and the share value of the Company was analyzed by making certain financial adjustments, such as adding or subtracting the value of cash equivalents or interest-bearing debt held by the Company, and then the value per share of the Company's Stock is evaluated to range from 2,629 yen to 4,817 yen. The Business Plan used as the basis for the valuation under the DCF method does not include any fiscal year in which a significant increase or decrease in profits is expected. In addition, since the synergies expected to be realized through the implementation of the Transaction were difficult to specifically estimate at this stage, such synergies are not taken into account in the above valuation. Furthermore, as described in "(ii) Background of consideration" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below, the Special Committee has confirmed the reasonableness of the Business Plan through an explanation of its contents and the background of its development, as well as through a Q&A session.

(Note) For the purpose of evaluating the share value of the Company's Stock, Nomura Securities assumed that all public information and the information provided by the Company were accurate and complete and did not conduct any independent verification of the accuracy and completeness of the same. Nomura Securities also did not conduct any independent valuation, appraisal or assessment, including analysis and evaluation of individual assets and liabilities, of the Company's or any of its affiliates' assets or liabilities (including derivative financial instruments, off-balance sheet assets and liabilities and other contingent liabilities) nor did it request a third party to conduct such appraisal or assessment. In addition, Nomura Securities assumed that the Business Plan had been reviewed or prepared in a reasonable manner by the management of the Company based on the best and faithful forecast and judgment available at the time of the evaluation. Nomura Securities' valuation reflects the information and economic conditions available to Nomura Securities through January 29, 2025. The sole purpose of Nomura Securities' valuation is to serve as a reference for the board of directors of the Company in reviewing the share value of the Company's Stock.

(II) Procurement by the Offeror of a share valuation report from an independent third-party valuator

According to the Offeror, in order to determine the Tender Offer Price, the Offeror requested Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), its financial advisor, to serve as a third-party valuator independent from the Offeror, the Company and Toyota Motor and evaluate the value of the Company's Stock. Mitsubishi UFJ Morgan Stanley Securities does not fall under an affiliate of the Offeror, the Company or Toyota Motor, and has no material interests in the Tender Offer. Mitsubishi UFJ Morgan Stanley Securities is a company which has the same parent company as MUFG Bank and Mitsubishi UFJ Trust and Banking Corporation ("Mitsubishi UFJ Trust and Banking"). MUFG Bank and Mitsubishi UFJ Trust and Banking have positions as shareholders of the Offeror, and MUFG Bank conducts loans transactions with the Offeror as part of ordinary banking transactions and plans to lend settlement funds for the Tender Offer to the Offeror. According to Mitsubishi UFJ Morgan Stanley Securities, however, in accordance with Article 36, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "FIEA") and the applicable laws and regulations of Article 70-4 of the Cabinet Office Order on Financial Instruments Business Association, etc. (Cabinet Office Order No. 52 of 2007, as amended), among, and at each of, financial advisor Mitsubishi UFJ Morgan Stanley Securities, MUFG Bank and Mitsubishi UFJ Trust and Banking, as measures to prevent any adverse effects, appropriate systems for managing conflicts of interest such as

information firewalls to strictly manage information regarding the Offeror have been established and implemented, and therefore, Mitsubishi UFJ Morgan Stanley Securities provides service as a financial advisor without being affected by the decisions by MUFG Bank or Mitsubishi UFJ Trust and Banking and evaluated the value of the Company's Stock from a standpoint independent from the position of MUFG Bank as a shareholder and lender and the position of Mitsubishi UFJ Trust and Banking as a shareholder. Further, taking into account the fact that there is a strict information management system established among, and at each of, Mitsubishi UFJ Morgan Stanley Securities, MUFG Bank and Mitsubishi UFJ Trust and Banking; that Mitsubishi UFJ Morgan Stanley Securities has a track record of serving as a third-party valuator for similar transactions in the past; and that, while the compensation to be paid to Mitsubishi UFJ Morgan Stanley Securities regarding the Transaction does include a performance fee payable upon the successful completion of the Transaction and other conditions, in light of common business practices for similar transactions and the appropriateness of the fact that the compensation was structured so that even if the Transaction was unsuccessful there would be a considerable monetary burden for the Offeror, the inclusion of the performance fee payable upon successful completion of the Tender Offer in and itself does not deny the independence of Mitsubishi UFJ Morgan Stanley Securities, the Offeror appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuator independent from the Offeror, the Company and Toyota Motor.

According to the Offeror, Mitsubishi UFJ Morgan Stanley Securities examined valuation methods for the Tender Offer and used the market price method, comparable company method and the DCF method to evaluate the value of the Company's Stock, and the Offeror obtained a share valuation report from Mitsubishi UFJ Morgan Stanley Securities on January 30, 2025 (the "Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)"). The Offeror comprehensively considered various elements described in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" under "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" under "(2) Grounds and reasons for the opinion" above, and held discussions and negotiations with the Company and Toyota Motor prior to determining and setting the Tender Offer Price; consequently, the Offeror did not obtain a fairness opinion regarding the Tender Offer Price from Mitsubishi UFJ Morgan Stanley Securities.

According to the Offeror, the range of the per-share value of the Company's Stock evaluated by Mitsubishi UFJ Morgan Stanley Securities is as follows:

Market price method	1,323 yen to 1,349 yen
Comparable company method	2,443 yen to 3,191 yen

DCF method

4,356 yen to 4,975 yen

According to the Offeror, in using the market price method, January 30, 2025 was set as the evaluation reference date, and based on the closing price for the Company's Stock on the Main Market of the NSE on the reference date (1,349 yen), the simple average closing price for the month immediately preceding such date (1,342 yen), the simple average closing price for the three months immediately preceding such date (1,323 yen), and the simple average closing price for the six months immediately preceding such date (1,332 yen), the per-share value of the Company's Stock was determined to be in the range between 1,323 yen and 1,349 yen.

According to the Offeror, in using the comparable company method, the value of the Company's Stock was evaluated by comparing the market price, profitability, and other financial indicators of listed companies engaged in business comparatively similar to that of the Company, and the per-share value of the Company's Stock was determined to be in the range between 2,443 yen and 3,191 yen.

According to the Offeror, in using the DCF method, based on the business plan for the period from fiscal year ending March 2025 to fiscal year ending March 2029 that was supplied by the Company, and taking into consideration the most recent financial results of the Company, public information, the results of due diligence of the Company that the Offeror conducted from late October to early December of 2024, the synergies expected to be realized from the execution of the Transaction, and other factors, the value of the Company's Stock was evaluated by discounting the free cash flow that the Company expects to generate in and after the fiscal year ending March 2026 to the present value at a certain discount rate, and the per-share value of the Company's Stock was evaluated to be in the range between 4,356 yen and 4,975 yen. It should be noted that the Company's business plan for the eight-year period from fiscal year ending March 2025 to fiscal year ending March 2032 that Mitsubishi UFJ Morgan Stanley Securities used for its DCF analysis assumes the implementation of the Transaction, and the synergies expected to be realized from the Transaction are taken into account.

According to the Offeror, the Offeror comprehensively took into account such assorted factors as the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the results of the due diligence on the Company that it conducted from late October to early December of 2024, changes in the market price of the Company's Stock, whether the board of directors of the Company would support the Tender Offer, and the prospects of the Company's Stock being tendered in the Tender Offer, and in light of the outcome of discussions and negotiations with the Company and Toyota Motor, ultimately decided at its board of directors meeting held today to set the Tender Offer Price at 5,034 yen.

According to the Offeror, the Tender Offer Price of 5,034 yen represents a 273.17% premium over the closing price for the Company's Stock on the Main Market of the NSE on



January 30, 2025 of 1,349 yen, the business day prior to the day for the announcement of the plan to commence the Tender Offer; a 275.11% premium over the simple average closing price for the one month immediately preceding such date of 1,342 yen; a 280.50% premium over the simple average closing price for the three months immediately preceding such date of 1,323 yen; and a 277.93% premium over simple average closing price for the six months immediately preceding such date of 1,332 yen.

(Note) According to the Offeror, the analysis of Mitsubishi UFJ Morgan Stanley Securities and the analysis of the value of the Company's Stock, which serves as the basis for that analysis, were implemented solely for the purpose of serving as reference for the Offeror. The analysis does not express any opinion, or make any recommendation, to the shareholders of the Company regarding any conduct of the Offeror or such shareholders in relation to the Tender Offer. Mitsubishi UFJ Morgan Stanley Securities has made no recommendation to the Offeror regarding a specific tender offer price, nor has Mitsubishi UFJ Morgan Stanley Securities made any recommendation that a specific tender offer price is the only appropriate price for the Tender Offer. In evaluating the value of the Company's Stock, Mitsubishi UFJ Morgan Stanley Securities in principle directly used the information provided by the Offeror and the Company and public information, and assumed that such materials and information, etc. were all accurate and complete, and has not independently verified the accuracy and completeness of the foregoing. In addition, regarding information relating to the Company's financial forecasts, Mitsubishi UFJ Morgan Stanley Securities assumes that such information was reasonably prepared by the Company based on the best forecasts and determinations that could be made as of January 30, 2024 ("Reference Date"). Mitsubishi UFJ Morgan Stanley Securities assumes that all permits, approvals, consents etc. from government agencies and supervisory ministries and agencies required for the Transaction can be obtained and such permits, approvals, consents etc. have no delays, restrictions, or conditions attached that would have a material adverse impact on the Transaction. Mitsubishi UFJ Morgan Stanley Securities is not an advisor regarding legal, accounting, or tax matters, and has made no independent verification of any issues relating to legal, accounting, or tax matters and has relied on the judgment of the Offeror and its legal, accounting, and tax advisors and of the Company and its audit corporation. Further, Mitsubishi UFJ Morgan Stanley Securities has not performed any independent valuation or assessment of the assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliates, nor has it requested a valuation or assessment by any third-party agency. The valuation by Mitsubishi UFJ Morgan Stanley Securities reflects the foregoing information

obtained through the Reference Date and is based on financial, market, and other conditions as of the Reference Date and on information that Mitsubishi UFJ Morgan Stanley Securities had obtained as of the Reference Date. Events occurring after the Reference Date can have an impact on the assumptions used in the analysis of Mitsubishi UFJ Morgan Stanley Securities and in the preparation of the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), but Mitsubishi UFJ Morgan Stanley Securities owes no duty to update, revise, or re-confirm the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) or analysis. The preparation of the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and the analysis serving as the basis therefor went through a complicated process and is not necessarily suitable for a partial analysis or a summarizing. The valuation ranges based on the specific analyses described in the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) should not be taken to be valuations by Mitsubishi UFJ Morgan Stanley Securities regarding the actual value of the Company's Stock. Mitsubishi UFJ Morgan Stanley Securities provides services in relation to the Transaction as financial advisor to the Offeror and intends to receive a fee as consideration for such services. A considerable portion of such fee is subject to agreement being reached regarding the Transaction and the consummation of the Transaction.

(4) Possibility of delisting and reason therefor

As of today, the Company's Stock is listed on the Main Market of the NSE. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the outcome of the Tender Offer, the Company's Stock may be delisted through specified procedures in accordance with the delisting standards of the NSE. Even if such standards are not met at the time of the successful completion of the Tender Offer, the Offeror intends to carry out the Squeeze-out Process as described in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below after the successful completion of the Tender Offer. Therefore, in that case, the Company's Stock will be delisted through specified procedures in accordance with the delisting standards of the NSE. After the delisting, the Company's Stock may not be traded on the Main Market of the NSE.

(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")

As stated in "(I) Outline of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, according to the Offeror, if the Offeror is not able to acquire all the Shares Subject to Tender Offer in the Tender Offer, after completion of the Tender Offer, the Offeror plans to carry

out the Squeeze-out Process using the method described below.

According to the Offeror, promptly after settlement of the Tender Offer is complete, the Offeror plans to request that the Company hold an extraordinary general shareholders meeting (the "Extraordinary Shareholders' Meeting") with agenda items including a proposal for the Share Consolidation pursuant to Article 180 of the Companies Act and partial amendment of the Company's articles of incorporation to eliminate provisions concerning the number of shares constituting a unit, subject to the Share Consolidation taking effect. According to the Offeror, the Offeror plans to vote in favor of the above proposed resolutions at the Extraordinary Shareholders' Meeting, and as stated in "4. Matters concerning Material Agreements regarding the Tender Offer" below, Toyota Motor has agreed in the Master Transaction Agreement to take all action necessary to make the Offeror and Toyota Motor the only shareholders of the Company (including exercising voting rights at the Extraordinary Shareholders' Meeting), and consequently, Toyota Motor plans to vote in favor of the above proposed resolutions at the Extraordinary Shareholders' Meeting. As of today, the Extraordinary Shareholders' Meeting is scheduled to be held in May, 2025.

If the Share Consolidation proposal is approved at the Extraordinary Shareholders' Meeting, on the day that the Share Consolidation takes effect, the Company's shareholders will come to hold the Company's Stock in numbers reflecting the share consolidation ratio approved at the Extraordinary Shareholders' Meeting. If any fractional shares of less than one share arise from the Share Consolidation, in accordance with the procedures of Article 235 of the Companies Act and other related laws and regulations, the money obtained by selling to the Company or the Offeror the Company's Stock in a number equivalent to the sum total of such fractional shares (if the total sum includes a fractional share of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Company. According to the Offeror, the sale price of the Company's Stock corresponding to the total number of fractional shares will be calculated to ensure that the amount of money paid to the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Company, the Offeror, and Toyota Motor) is equivalent to the Tender Offer Price times the number of shares of the Company's Stock they hold, and then it is planned to request that the Company file a petition for permission to sell voluntarily with the court. Furthermore, according to the Offeror, the Company's Stock consolidation ratio is not yet set as of this day, but the Offeror plans to request that the Company ensure that the number of shares of the Company's Stock held by the Company's shareholders who do not tender their shares (excluding the Company, the Offeror, and Toyota Motor) is reduced to fractional shares of less than one share so that the Offeror and Toyota Motor own all shares of the Company's Stock (excluding treasury shares held by the Company). If the Tender Offer is completed, the Company plans to comply with such request from the Offeror.

As a provision of the Companies Act intended to protect the rights of minority shareholders in relation to the Share Consolidation, if fractional shares of less than one share arise due to Share Consolidation, the Company's shareholders may, pursuant to Article 182-4 and Article 182-5 of the Companies Act and other applicable laws and regulations, request that the Company purchase all of their fractional shares at a fair price, and shareholders may petition a court for determination of the price for the Company's Stock.

As stated above, it is planned that the Share Consolidation will reduce the number of shares of the Company's Stock held by the Company's shareholders who do not tender their shares (excluding the Company, the Offeror, and Toyota Motor) to fractional shares of less than one share, and therefore, the Company's shareholders who oppose the Share Consolidation (excluding the Company, the Offeror, and Toyota Motor) will have an opportunity to file the petition mentioned above. It should be noted that if such a petition is filed, the purchase price for the Company's Stock will ultimately be decided by the court.

There is a possibility that due to reasons such as amendment, enactment, and interpretation by related authorities of related laws and regulations, the procedures of the Share Consolidation will require time to implement, or the method of implementation will change. However, according to the Offeror, even in such a case, it is planned that ultimately the method of delivering money to the Company's shareholders (excluding the Company, the Offeror, and Toyota Motor) that did not tender their shares in the Tender Offer will be adopted, and the Offeror plans for the amount of money that will be delivered to such shareholders of the Company to be calculated so as to be the same as the price obtained by multiplying the Tender Offer Price by the number of shares of the Company's Stock each such shareholder of the Company holds. It is planned that the Company will publicly announce specific procedures, the timing for implementation, and other information on the above promptly after a decision is made through consultations between the Company and the Offeror. According to the Offeror, it should be noted that the Tender Offer is not in any way a solicitation for the support of the Company's shareholders at the Extraordinary Shareholders' Meeting. Furthermore, with respect to tax treatment of the tendering of shares in the Tender Offer or any of the above procedures, the Company's shareholders are requested to confirm these matters under their own responsibility with tax accountants or other professionals.

In addition, according to the Offeror, the Offeror intends to request the Company to partially amend its articles of incorporation to abolish the record date for the voting rights at the ordinary shareholders' meeting of the Company for the fiscal year ended March 2025 (the "Ordinary Shareholders' Meeting"), which is scheduled to be held in June 2025, in order to limit the only shareholders who may exercise their rights at the Ordinary Shareholders' Meeting to the Offeror and Toyota Motor, subject to the completion of the Squeeze-out Process. Therefore, there is a possibility that the shareholders listed or recorded on the shareholders register as of March 31, 2024 of the Company may not be able to exercise their rights at the Ordinary Shareholders'

Meeting.

(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer

As of today, the Company is not a subsidiary of the Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. Also, it is not intended that all or any part of the management of the Company will directly or indirectly invest in the Offeror, nor does the Transaction including the Tender Offer constitute a so-called "management buyout (MBO)" (Note).

However, considering that the Offeror's purpose in the Tender Offer is to privatize the Company's Stock, the Offeror and the Company have taken the following measures to ensure fairness of the Tender Offer Price, eliminate arbitrariness and potential conflicts of interest in decision-making process leading to the decision to implement the Tender Offer, and ensure such fairness and transparency thereof.

(Note) "Management buyout (MBO)" means a transaction in which the Offeror implements a tender offer based on the agreement with the officers of the Company and has common interests with those of the officers of the Company.

The descriptions below regarding the measures taken by the Offeror are based on the explanations provided by the Offeror.

(I) Implementation of bidding process

As described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, in early September 2024, the Company reached out to 19 business companies and investment funds, including the Offeror, to gauge their interest in participating in the Bidding Process. As a result, the Company confirmed that 14 of these entities expressed interest in participating in the Bidding Process, and written non-disclosure covenants were submitted by the interested candidates. The Company initiated the First Bidding Process in mid-September 2024, during which it submitted the Business Plan, which the Company prepared, to all candidates participating in the First Bidding Process. In mid-October 2024, the Company received the first round of letters of intent from several candidates, including the Offeror. The Company then carefully compared and assessed the understanding of the Company reflected in the content of these letters of intent received from the respective candidates, the value of the Company's Stock, proposed measures for expanding the Company's business, the intended acquisition structure, and other relevant information. On October 17, the Company selected the Second-round Candidates, including the Offeror, to invite to the Second Bidding Process. Subsequently,

starting from October 22, 2024, the Company initiated the Second Bidding Process and provided the Second-round Candidates, including the Offeror, with the opportunity to conduct due diligence from that day until early December 2024. As described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, on December 16 and 17, 2024, the Company received legally binding final letters of intent from all Second-round Candidates.

With advice from Nomura Securities, the Company's financial advisor, and Anderson Mori & Tomotsune, the Company's legal advisor, the Company carefully discussed and reviewed the value of the Company's Stock, the business strategy direction after the Transaction, synergy effects, employee treatment, governance structure, management policy after the Transaction, the certainty of obtaining clearances under competition laws and other required procedures, and other relevant factors. As a result, on December 19, 2024, the Company determined that, based on the factors described above, the Offeror's offer was the most favorable, and selecting the Offeror as the final candidate would contribute to maximizing the common interests of the Company's shareholders and further enhancing the Company's corporate value in the future, in light of the fact that the value of the Company's Stock offered by the Offeror was the highest among the Second-round Candidates participating in the Second Bidding Process.

(II) Procurement by the Offeror of a share valuation report from an independent third-party valuator

According to the Offeror, when setting the Tender Offer Price, the Offeror asked Mitsubishi UFJ Morgan Stanley Securities, the Offeror's financial advisor, to calculate the value of the Company's Stock as a third-party valuator independent of the Offeror, the Company, and Toyota Motor, and received the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on January 30, 2025. According to the Offeror, Mitsubishi UFJ Morgan Stanley Securities does not fall under a related party of the Offeror, the Company, or Toyota Motor and does not have any material interests relating to the Tender Offer. According to the Offeror, the Offeror comprehensively considered various elements described in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer" under "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" under "(2) Grounds and reasons for the opinion" above, and determined and set the Tender Offer Price through discussions and negotiations with the Company and Toyota Motor, and consequently, the Offeror did not obtain a fairness opinion regarding the Tender Offer Price from Mitsubishi UFJ Morgan Stanley Securities.

For a summary of the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and information on the reasons leading up to the determination of the Tender Offer Price in light

of the opinions presented in that report, see ““(II) Procurement by the Offeror of a share valuation report from an independent third-party valuator” under “(3) Matters concerning valuation” below.

(III) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator

As stated in “(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator” under “(3) Matters concerning valuation” above, in determining its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Company, the Offeror and Toyota Motor, to evaluate the value of the Company's Stock and received the Share Valuation Report (Nomura Securities) on January 30, 2025. For details of the Share Valuation Report (Nomura Securities), which the Company obtained from Nomura Securities, please see “(ii) Overview of valuation” under “(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator” under “(3) Matters concerning valuation” above.

(IV) Advice procured by the Company from an independent law firm

For the purpose of ensuring the fairness and appropriateness of the decision-making of the Company's board of directors, the Company has appointed Anderson Mori & Tomotsune as legal advisor who is independent of the Company, the Offeror and Toyota Motor, and has received legal advice concerning decision-making procedures and processes of the Company's board of directors in connection with the Tender Offer and a series of subsequent procedures and other matters of concern to decision-making. Anderson Mori & Tomotsune is not an affiliated party of the Company, the Offeror and Toyota Motor, and has no material interest in the Transaction.

The Special Committee has also confirmed that there were no issues regarding the independence and expertise of Anderson Mori & Tomotsune. The fees paid to Anderson Mori & Tomotsune are to be paid only on an hourly basis, and do not include any performance fee payable upon successful completion of the Transaction.

(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee

(i) Background of establishment of the committee

To officially begin reviewing the Transaction at a meeting of the Company's board of directors and prior to deliberating and resolving whether to proceed with the Transaction, on October 17, 2024, the Company established the Special Committee for purposes of eliminating arbitrariness

in its decision-making as a listed company regarding the Transaction, and ensuring fairness, transparency, and objectivity in the process. The Special Committee is composed of the following four members, who are independent from the Company, the Offeror, and Toyota Motor and designed to ensure balanced knowledge, experience, and capabilities as a whole: Mr. Satoru Horiike (Representative Director and President of Horiike Sangyo Co., Ltd.), an independent outside director of the Company; Mr. Kiyotaka Saito (attorney-at-law of Kiyotaka Saito Law Firm), an independent outside auditor of the Company; Mr. Hidetaka Nishina (attorney-at-law of Nakamura, Tsunoda & Matsumoto), an outside expert; and Mr. Takashi Kagami (certified public accountant; Representative Director of Takano Sogo Consulting Co.), an outside expert (The Company has selected these four persons as members of the Special Committee since its establishment and there has been no change in the members of the Special Committee. When the Company selected the members of the Special Committee, the Company confirmed that Mr. Satoru Horiike, Mr. Kiyotaka Saito, Mr. Hidetaka Nishina and Mr. Takashi Kagami do not have any significant interest with the Company, the Offeror and Toyota Motor. In addition, each member of the Special Committee will be paid a fixed amount or hourly fee as consideration for his duties, regardless of the content of the report, and no performance fee payable upon the successful completion of the Transaction or other matters is adopted.) Mr. Satoru Horiike, an independent outside Director of the Company, has been appointed as the chairperson of the Special Committee by mutual vote among the members of the Special Committee.

Based on this, the Company consulted with the Special Committee on (a) whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value), (b) whether the fairness and appropriateness of the terms and conditions of the Transaction (including the tender offer price in the Tender Offer) are ensured, (c) whether due consideration is given to the interests of the shareholders of the Company through fair procedures in the Transaction, (d) in addition to (a) through (c) above, whether the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company, and (e) whether it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to express its opinion recommending that the shareholders of the Company tender their shares in the Tender Offer (collectively, the "Consultation Matters"), and the Company requested the Special Committee to submit the Report on the Consultation Matters to the Company.

In addition, the Company's board of directors has resolved that the Company will authorize the Special Committee (i) upon considering the Consultation Matters, to entrust a third-party institution with valuation of shares of the Company, provision of a fairness opinion regarding the Transaction and other matters that the Special Committee deems necessary, in which case reasonable expenses related to such entrustment will be borne by the Company, (ii) to ensure that decision-making of the Company's board of directors regarding the Transaction respects the



determination of the Special Committee to the maximum extent and, in particular, that if the Special Committee deems the terms and conditions of the Transaction to be inappropriate, the Company's board of directors will not approve the Transaction under such terms and conditions, and (iii) to conduct negotiations with candidates for the tender offeror regarding the tender offer price and other terms and conditions of the tender offer for the Transaction.

(ii) Background of consideration

The Special Committee held a total of 9 meetings during the period from October 21, 2024 to January 30, 2025, to discuss and consider the Consultation Matters. In addition, during the intervals between the meetings, the members of the Special Committee exchanged opinions as necessary via email and other means. Specifically, the Special Committee received timely reports and explanations from the Company, Nomura Securities, and Anderson Mori & Tomotsune on the background and history of the Transaction, an overview of the Company's business, the structure of the Transaction, the independence of each advisor, the outline and status of the Bidding Process, confirmation of the selection process for the Offeror, the reasonableness of the valuation method of the Tender Offer Price, and the course and details of discussions and negotiations with the Offeror (including the content of discussions and negotiations between the Offeror and Toyota Motor), and conducted Q&A sessions based on these reports and explanations in the Special Committee. Additionally, the Special Committee received explanations from the Company regarding the Business Plan, conducted Q&A sessions, and confirmed the reasonableness of the Business Plan. Furthermore, the Special Committee received explanations from Nomura Securities, the Company's financial advisor and third-party valuator, regarding the valuation methods and results used in the valuation of the Company's Stock. After conducting Q&A sessions as well as deliberations and reviews, the Special Committee confirmed the reasonableness of these methods and results. In addition, the Special Committee received explanations about the content of legal advice that the Company had obtained from Anderson Mori & Tomotsune, the Company's legal advisor, regarding key considerations for the Company's decision-making concerning the Transaction, including the Tender Offer, and conducted its own examination. During the Bidding Process, the Special Committee received timely reports from the Company, Nomura Securities, and Anderson Mori & Tomotsune on the status of the process, confirmed the reasonableness of the Company's decision in selecting the Second-round Candidates to be invited to participate in the Second Bidding Process, and further confirmed the reasonableness of the Company's decision that selected the Offeror as the final candidate based on the final letter of intent submitted by the Second-round Candidates who participated in the Second Bidding Process. By deliberating, reviewing, and providing its opinions, the Special Committee has been substantively involved in critical stages such as the selection of the Second-round Candidates and the final candidate. After the Company selected the Offeror as the final

candidate, the Special Committee, as described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, sent the Written Inquiry to the Offeror on December 26, 2024. On January 14, 2025, the Special Committee received a written response from the Offeror addressing the Written Inquiry. Subsequently, on January 17, 2025, the Special Committee conducted a Q&A session with the Offeror on January 17, 2025, based on those responses. On the same day, the Special Committee confirmed with the Offeror that there was no intention to amend the offered price stated in the Final Letter of Intent resubmitted on December 17, 2024.

(iii) Determinations

The Special Committee, based on the above circumstances, carefully discussed and considered the Consultation Matters. As a result, on January 30, 2025, the Special Committee submitted to the Company's board of directors the Report, the contents of which are summarized below, with the unanimous consent of all members:

i. Content of the report

- (A) The Transaction will contribute to the enhancement of the Company's corporate value and its purpose is legitimate and reasonable;
- (B) The fairness and appropriateness of the terms and conditions of the Transaction (including the purchase price in the Tender Offer) are ensured;
- (C) Due consideration is given to the interests of the shareholders of the Company through fair procedures in the Transaction;
- (D) In addition to (A) through (C) above, the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company; and
- (E) It is reasonable for the Company's board of directors to express an opinion in favor of the Tender Offer and to express its opinion recommending that the shareholders of the Company tender their shares in the Tender Offer.

ii. Reason for the report

- (A) Whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value)

A. Explanation regarding the synergies expected from the Transaction

(a) Synergies projected by the Offeror

In the Bidding Process and interviews conducted by the Special Committee, the Offeror explained that synergies resulting from the Transaction can be expected substantially as follows:

- a. Cross-selling to clients of both companies

- While the Offeror provides a full range of logistics services on a one-stop basis, the Company provides packaging materials including corrugated products. Therefore, the business and customer bases developed by the Offeror and the Company complement each other. Collaboration between the Offeror and the Company will enable both companies to provide mutual services and products to their respective clients, which may significantly boost sales for both companies.
- In particular, the Offeror believes that the synergies generated by the expansion of the Company products to existing customers of the Offeror will be the most quantitatively effective synergies in the Transaction.
- With respect to the timing for realizing synergies, the Offeror assumes that priorities will be set for existing customers of the Offeror to carry out proposal activities in a step-by-step manner, and as a result, the Offeror assumes to gradually realize the sales expansion effect.

b. Reducing the Company's logistics costs by leveraging the Offeror's management resources

- The Offeror owns and operates a large number of its own domestic warehouse assets, drivers and sales vehicles. Leveraging the logistics know-how, human resources, and financial resources that the Offeror has cultivated, along with support for the transportation of the Company's products as part of support for the Group, may be able to substantially reduce the Company's logistics costs, including those for outsourced transportation, and further enhance the cost competitiveness of the Company's business.

c. Supporting the Company's nationwide and overseas operations

- The Offeror has a large number of affiliated companies and bases both in Japan and overseas, and may be able to contribute to expanding the business scale of the Company by supporting the nationwide and overseas operations of the Company, whose business base is concentrated in the Chubu region, by providing the Offeror's sales bases and distribution network.
- The Offeror believes that expanding nationwide and overseas operations and scaling the business of the Company will maximize the synergy effects described in "a. Cross-selling to clients of both companies" and "b. Reducing the Company's logistics costs by leveraging the Offeror's

management resources" above and foster further growth of both companies.

The Offeror's recognition and explanation as mentioned above are not inconsistent with the contents or circumstances of the Company's business nor contradict the objective facts, and are not particularly unreasonable.

(b) Company's recognition of synergies

Subsequently, the Special Committee confirmed how the Company recognized the synergies resulting from the Transaction through interviews with the Company. The results of the confirmation are as follows:

a. Cross-selling to clients of both companies

- While the Offeror handles logistics in general, the Company specializes in packaging within the logistics process, so there is little overlap in business. Therefore, joining the Offeror Group can be expected to expand business opportunities for the Company's products.
- Since the Company's strength is its ability to design and develop packaging materials (the ability to design and develop packaging materials which reduce costs while maintaining the quality of products to be packaged such as automobile parts), the Company believes that it can utilize such strength in providing the most suitable packaging materials to the Offeror's customers.

b. Reducing the Company's logistics costs by leveraging the Offeror's management resources

- Currently, the Company utilizes outsourcing to transport the manufactured packaging materials through logistics at a cost.
- However, the Company expects that the Transaction will allow the Company to join the Offeror Group and utilize the Offeror's logistics resources, including transportation, thereby reducing logistics costs.

c. Supporting the Company's nationwide and overseas operations

- For the Company, the nationwide and overseas operations are a challenge for the future, but the overseas operations are currently making little progress. In addition, if the Company is to operate overseas on its own in the future, the Company will need to make major investments, which will naturally limit the ability to operate overseas.
- However, if the Company joins the Offeror Group, which already has a

large number of business bases, and thereby utilizes the physical resources and human resources of the Offeror Group, the Company believes that this will provide a significant boost to the realization of nationwide and overseas operations and lead to business growth.

The Company's explanation above is considered to be reasonable, considering that, from the eyes of the members of the Special Committee serving as the Company's outside officers, the explanation is consistent with the knowledge obtained from the information on the Company's business that they have been aware of as outside officers.

In addition, the Company sets out in its Annual Securities Report the Company's business risks, including the risk of a decline in sales due to industry trends and an intensifying competitive environment, the risk of a decline in profits due to an increase in cost resulting from fluctuations in market conditions for raw materials, and the risk associated with overseas operations. The synergies generated by the Transaction as set forth in "a. Cross-selling to clients of both companies" above through "c. Supporting the Company's nationwide and overseas operations" above are consistent with these events recognized by the Company as its challenges, and can be assessed to be consistent with the matters previously disclosed by the Company.

#### B. Whether there are any disadvantages of the Transaction

Meanwhile, considering that it is necessary to confirm whether there are any disadvantages of the Transaction that are greater than the synergies, the Special Committee asked each of the Company and the Offeror regarding their recognition of the disadvantages of the Transaction.

As a result, the Special Committee received the following responses from the Company and the Offeror with respect to the disadvantages of the Transaction:

- In general, the disadvantages of privatization of shares include: (I) difficulty in raising funds through equity financing; (II) difficulty in issuing stock compensation and stock options, which has an adverse effect on the retention of human resources; and (III) inability to gain external credibility as a listed company, and deterioration of brand image.
- However, by joining the Offeror Group, the Company will be able to raise funds through group financing from the Offeror, and there is no concern about (I). There is also a shareholding association system for employees of the Offeror

Group, and there is also a safeguard for (II). Furthermore, with respect to (III), the Company has gained social credibility through its past business activities and achievements, and by joining the Offeror Group, a TSE Prime-listed company, the Company will be able to conduct business under a stronger management foundation. Therefore, the mere fact of privatization will not have a negative impact on the Company's credibility or brand image.

- The Offeror has repeatedly indicated its intention to maintain the employment and treatment of the Company's employees and that it has no intention of causing any disadvantage to the Company's employees by virtue of the Transaction.
- The Offeror has explained that after execution of the Transaction, the Offeror would like to examine a system that ensures management autonomy by the Company, independently formulating its management policies and slogans while, as a member of the Offeror Group, sharing the group's views such as the "Group Basic Principles," "Group Code of Conduct," and "Sustainability Policy."
- The Master Transaction Agreement, which has been disclosed to the Company, does not include any clause that unduly restricts the Company's business operation.

In light of the foregoing, the Special Committee does not find any material disadvantages of the Transaction. Therefore, the Special Committee considers that the synergies expected from the Transaction will be greater than the disadvantages of the Transaction.

#### C. Summary

Premised on the above facts, the synergies anticipated from the Transaction (including cross-selling to both companies' customers, reducing the Company's logistics costs through the utilization of the Offeror's management resources, and supporting the Company's nationwide and international expansion) are not merely qualitative narratives but are supported by detailed plans, such as the implementation of cross-selling and the reduction of the Company's logistics costs. Furthermore, specific explanations have been provided regarding which measures among the anticipated synergies are expected to yield the greatest impact, both in terms of quantitative effectiveness and within specific timeframes. Accordingly, the expected synergies from the Transaction are adequately justified from a quantitative perspective.

Therefore, the Transaction is considered to contribute to the enhancement of the Company's corporate value, and no disadvantages have been identified that would outweigh the synergies expected to be generated from the Transaction.

On the basis of the above, regarding the reasons presented for implementing the Transaction, no elements have been identified as potentially leading to unreasonable outcomes for the Company's stakeholders.

Based on these considerations, the Transaction is considered to contribute to the enhancement of the Company's corporate value, and its purpose is regarded as reasonable.

(B) Whether the fairness and appropriateness of the terms and conditions of the Transaction (including the purchase price in the Tender Offer) are ensured

A. Ensuring the status of negotiations

First, regarding the negotiation status of the Transaction, it is recognized that fair deliberation was conducted throughout the process of selecting the Offeror and determining the various terms of the Transaction, including the Tender Offer Price, with the Company taking the initiative in advancing the Bidding Process while receiving advice from Nomura Securities, ultimately leading to a final agreement.

Nomura Securities and the Company provided the Special Committee with detailed explanations regarding the series of negotiation processes. The Special Committee was also proactively involved in the Bidding Process by giving its opinions on the selection of candidates at each stage of the process.

Moreover, the Offeror does not hold any shares in the Company at this time, and the Company and the Offeror are independent parties. As such, there are no concerns regarding potential conflicts of interest in the Company's selection of the Offeror.

As described above, the negotiation process leading to the announcement of the Transaction resulted from objective and consistent discussions between the Company and the Offeror as independent parties. Throughout this process, no factors were identified that would cast doubt on the transparency or fairness of the decision-making process.

In addition, the Special Committee confirmed with the Offeror that there was no intention to amend the price offered in the Final Letter of Intent resubmitted on December 17, 2024, when the Special Committee conducted a Q&A session with the Offeror based on responses to the Written Inquiry on January 17, 2025.

B. Relationship between the share valuation and the Tender Offer Price

(a) Business plan

The Business Plan was created in the course of advancing the Bidding Process and was equally provided to all participants in the Bidding Process. Considering that no participants in this Bidding Process had any significant capital relationship with the Company, there are no issues of doubt regarding the preparation method or process of the Business Plan (including the fact that no parties with interests in the Transaction were involved in its preparation).

In addition, regarding the content of the Business Plan, it is a standalone-based business plan that does not incorporate synergies or other effects premised on the execution of the Transaction. However, since the Company does not perform due diligence on the Offeror's side in the Transaction, there are circumstances that make it difficult for the Company to quantitatively estimate the corporate value enhancement effects of the Transaction at this point in time, and it is not unreasonable that the standalone-based Business Plan serves as the basis for the valuation.

In addition, the Special Committee conducted a detailed review of the content of the Business Plan itself, and concluded that there were no unreasonable aspects.

Based on these considerations, the Business Plan shows no evidence of any intervening pressure arising from conflicts of interest (such as pressure to adopt unduly conservative assumptions or other similar pressures) in terms of either its formulation process or the formulation method, and its content is deemed reasonable.

(b) Valuation method

The Special Committee conducted multiple hearings with Nomura Securities, receiving detailed explanations regarding the valuation method and evaluation process for the value of the Company's Stock, as well as the deliberation process concerning the share valuation and related aspects. The Special Committee confirmed that no unreasonable points were identified in any of these areas and assessed the Share Valuation Report (Nomura Securities) as a share valuation report prepared by an independent third-party valuator.

(c) Appropriateness of the Tender Offer Price

Regarding the Tender Offer Price, the following circumstances are recognized:

- The price significantly exceeds the upper limit of the valuation results



based on the average market share price method and the comparable company method as set forth in the Share Valuation Report (Nomura Securities), and exceeds the upper limit of the valuation results of the DCF method.

- The Tender Offer Price represents a premium of 273.17% over the closing price of the Company's Stock of 1,349 yen on the Main Market of the NSE as of January 30, 2025, which is the business day immediately preceding the announcement date of the implementation of the Tender Offer; a premium of 275.11% over the simple average closing price of 1,342 yen for the most recent one month until January 30, 2025; a premium of 280.50% over the simple average closing price of 1,323 yen for the most recent three months until January 30, 2025; and a premium of 277.93% over the simple average closing price of 1,332 yen for the most recent six months until January 30, 2025 and it is recognized that the premium of the Tender Offer Price is substantially higher than the premiums observed in similar transactions (domestic tender offers announced on or after January 1, 2023, with the settlement commencement date set to occur by January 29, 2025, targeting publicly listed companies, where the offeror intended to take the target company private; however, the following cases were excluded: (I) cases where the target company was a consolidated subsidiary of the offeror or its ultimate parent company as of the business day prior to the announcement, and (II) cases involving management buyouts (MBOs), counter-tender offers, unsolicited tender offers, and cases where the target company had not passed a resolution recommending tendering at the time of the tender offer announcement).
- The Tender Offer Price is more than twice the all-time record high of the Company's Stock since listing, which was 2,030 yen, significantly exceeding this all-time record high.
- The Transaction will be implemented with the Offeror, who submitted the highest and most feasible offer among multiple candidates through the Bidding Process. There is no other feasible transaction that would enable the Company to provide its minority shareholders with the terms and conditions superior to those of the Transaction.

In light of the background described above, the Special Committee believes that the Tender Offer Price fully reflects the value of the Company's Stock and is set at a level that fully considers the interests of the minority shareholders.

As the Tender Offer Price is significantly higher than the net asset value per

share of the Company (2,689.61 yen) at the end of the interim period of the fiscal year ending March 2025, there are no particular concerns regarding the Tender Offer Price in terms of PBR.

#### C. Appropriateness of the scheme and other considerations

The Transaction is structured as a tender offer rather than a share exchange. This scheme is a standard approach and does not present any particular disadvantages to the minority shareholders of the Company.

Additionally, regarding the approach where the Tender Offer and Squeeze-out Process are conducted first, followed by the Treasury Share Acquisition as part of the Transaction, if Toyota Motor were to tender its shares of the Company's Stock in the Tender Offer, the after-tax net proceeds would be set at the same as those from agreeing to the Treasury Share Acquisition. Therefore, there is nothing in this approach that could be considered unreasonable to the minority shareholders of the Company.

#### D. Summary

As stated in "A. Ensuring the status of negotiations" through "C. Appropriateness of the scheme and other considerations" above, there are no concerns regarding the negotiation status of the Transaction. Additionally, with respect to the share valuation, the Tender Offer Price has been determined with sufficient consideration of the interests of minority shareholders.

In addition, in the Transaction, regardless of whether minority shareholders receive consideration through the Tender Offer or the Squeeze-out Process, it is guaranteed that they will receive the same amount as the Tender Offer Price.

Accordingly, it is concluded that the fairness and appropriateness of the terms and conditions of the Transaction as a whole, including the Tender Offer Price, are ensured from the perspective of the minority shareholders of the Company.

### (C) Whether or not due consideration is given to the interests of the shareholders of the Company through fair procedures in the Transaction

#### A. Establishment of the Special Committee

In light of the establishment and operation of the Special Committee described below, the Special Committee is considered to be functioning effectively as the Fairness Ensuring Measures.

- The Special Committee is composed of an independent outside director of the Company, an independent outside auditor of the Company, and two outside

experts;

- The Special Committee mutually confirms that all members of the Special Committee are independent of the Offeror and Toyota Motor and that their fees do not include performance fees;
- The Special Committee was established at a stage prior to the decision on the terms of the Transaction between the Offeror and the Company;
- The Special Committee is chaired by an outside director who is considered the most qualified member of the Special Committee under the M&A Guidelines;
- When the Company proceeds with the Bidding Process, it has explained to and obtained the confirmation of the Special Committee from the stage of the First Bidding Process the candidates who proceed to the next process and the reasons for their selection, thereby ensuring that the Special Committee is substantially affecting the negotiation process with respect to the transaction terms;
- The Special Committee has the authority to appoint advisors to the Special Committee; provided, however, that the Special Committee has determined that the appointment of advisors is not necessary in light of the fact that the knowledge concerning the characteristics of the Company's business (one of the members of the Special Committee is a director of the Company), the knowledge concerning evaluation of corporate value (one of the members of the Special Committee is a certified public accountant), and the knowledge concerning law (two of the members of the Special Committee are lawyers) are satisfied by the members, and the expertise and independence of advisors of the Company;
- The Special Committee, on behalf of general shareholders, has obtained material information, including the draft Master Transaction Agreement, and use such information to evaluate and decide on the Transaction, given the wide range of agreements and synergies contemplated by the Transaction and the difficulty in disclosing all details to the general public; and
- When the Company's board of directors resolves the matters to be consulted on the Special Committee, it shall resolve that the Company will ensure that decision-making of the Company's board of directors regarding the Transaction respects the determination of the Special Committee to the maximum extent and, in particular, that if the Special Committee deems the terms and conditions of the Transaction to be inappropriate, the Company's board of directors will not decide to implement the Transaction.

#### B. Decision-making process in the Company

It is expected that all six directors and two of the Company's three auditors will participate in the deliberations and resolutions regarding the Tender Offer.

On the other hand, one of the Company's auditor, Mr. Kyogo Onoue ("Mr. Onoue"), who is currently concurrently an officer and employee of Toyota Motor, did not participate in the deliberations and resolutions of the Company's board of directors.

The Company's board of directors, after excluding the above-mentioned interested auditors from the deliberations, is expected to adopt a resolution by unanimous consent of all directors of the Company, and all auditors are expected to state that they have no objection to the resolution, finally.

Based on the above, we do not find anything questionable about the fairness of the decision-making process at the Company.

#### C. Independent expert advice from external advisors

##### (a) Advice from legal advisors

The Company's board of directors receives advice on decision-making from its legal advisor, Anderson Mori & Tomotsune.

The Special Committee has confirmed directly through interviews that there are no doubts as to the independence of the law firm.

##### (b) Procurement of a share valuation report from a third-party valuator

The Company's board of directors has obtained the Share Valuation Report (Nomura Securities) from Nomura Securities, an independent third-party valuator, as a material with respect to the share value of the Company's Stock, in order to ensure fairness of the Tender Offer Price.

The Special Committee has confirmed the independence of Nomura Securities directly through interviews. The fees payable to Nomura Securities in connection with the Transaction include a performance fee, which is payable subject to the successful completion of the Transaction and other conditions. As such fees are in line with the general practice in similar transactions, the Special Committee has determined that such fee system does not raise any issues regarding the independence of Nomura Securities.

#### D. Market checks

##### (a) Implementation of the Bidding Process

The Bidding Process for the Transaction is underway, and it is acknowledged that 14 companies have expressed an interest in participating in the Bidding

Process and the Company has selected the Offeror as a candidate.

Therefore, so-called "active market checks" to investigate and evaluate prospective acquiring parties in the market have been implemented.

(b) Tender offer period and deal protection clause

The tender offer period for the Tender Offer has been set to 30 business days, with a view to ensure that by setting a tender offer period longer than the statutory minimum period, the Company's shareholders have the opportunity to make an appropriate decision on whether to tender their shares in the Tender Offer, and to ensure the fairness of the Tender Offer by securing opportunities for competing offers from parties other than the Offeror.

In addition, the Company and the Offeror have not entered into any agreement that would restrict contact with a competing offeror, such as a deal protection clause.

As described above, so-called "indirect market checks" where an M&A transaction is executed in a manner that allows other prospective acquiring parties to make competing proposals after the Transaction is announced have been implemented in the Transaction.

E. Majority of minority

The minimum number of shares to be purchased in the Tender Offer is set at a number which exceeds the number of voting rights representing a majority of the number of the Company's Stock held by the by shareholders of the Company who have no conflict of interest with the Offeror, commonly referred to as the "majority of minority."

F. Enhancement of the provision of information to general shareholders and improvement of process transparency

In the notice concerning opinion to be submitted by the Company, the Company plans to fully disclose to its shareholders a summary of the Special Committee and the Share Valuation Report (Nomura Securities), as well as the status of the Bidding Process and the negotiation process with the Offeror.

G. Elimination of coerciveness

The Squeeze-Out Process in the Transaction is to be implemented by means of a scheme using a share consolidation method. In the process of implementing the scheme, shareholders are granted the right to file a petition for price determination pursuant to Articles 182-4 and 182-5 of the Companies Act, and this right is

explicitly disclosed in the notice concerning opinion to be submitted by the Company.

Furthermore, in the notice concerning opinion to be submitted by the Company, it is disclosed that the Squeeze-Out Process will be conducted promptly after the completion of the Tender Offer and that the amount of money to be delivered to the minority shareholders in the Squeeze-Out Process will be evaluated to be equal to the Tender Offer Price multiplied by the number of the Company's Stock held by each such shareholder (excluding the Company and Toyota Motor).

#### H. Summary

In light of the matters described in "A. Establishment of the Special Committee" through "G. Elimination of coerciveness" above, in terms of both ensuring that the Transaction is recognized as an arm's length transaction in the process of forming the terms of transaction and ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information, the Fairness Ensuring Measures necessary and sufficient for the Transaction have been adopted and are being effectively operated in practice.

Therefore, in the Transaction, it is recognized that due consideration has been given to the interests of the Company's general shareholders through fair procedures.

(D) In addition to (A) through (C) above, whether the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company

The Special Committee believes that the matters described in "(A) Whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction will contribute to the enhancement of the corporate value of the Company)" through "(C) Whether or not due consideration is given to the interests of the shareholders of the Company through fair procedures in the Transaction" above are factors to be considered when considering whether the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company. In addition, as described in "(A) Whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction will contribute to the enhancement of the corporate value of the Company)" through "(C) Whether or not due consideration is given to the interests of the shareholders of the Company through fair procedures in the Transaction" above, as a result of the deliberations of the Special Committee, none of these matters are considered problematic.

Based on the above, the Special Committee believes that the Transaction is not

disadvantageous to the minority shareholders of the Company.

- (E) Whether or not the Company's board of directors should express an opinion in favor of the Tender Offer and express its opinion recommending that the shareholders of the Company tender their shares in the Tender Offer

As described in "(A) Whether the purpose of the Transaction is legitimate and reasonable (including whether the Transaction will contribute to the enhancement of the corporate value of the Company)" through "(D) In addition to (A) through (C) above, whether the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company" above, the Transaction is considered to contribute to the enhancement of the corporate value of the Company and its purpose is considered to be reasonable. In addition, it is considered that due consideration has been given to the interests of the Company's minority shareholders through fair procedures in the Transaction, and the Tender Offer Price is deemed to ensure the appropriateness of the terms and conditions from the perspective of the Company's minority shareholders.

Therefore, the Special Committee express its opinion that it is reasonable for the Company's board of directors 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.

- (VI) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection

The Company carefully discussed and considered the Transaction, with utmost respect for the content of the Report submitted by the Special Committee, based on the content of the Share Valuation Report (Nomura Securities) obtained from Nomura Securities and the legal advice received from Anderson Mori & Tomotsune, from the perspectives of enhancing the Company's corporate value and the appropriateness of the terms of the Transaction, including the protection of minority shareholders' interests.

As a result, as described above in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion," the Company resolved at its board of directors meeting held today to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

At the above board of directors meeting, the resolution was unanimously adopted after deliberation by all six directors of the Company. Additionally, two of the Company's three auditors, excluding Mr. Onoue, an outside auditor, attended the meeting and raised no objection

to the adoption of the resolution. Mr. Onoue, who also holds a concurrent position as an employee of Toyota Motor, did not participate in the deliberations and resolutions at the above-mentioned board of directors meeting in order to eliminate any potential impact arising from structural conflicts of interest in the Tender Offer and ensure the fairness of the Tender Offer.

Among the Company's directors who attended the above board of directors meeting, Mr. Masashi Yamashita ("Mr. Yamashita"), the President, previously held a position as an employee of Toyota Motor. However, eight years have passed since his resignation from Toyota Motor, and he no longer holds any concurrent position with Toyota Motor and is not in a position to receive instructions from Toyota Motor. As described in "(ii) Background of consideration" under "(V) Establishment by the Company of an independent special committee and procurement of a written report from the committee" above, the Company has provided timely reports to the Special Committee on matters such as the background and history of the Transaction, an overview of the Company's business, the structure of the Transaction, the independence of each advisor, the outline and status of the Bidding Process, confirmation of the selection process for the Offeror, the reasonableness of the valuation method of the Tender Offer Price, and the course and details of discussions and negotiations with the Offeror (including the content of discussions and negotiations between the Offeror and Toyota Motor). The Company has conducted multiple discussions between the Special Committee and the Company, and engaged in discussions and negotiations with the Offeror while obtaining opinions from the Special Committee. The Company believes that the Special Committee has been functioning effectively during the process of reviewing the Transaction and the process of discussions and negotiations with the Offeror. Therefore, the Company has determined that Mr. Yamashita, who previously held a position as an employee of Toyota Motor, does not have a conflict of interest significant enough to be deemed to impair the procedural fairness by not excluding him from the deliberations or resolutions of the Company's board of directors.

#### (VII) Measures to provide purchase opportunities to other buyers

According to the Offeror, the statutory minimum period for a tender offer period is 20 business days (Article 27-2, Paragraph 2 of the FIEA and Article 8, Paragraph 1 of the Cabinet Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; "Order")); the Offeror set the tender offer period at 30 business days. By setting the tender offer period longer than the statutory minimum, the Offeror intends to ensure that the Company's shareholders have adequate opportunity to make informed decisions regarding tendering their shares to the Tender Offer, and that persons other than the Offeror have an opportunity to make competing purchase offers, etc. thus ensuring the fairness of the Tender Offer. Furthermore, the Offeror has not made any agreements with the Company that include transaction protection clauses that would prohibit the Company from engaging with competing



offerors or any other agreements that would restrict such offerors from contacting the Company. In this way, by setting the tender offer period as indicated above and ensuring competing purchase etc. opportunities, the Offeror has given consideration to ensuring the fairness of the Tender Offer.

In addition, as described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, the Company conducted the Bidding Process and selected the Offeror through a process of comparison with several other candidates under certain competitive conditions. Therefore, the Company believes that sufficient opportunities have already been provided for parties other than the Offeror to tender for or otherwise acquire the Company's Stock.

(VIII) Setting a minimum number of shares planned for purchase that satisfies the majority of minority

According to the Offeror, as stated in "(1) Outline of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, the minimum number of shares to be purchased in the Tender Offer has been set at 2,111,300 shares, and if the total number of Tendered Shares does not reach the minimum number of shares to be purchased, the Offeror will not purchase any of the Tendered Shares. The minimum number of shares to be purchased of 2,111,300 shares (Ownership Percentage: 42.51%) was calculated as follows: the total number of issued shares of the Company as of September 30, 2024 stated in the Company Q2 Earnings Report (5,225,008 shares), the number of treasury shares held by the Company as of the same date (258,097 shares) is subtracted, resulting in 4,966,911 shares, and from this figure, the number of Shares Held by Toyota Motor (1,200,000 shares) is subtracted, leaving 3,766,911 shares; The minimum number of shares to be purchased was set at a level that exceeds the bare majority of this figure (1,883,456 shares; this corresponds to the majority of the Company's Stock held by the Company's shareholders who do not have interests in the Offeror, i.e., a so-called "majority of minority"). As a result, if approval is not obtained from a majority of the Company's shareholders other than interested persons of the Offeror, the Transaction that includes the Tender Offer will not be implemented, thereby respecting the intentions of the Company's minority shareholders.

4. Matters concerning Material Agreements regarding the Tender Offer

According to the Offeror, the Offeror concluded a Master Transaction Agreement with Toyota Motor today whereby they agreed that (i) Toyota Motor will not tender any of the Company's Stock that it holds (1,200,000 shares; Ownership Percentage: 24.16%) in the Tender Offer, (ii) following settlement of the Tender Offer, procedures necessary to carry out the Share Consolidation will be performed as soon as reasonably and practicably possible, and (iii) subject to the distributable

amount necessary for the Company to implement the Treasury Share Acquisition being secured, following completion of the Squeeze-out Process, a share split will be implemented as necessary to enable buyback of own shares to achieve the Voting Rights Ratio and, as soon as reasonably and practicably possible, perform the Treasury Share Acquisition.

However, according to the Offeror, after the execution of the Master Transaction Agreement, no later than 5 business days before the final day of the tender offer period, even if Toyota Motor did not make a request or induce a request, if a tender offer for the Company's Stock is initiated by a person other than the Offeror and the participants in the Second Bidding Process at a purchase price exceeding the Tender Offer Price by 5% or more ("Competing Tender Offer") (however, it is necessary that in such tender offer no maximum number of shares planned for purchase be set), Toyota Motor may request that the Offeror discuss changes to the Tender Offer Price and Treasury Share Acquisition Price. In this case, if by the earlier of (a) five business days after the date of the request or (b) the day before the last day of the tender offer period, the Offeror does not (i) increase the Tender Offer Price to an amount exceeding the purchase price of the Competing Tender Offer or (ii) lawfully change the per-share Treasury Share Acquisition consideration such that the total after-tax net proceeds from the sale of shares to the Company in the Treasury Share Acquisition exceed the total after-tax net proceeds Toyota Motor would receive from participating in the Competing Tender Offer, then Toyota Motor may tender all or some of the Shares Held by Toyota Motor in the Competing Tender Offer.

Furthermore, according to the Offeror, the Master Transaction Agreement provides that during the period from January 31, 2025, to the day that the Treasury Share Acquisition is implemented, Toyota Motor (i) may not make any agreement in relation to a transaction that substantively conflicts with or is likely to impede the execution of the Transaction ("Conflicting Transaction") or accept a Conflicting Transaction, (ii) may not discuss, negotiate, or provide information relating to a Conflicting Transaction, whether directly or indirectly, and (iii) if Toyota Motor receives a proposal for a Conflicting Transaction from a person other than the Offeror or becomes aware that such a proposal exists, Toyota Motor must notify the Offeror to that effect and of the particulars of such proposal as soon as practicably possible.

In addition, according to the Offeror, the Master Transaction Agreement provides that Toyota Motor may nominate one candidate as the Company's statutory auditor for three years following the Treasury Share Acquisition date, and that the handling of nomination rights for a statutory auditor and the handling of the Company's Stock held by Toyota Motor that was not subject to the Treasury Share Acquisition after the expiration of that period will be determined through good-faith discussions on the assumption of the Treasury Share Acquisition Price before the lapse of the three-year period from the Treasury Share Acquisition date. In addition, Toyota Motor agreed to make commercially reasonable efforts to ensure that, after the execution of the Transaction, it will continue to place orders with the Company at a scale not substantially smaller than the scale of

orders placed by Toyota Motor with the Company before signing the Master Transaction Agreement for at least three years after the Treasury Share Acquisition date (however, this does not preclude a reduction in the scale of orders taking into account changes in the market environment for the Company's products and services, changes in demand, or other circumstances).

According to the Offeror, in addition to the above, in the Master Transaction Agreement, the parties agreed on conditions precedent for the Offeror to commence the Tender Offer (Note 1), the Offeror's duty to implement the Tender Offer subject to satisfaction of those conditions precedent, representations and warranties of the Offeror and Toyota Motor, the duty to provide indemnity if the Offeror and Toyota Motor do not perform their duties or breach their representations and warranties pursuant to the Master Transaction Agreement, provisions concerning termination (Note 2), the duty of confidentiality, restrictions on assignment of contractual status or rights and obligations, and other matters.

According to the Offeror, with the exception of the Master Transaction Agreement, there are no agreements between the Offeror and Toyota Motor concerning the Transaction, and with the exception of payment of the Treasury Share Acquisition Price, the Offeror is not providing any benefit to Toyota Motor in relation to the Transaction.

(Note 1) (i) That the representations and warranties by Toyota Motor under the Master Transaction Agreement are all true and correct in material respects and that it is expected that the representations and warranties by Toyota Motor under the Master Transaction Agreement are all true and correct in material respects on the Treasury Share Acquisition Date; (ii) that Toyota Motor has performed or complied with in material respect all duties that Toyota Motor is to perform or comply with by the commencement date of the Tender Offer under the Master Transaction Agreement; (iii) that by the Tender Offer commencement date, the Company's board of directors has passed and announced a resolution expressing an opinion in support of the Tender Offer and has passed no resolution amending or withdrawing, or having content contradictory to, such expression of opinion; (iv) that by the Tender Offer commencement date, the Special Committee has issued its Report to the effect that it is appropriate for the Company's board of directors to express the above opinion and its Report to the effect that the Company's decision regarding the Tender Offer is not disadvantageous to the Company's minority shareholders, and these Reports have not been amended or withdrawn; (v) that no petition, litigation, or proceedings are pending requesting that a judicial or administrative agency restrict or prohibit the Transaction, no laws and regulations and no determinations of a judicial or administrative agency exist that would restrict or prohibit the Transaction, and the Transaction does not violate any laws or regulations, nor is there a likelihood of any of the foregoing; (vi) that confirmation has been obtained from the Company that there are no material facts about business that have not been publicly announced of the Company as stipulated in Article 166, Paragraph 2 of

FIEA or facts that have not been publicly announced relating to the implementation or facts that have not been publicly announced relating to the suspension of a tender offer etc. for share certificates etc. of the Company as stipulated in Article 167, Paragraph 2 of FIEA, or facts that have not been publicly announced reasonably found to be likely to fall under any of the foregoing facts; (vii) that the filing of the plan for acquisition of shares pursuant to Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; "Antimonopoly Act") has been accepted by the Fair Trade Commission and the Offeror has not received any notice or warning to the effect that there are legal problems that will have a material impact on the Transaction.

(Note 2) According to the Offeror, both the Offeror and Toyota Motor have a termination right on the grounds of material breach of duty or material breach of representations and warranties under the Master Transaction Agreement and on the grounds of a petition for commencement of insolvency proceedings being filed against the counterparty.

5. Description of Provision of Profit by Offeror or its Special Interest Parties

Not applicable.

6. Policy to Address Basic Policy concerning Control of Company

Not applicable.

7. Inquiries to Offeror

Not applicable.

8. Request for Extending Tender Offer Period

Not applicable.

9. Future Outlook

Please see "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror and management policy after the Tender Offer" in "(2) Grounds and reasons for the opinion," "(4) Possibility of delisting and reason therefor," and "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" above.

#### 10. Others

Publication of "Notice Regarding the Revision of the Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend Payment)"

At today's board of directors meeting, the Company resolved to revise its dividend forecast for the fiscal year ending March 31, 2025, and decided not to pay a year-end dividend for the fiscal year ending March 31, 2025, on the condition that the Tender Offer is successfully completed. For details, please see the "Notice Regarding the Revision of the Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend Payment)" published today.

End of Document

(Reference) Dated January 31, 2025

Notice Regarding Commencement of Tender Offer for Shares of Chuoh Pack Industry Co., Ltd.

(Securities Code: 3952) (Attached)

[Soliciting Regulations]

This Press Release was prepared to announce the Tender Offer to the public and was not prepared for the purpose of soliciting any offer to sell, or any offer to purchase, in regard to the Tender Offer. If shareholders wish to make an offer to sell their shares, they should first read the tender offer explanatory statement and make their own independent decision. This Press Release does not constitute, nor form part of, a solicitation of any offer to sell, or any solicitation of any offer to buy, any securities. In addition, neither this Press Release (nor any part of it) nor the fact of its distribution shall form the basis of or be relied on in connection with any agreement for the foregoing.

[U.S. Regulations]

The Tender Offer relates to the shares of the ordinary share of the Company, which is a company established in Japan. The Tender Offer shall be conducted in accordance with the procedures and information disclosure standards prescribed under Japanese law, and such procedures and standards may not be the same as comparable procedures and information disclosure standards prescribed in the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (hereinafter the same shall apply), as well as the regulations thereunder, do not apply to the Tender Offer, and the Tender Offer will not be conducted in accordance with the procedures and standards prescribed thereby. The financial information contained in this Press Release is based on Japanese accounting standards, which may differ significantly from generally accepted accounting principles in the United States and other countries. In addition, since each of the Offeror and the Company is a corporation established outside of the United States and all or some of its directors and officers are not residents of the United States, it may be difficult to exercise any rights or claims that can be asserted based on U.S. securities-related laws. In addition, it may not be possible to commence legal proceedings against a non-U.S. corporation as well as its directors and officers in a non-U.S. court based on a violation of U.S. securities-related laws. Furthermore, U.S. courts may not assert jurisdiction over a non-U.S. corporation and its subsidiaries and affiliates.

Unless otherwise specified, all procedures relating to the Tender Offer will be conducted in Japanese. All or a portion of the documents relating to the Tender Offer will be prepared in English, but in the case of any discrepancy between a document in English and that in Japanese, the Japanese document shall prevail.

This Press Release includes "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ significantly from the results indicated by the statements that are implicitly or explicitly forward-looking. Neither the Offeror, the Company, nor their affiliates guarantee that such implicit or explicit forward-looking statements will materialize. The "forward-looking statements" in this Press Release were prepared based on information held by the Offeror and the Company as of today, and unless required by law, neither the Offeror, the Company nor their affiliates shall be obligated to amend or revise such forward-looking statements to reflect subsequent events or circumstances.

The financial advisors to the Offeror, the Company and Toyota Motor, as well as the tender offer agent (including their affiliates), may, within the scope of their ordinary business and to the extent permitted under the financial instrument exchange-related laws and regulations and any other applicable laws and regulations in Japan, and Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, purchase the Company's Stocks by means other than the Tender Offer or engage in conduct to arrange such purchases, for their own account or for client accounts, during the period of purchase etc. in the Tender Offer. In the event that information regarding such purchases is disclosed in Japan, such information will be also disclosed on the English website of the financial advisor or the tender offer agent conducting such purchases (or by using another disclosure method).