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November 28, 2025

To whom it may concern

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Director, President and CEO
(Securities Code: 7739 TSE Prime
Market)
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**Notice Concerning Expression of Opinion in Support and Recommendation to Tender
Regarding the Tender Offer for Company Shares by Canon Inc., the Company's Controlling Shareholder**

CANON ELECTRONICS INC. (the “**Company**”) hereby announces that, at a meeting of its board of directors held today, the Company resolved to express its opinion in support of the tender offer (the “**Tender Offer**”) for the Company's common shares (the “**Company Shares**”) by Canon Inc. (the “**Tender Offeror**”), the Company's controlling shareholder (parent company), and to recommend that the Company's shareholders tender in the Tender Offer as described below.

This resolution of the board of directors was adopted on the premise that the Tender Offeror intends to, through the Tender Offer and a series of subsequent procedures, make the Company its wholly owned subsidiary and that the Company Shares are to be delisted.

1. Overview of the Tender Offeror

(1) Name	Canon Inc.	
(2) Location	30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo	
(3) Name and title of Representative	Fujio Mitarai, Representative Director, Chairman & CEO	
(4) Business Description	Development, manufacturing, sales, and services for printing, medical, imaging, industrial, and other products.	
(5) Capital	174,762 million yen	
(6) Date of Incorporation	August 10, 1937	
(7) Major Shareholders and Shareholding Ratios (As of June 30, 2025) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account)	18.59%
	Custody Bank of Japan, Ltd. (Trust Account)	6.85%
	Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	2.50%
	State Street Bank West Client - Treaty 505234 (Standing proxy: Mizuho Bank, Ltd.)	2.37%
	SMBC Nikko Securities Inc.	2.00%
	Moxley and Co. LLC (Standing proxy: MUFG Bank, Ltd.)	1.47%

	Sompo Japan Insurance Inc. (Standing proxy: Custody Bank of Japan, Ltd.)	1.45%
	The Dai-ichi Life Insurance Company, Limited (Standing proxy: Custody Bank of Japan, Ltd.)	1.34%
	JPMorgan Securities Japan Co., Ltd.	1.32%
	OBAYASHI CORPORATION	1.23%

(8) Relationship between the Company and the Tender Offeror

Capital Relationship	As of today, the Tender Offeror owns 22,500,600 Company Shares (ownership ratio (Note 2): 55.01%), and the Company is a consolidated subsidiary of the Tender Offeror.
Personnel Relationship	Among the 11 directors of the Company, 2 are former employees of the Tender Offeror. In addition to the above, 5 employees of the Company are on secondment to the Tender Offeror, and 10 employees of the Tender Offeror are on secondment to the Company.
Business Relationship	There are business transactions between the Company Group and the Tender Offeror Group (each defined in “(ii) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror’s Implementation of the Tender Offer” in “(2) Grounds and Reasons for the Opinion” under “3. Substance, Grounds, and Reasons for the Opinion on the Tender Offer”) including procurement, sale, contract manufacturing of products, etc.
Status as a Related Party	The Tender Offeror is the parent company of the Company, and the Tender Offeror and the Company are mutually related parties.

(Note 1) “**Major Shareholders and Shareholding Ratios**” is based on “Status of Major Shareholders” as described in the Semi-Annual Securities Report for the first half of the 125th fiscal year submitted by the Tender Offeror on August 7, 2025.

(Note 2) “**Ownership Ratio**” means the ratio of (a) the number of Company Shares owned by a shareholder to (b) the number of Company Shares calculated by subtracting (i) the number of treasury shares owned by the Company as of September 30, 2025 (1,303,761) from (ii) the total number of issued shares of the Company as of the same date (42,206,540), both as stated in “Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP) (Completion of review by certified public accountants or an audit firm)” published by the Company on October 29, 2025, which results in 40,902,779 shares (the “**Base Number of Shares**”). (The ownership ratio is expressed as a percentage rounded to two decimal places; the same applies to the ownership ratios referenced below.)

2. Price of the Purchase, etc.

3,650 yen per common share (the “**Tender Offer Price**”).

3. Substance, Grounds, and Reasons for the Opinion on the Tender Offer

(1) Substance of the Opinion

At a meeting of its board of directors held today, the Company resolved to express its opinion in support of the Tender Offer and recommend that the Company’s shareholders tender in the Tender Offer, based on the grounds and reasons set forth in the “(2) Grounds and Reasons for the Opinion” below.

This resolution of the board of directors has been adopted in accordance with the method described in “(vi) Approval by All Non-interested Directors and Opinion of No Objection by All Non-interested Audit & Supervisory Board Members of the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for the Opinion

The statements regarding the Tender Offeror in this “(2) Grounds and Reasons for the Opinion” are based on explanations received from the Tender Offeror.

(i) Overview of the Tender Offer

As of today, the Tender Offeror currently owns 22,500,600 Company Shares (ownership ratio: 55.01%), which are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “**Tokyo Stock Exchange**”), and the Company is a consolidated subsidiary of the Tender Offeror. The Tender Offeror has now resolved, at its board of directors meeting dated November 28, 2025, to implement the Tender Offer in order to acquire all of the Company Shares (including the Company’s restricted shares granted to directors of the Company as restricted stock compensation excluding those for which transfer restrictions have been lifted (such shares with transfer restrictions still in place, the “**Restricted Shares**”); and excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) as part of a series of transactions aimed at making the Company a wholly owned subsidiary of the Tender Offeror (the “**Transactions**”).

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 4,738,100 shares (ownership ratio: 11.58%) and if the total number of share certificates, etc. tendered in the Tender Offer (“**Tendered Share Certificates, etc.**”) is less than the minimum number of shares to be purchased, the Tender Offeror will not purchase, etc. any of the Tendered Share Certificates, etc. The minimum number of shares to be purchased (4,738,100) is the number calculated by multiplying the number of voting rights (409,027) pertaining to the Base Number of Shares (40,902,779) by two-thirds (rounded up to the nearest whole number, which comes to 272,685) and then subtracting from this amount the number of voting rights (298) pertaining to the Restricted Shares owned as of today by the Company’s directors (Note 1) (29,895 shares) and the number of voting rights (225,006) pertaining to the Company Shares owned as of today by the Tender Offeror (22,500,600) and then multiplying the resulting number (47,381) by the number of shares constituting one unit of the Company’s shares (100). As it is aimed, through the Tender Offer, to make the Company a wholly owned subsidiary of the Tender Offeror, and because implementing the Share Consolidation procedures described in “(5) Policies on Organizational Restructuring, etc. after the Tender Offer (Matters relating to so-called ‘Two-Step Acquisition’)” below requires a special resolution of a general shareholders’ meeting as provided in Article 309, Paragraph 2 of the Companies Act of Japan (Act No. 86 of 2005, as amended; the “**Companies Act**”), the minimum number of shares to be purchased has been set such that, after the completion of the Tender Offer, the Tender Offeror will own at least two-thirds of the total voting rights of all shareholders of the Company, in order to reliably execute the Transactions.

(Note 1) The Restricted Shares are subject to transfer restrictions and therefore cannot be tendered in the Tender Offer. However, since (i) at a meeting of its board of directors held November 28, 2025, a resolution was adopted to express an opinion in support of the Tender Offer on the premise that the Company will be delisted and, at the time of such resolution, 10 out of the 11 directors of the Company attended the deliberation and resolution, and all of such 10 directors exercised their voting rights in favor thereof, and (ii) the director who did not attend the deliberation expressed an intention to support the Squeeze-Out Procedures (defined below) in case the Tender Offer is successfully completed, it is expected that if, as a result of the completion of the Tender Offer, the total number of voting rights of the Company owned by the Tender Offeror is less than 90% of the total voting rights of all shareholders of the Company, it is expected that voting rights regarding all the Restricted Shares are voted in support in the Extraordinary Shareholders’ Meeting (defined below). Therefore, the number of these Restricted Shares has been subtracted in considering the minimum number of shares to be purchased.

On the other hand, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, since it aims, through the Tender Offer, to acquire all issued shares of the Company (including the Restricted Shares;

and excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) and make the Company a wholly owned subsidiary of the Tender Offeror, and if the total number of Tendered Share Certificates, etc. is no less than the minimum number of shares to be purchased (4,738,100), the Tender Offeror will purchase etc. all of the Tendered Share Certificates, etc.

If, even after the Tender Offer is successfully completed, the Tender Offeror is not able to acquire all the Company Shares (including the Restricted Shares; and excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) through the Tender Offer, the Tender Offeror plans to implement, after the completion of the Tender Offer, a series of procedures (the “**Squeeze-Out Procedures**”) to acquire all of the Company Shares (including the Restricted Shares; and excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) and make the Company a wholly owned subsidiary of the Tender Offeror, as described in “(5) Policies on Organizational Restructuring, etc. after the Tender Offer (Matters relating to so-called ‘Two-Step Acquisition’).”

The Tender Offeror plans to secure the funds necessary for the Transactions, including the Tender Offer, by borrowing from Mizuho Bank, Ltd. (“**Mizuho Bank**”) (the “**Bank Loan**”) and, subject to the completion of the Tender Offer, etc., intends to obtain the Bank Loan by the business day prior to the commencement date of settlement for the Tender Offer. Details of the loan terms pertaining to the Bank Loan will be determined through separate discussions with Mizuho Bank and stipulated in the loan agreement pertaining to the Bank Loan.

(ii) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror’s Implementation of the Tender Offer

The party that is the Tender Offeror began as an organization in November 1933 as Precision Optical Instruments Laboratory, with the aim of researching and developing high-end domestically produced cameras, and was founded in August 1937 as Precision Optical Industry, Co., Ltd. Subsequently, it changed its corporate name to Canon Camera Co., Inc. in September 1947, and then to the current Canon Inc. in March 1969. Also, the Tender Offeror listed its shares on the First Section of the Tokyo Stock Exchange in May 1949, on the Nagoya Stock Exchange, Inc. (the “**Nagoya Stock Exchange**”) and the Securities Membership Corporation Fukuoka Stock Exchange (the “**Fukuoka Stock Exchange**”) in June 1954, and on the Securities Membership Corporation Sapporo Securities Exchange (the “**Sapporo Securities Exchange**”) in January 1970, and it was designated to the First Section of the Nagoya Stock Exchange in October 1961. As a result of the transition to the new market segments of the Tokyo Stock Exchange and Nagoya Stock Exchange in April 2022, the Tender Offeror is currently listed on the Prime Market of the Tokyo Stock Exchange, the Premier Market of the Nagoya Stock Exchange, the Main Market of the Sapporo Securities Exchange, and the Main Market of the Fukuoka Stock Exchange.

The Tender Offeror Group (meaning the Tender Offeror and its subsidiary companies and affiliated companies; the same applies below), as of September 9, 2025, currently consists of 326 consolidated subsidiary companies, including the Tender Offeror, the Company, and 10 equity-method affiliated companies.

While initially, at the time of its establishment, the Tender Offeror was engaged in the manufacture and sale of cameras, on the occasion of 30 years from its founding, it took the opportunity to enter the office equipment business, which set the stage for broader business diversification and expansion of activities to a global scale. In 1996, under the corporate philosophy of “*Kyosei*” (Note 1), the Tender Offeror launched the “Excellent Global Corporation Plan”, aiming to become a corporation that is admired and respected around the world by continuously contributing through technology. Based on the core principles of ‘total optimization’ and ‘profitability’, it has promoted numerous innovations, including production and development innovations, and has strengthened product competitiveness. As a result, the Tender Offeror has successfully transformed itself into a high-profitability structure and is recognized as a leading company in multifunction office systems, laser printers, inkjet printers, interchangeable-lens cameras, semiconductor lithography equipment, and FPD lithography equipment.

(Note 1) “*Kyosei*” is the aim of developing a society in which all people, regardless of differences in culture, customs, language, ethnicity, etc., can live together and work together in happiness into the future.

Under the “Excellent Global Corporation Plan: Phase VI”, the new 5-year plan that started in 2021, the Tender Offeror has been working thoroughly to strengthen the competitiveness of industry-oriented business groups and improve group-wide productivity through extensive reinforcement of headquarter functions under the core policy of “promoting portfolio transformation through improved productivity and new business creation.”

Turning now to the Company, it was founded as a business in May 1954 as Chichibu Eikosha Co., Ltd (changing its corporate name to CANON ELECTRONICS INC. in January 1964; below “**Chichibu Eikosha**”) and, in order to change the par value of its shares from 500 yen to 50 yen, carried out an absorption-type merger with an effective date of January 1, 1980, with Sakura Shoukai Co., Ltd., which was established in May 1947 (whose corporate name was changed to CANON ELECTRONICS INC. in July 1979), as the formally surviving company, which continues to the present. Also, in August 1981, the Company listed its shares on the Second Section of the Tokyo Stock Exchange, and its classification was changed to the First Section of the Tokyo Stock Exchange in June 1998. As a result of an April 2022 revision to the market segments of the Tokyo Stock Exchange, its classification was changed to the Prime Market of the Tokyo Stock Exchange.

As of today, currently, the corporate group, consisting of the Company, eight consolidated subsidiary companies and one equity-method affiliated company (the “**Company Group**”) engages in the development, production, and sale of precision instruments, electronic and electrical instruments, optical instruments, information equipment, computer and communications equipment software, etc., and operates business in the following segments, “Components”, “Electronic & Information Equipment”, and “Other”. Also, the Company Group is a member of the Tender Offeror Group and mainly purchases and manufactures parts from the Tender Offeror and its manufacturing subsidiaries and delivers products to the Tender Offeror and its subsidiaries.

(a) Components

This segment mainly manufactures and sells shutter units (Note 2), aperture units (Note 3) and laser scanner units (Note 4). The Company develops, manufactures and sells shutter units and aperture units. The main customers are customers outside the Company Group and the Tender Offeror Group. The Company is entrusted with the manufacture of laser scanner units by the Tender Offeror and delivers the products.

(Note 2) “**shutter unit**” means a mechanism that controls the shutter speed of a camera and adjusts the amount of light during shooting.

(Note 3) “**aperture unit**” means a mechanism that controls exposure by limiting the amount of light that passes through a lens. By operating the aperture, one may adjust the brightness and focus of a photograph.

(Note 4) “**laser scanner unit**” means a measuring device that uses laser light to measure the distance and shape of objects. The laser scanner unit installed in multifunction devices uses laser light to generate documents and other data as digital data.

(b) Electronic & Information Equipment

This segment mainly manufactures and sells document scanners, handy terminals (Note 5), and laser printers. The Company develops and manufactures document scanners and handy terminals, and sells them mainly to the Tender Offeror Group’s sales subsidiaries. The Company is entrusted with the manufacture of laser printers by the Tender Offeror and delivers the products.

(Note 5) “**handy terminal**” means a data collection terminal that reads bar codes and two-dimensional codes. Since data can be collected and processed in real time, it is used in business processes such as electricity and water meter reading and vending machine sales management.

(c) Other

This segment’s main products and services are customer information management services, business card

management services, system development, maintenance & operation, dental milling machines (Note 6), environmental-related equipment, medical-related equipment such as blood pressure monitors and sterilizers, microsatellites, satellite-mounted components, and satellite imagery.

(Note 6) **“dental milling machine”** means a device for processing dental fillings. If installed in a technical laboratory, it can support the production of dental prostheses quickly and with high precision.

The Company Group aims to “build world-class, highly profitable operations, contribute to society, and earn the respect of the world” and, specifically, is working towards a goal of achieving a ratio of ordinary profits to sales of 15%. In the markets related to the Company Group, while camera main unit sales centered on mirrorless cameras have been performing steadily, the impacts of inventory adjustments associated with excess market inventory have persisted for the parts and units of cameras and printers that the Company handles. Regarding laser printer products, demand has increased primarily in Asia, and sales of main units have performed strongly. Document scanner products have maintained moderate growth due to the advancement of digital transformation (DX) and increased demand after COVID-19 and further, in relation to information systems, DX initiatives continue to expand, and investment demand for system development for financial institutions and similar sectors has remained solid. On the other hand, the business environment surrounding the Company Group is changing significantly due to factors including adaptation to the new post-COVID-19 society, heightened interest in social issues such as sustainability, and the maturation of the office market related to core products such as copiers, printers, and document scanners, etc., and the situation continues to be unpredictable. Under such circumstances, the Company Group is working to address the following challenges.

A. Entering and Establishing Growth Domains

The Company Group is currently making progress with entry into various growth domains. In the space-related domain, the Company is advancing with the research and development accumulated to date and, based on the results of repeated demonstration-experiments with microsatellites put into orbit, is steadily progressing with the shift to commercialization, including initiatives such as entering into contract with the Japan Ministry of Defense to manufacture and test a multi-orbit observation demonstration satellite. Furthermore, leveraging the Company Group’s strengths of agile scale and technology, the Company is also expanding sales of environment-related equipment, dental milling machines, etc., in addition to blood pressure monitors and sterilizers in the medical domain. In the agricultural domain, it is engaged in sales activities with respect to automated production equipment for vegetable factories (Note 7) newly developed at the Company. Also, in the component domain, the Company has been expanding its business after receiving transfer of a motor business from a domestic group company of the Tender Offeror. In this way, the Company Group will aim to establish numerous small businesses.

(Note 7) **“automated production equipment for vegetable factories”** refers to equipment designed to automate and reduce labor in cultivation work at vegetable factories.

B. Promoting ESG Management and Sustainability Initiatives

The Company Group is pushing forward with our evolution into a sustainability company, based on environmental management initiatives over many years to date. Also, it is actively working on initiatives including thorough compliance, strengthening corporate governance structure, supply chain management, contributing to the prevention of global warming, respecting human rights, and securing and training diverse human resources. With the aim of strengthening ESG management, in January 2023, the Company became the first company in Japan to obtain certification for its ESG system and activities from SGS Japan Inc. (a third-party certification organization); and, as well as continuously promoting activities to enhance the quality of ESG management, it is engaging in expansion of the disclosure of related policies and data, etc. Further, it recognizes that taking action toward achieving goal of carbon neutrality by 2050, which has been advocated globally, is also an important challenge, and is working toward the target of reducing CO₂ emissions by 46% from the 2013 level by 2030 and achieving net-zero CO₂ emissions by 2050. It will continue to progress with the development and provision of technologies and products that contribute to the

achievement of a carbon neutral society, while also strengthening its responses to various risks including those associated with climate change.

C. Promoting Human Capital Management

The Company is advancing initiatives to maximize the value of human capital from the perspective of human capital management. It is actively promoting the recruitment of career professionals with diverse experience, work histories, and skills. In addition, the Company has established educational systems and workplace environments to maximize the use of each individual's characteristics and abilities, and operates training programs for managers and executive management, and thereby, is fostering early development of young talent to hone their business acumen and strengthening the human foundation for management. Furthermore, it aims to increase the proportion of women in assistant manager or higher position to 30% by 2030, and is conducting recruitment activities to increase the proportion of women hired to over 30% every year. It operates a 'position-based pay system' that determines employees' treatment and remuneration according to duties and results, and the difficulty and responsibility of work, regardless of factors such as gender, educational background, or years of service. Also, it has established an occupational health and safety management system to create a workplace where employees can work more safely and in a healthier manner, and has acquired ISO 45001 certification, the international standard for such systems, at all domestic business sites and two overseas factories. It has been selected as a "Health & Productivity Stock" under the Japanese Ministry of Economy, Trade and Industry's Health & Productivity Management Outstanding Organizations Recognition Program for five consecutive years, and is also advancing initiatives based on the "Health First" principle.

The capital relationship between the Tender Offeror and the Company began when the Tender Offeror acquired all shares of Chichibu Eikosha (now the Company) in 1956 in order to incorporate the technology of Chichibu Eikosha, which had been manufacturing self-timers, etc. for cameras. The Company Shares were listed on the Second Section of the Tokyo Stock Exchange in August 1981 and, as of the end of December of the same year (total number of issued shares: 13,000,000), the Tender Offeror had come to own 6,576,000 Company Shares (the ratio of the number of shares owned by the Tender Offeror to the total number of issued shares of the Company at that time: 50.58%; hereinafter, the ratio of the number of shares owned by the Tender Offeror to the total number of issued shares of the Company as of a given time is referred to as the "**shareholding ratio**" and is rounded to the second decimal place).

Subsequently, in January 1982, the Company issued new shares by incorporating capital reserves without receiving payment of money from shareholders; and, as of the end of December 1982 (total number of issued shares: 16,250,000), the Tender Offeror had come to own 8,230,000 Company Shares (shareholding ratio: 50.65%); as of the end of December 1983 (total number of issued shares: 16,939,000), the Tender Offeror had come to own 8,684,000 Company Shares (shareholding ratio: 51.26%); in August 1984, the Company conducted a free allotment of new shares at a rate of 20%; and, as of the end of December 1984 (total number of issued shares: 21,087,000), the Tender Offeror had come to own 10,724,000 Company Shares (shareholding ratio: 50.86%); in November 1987, the Company conducted a paid capital increase through third-party allotment to the Tender Offeror (total number of issued shares: 27,264,000); and, as of the end of December 1987, the Tender Offeror had come to own 16,894,000 Company Shares (shareholding ratio: 61.97%); in September 2004, the Company disposed of 1,939,000 shares; and as of the end of December 2004 (total number of issued shares: 27,647,000), the Tender Offeror had come to own 14,955,000 Company Shares (shareholding ratio: 54.09%). Furthermore, the Company conducted a stock split of common shares at a ratio of 1 share to 1.5 shares in January 2007; and, as of the end of December 2007 (total number of issued shares: 41,471,000), the Tender Offeror had come to own 22,433,000 Company Shares (shareholding ratio: 54.09%).

Subsequently, as of the end of December 2012 (total number of issued shares: 42,206,000), the Tender Offeror had come to own 22,500,000 Company Shares (shareholding ratio: 53.31%); and, as of today, the number of Company Shares that the Tender Offer currently owns (22,500,600 shares; ownership ratio: 55.01%) is unchanged.

The Tender Offeror has, to date, since the Company listed on the Second Section of the Tokyo Stock Exchange in August 1981, and its classification was changed to the First Section of the Tokyo Stock Exchange in June 1998, from

the perspective of optimization for the Tender Offer Group as a whole, primarily focused on enabling the Company to continue enjoying the benefits of being a listed company, including recognition in the Company's industry and the securing of excellent human resources, etc., by maintaining its listing status. At the same time, the Tender Offeror recognizes that, in addition to businesses related to the Tender Offeror Group, the Company has been engaged in space business, such as its own development of small satellites and related components, etc., as its independent business, leveraging technological capabilities related to diverse manufacturing that supports high quality and high productivity, which are strengths of the Company.

However, the market environment surrounding the businesses that the Company operates has recently undergone significant changes, i.e. in, respectively, the component business, the electronic & information equipment business, and the space business; and the Tender Offeror recognizes that greater management efficiency is required, given that the Company's price-to-book ratio (PBR) has fallen below 1.0 from 2019 onwards, etc. Furthermore, in order to improve the competitiveness of the Company's proprietary space business, the Tender Offeror recognizes that it is increasingly important to grow not only through existing business but also through expansion of business domains, including multi-sensor integration for satellites (Note 8) and vertical integration of business models (Note 9).

(Note 8) “**multi-sensor integration for satellites**” means equipping satellites with multiple types of sensors to enable complementary use and integrated processing of the information obtained from each sensor

(Note 9) “**vertical integration of business models**” refers to expanding business domains across the entire value chain of the space industry, from upstream activities such as satellite development, etc. to downstream activities such as satellite data utilization, etc.

The Tender Offeror believes that in order to implement management reforms, such as improving profitability and capital efficiency, in the Company's existing businesses, while also simultaneously developing the space business as one of the drivers of future growth, it is necessary to acquire a wide range of technologies including SAR sensors (Note 10) and satellite data analysis utilizing AI through M&A and business alliances, as well as human networks including those overseas, and substantial capital investment. In particular, the Tender Offeror believes that there are significant business risks in the process of putting the space business on track, and that management resources to address these risks will also be necessary.

(Note 10) “**SAR sensor**” is a sensor that transmits microwaves to the Earth's surface and receives the reflected waves from the Earth's surface.

Under these circumstances, the Tender Offeror believes that in order to establish a competitive advantage in the Company's business and to achieve further growth and higher corporate value, the Company on its own has certain limitations in terms of funding and human networks including those overseas and that, by making the Company a wholly owned subsidiary through the Transactions, the Tender Offeror Group as a whole will be able to make agile investments, including M&A, and strengthen cooperation within the Tender Offeror Group to a greater extent than ever before.

In addition, matters such as the following also constitute the background for examining the Transactions: considering the Company's financial condition, the need for large-scale financing through equity financing in the capital market is not considered to be high, considering the relationship between the Tender Offeror and the Company, even if the Company becomes a wholly owned subsidiary of the Tender Offeror, the possibility of a decline in its name recognition or difficulty in securing human resources is considered to be limited; and considering the recent rise in listing maintenance costs, the significance of continuing to be listed in the future is considered to be low.

Based on awareness of these issues, the Tender Offeror, in early August 2025, with the understanding that comprehensive and active utilization of the management resources of the Tender Offeror Group is essential for establishing the Company's competitive advantage and achieving sustainable growth, reached the conclusion that rather than the Company Shares maintaining their listing and continuing independent management, it is necessary that

the Company become a wholly owned subsidiary of the Tender Offeror, thereby establishing a system for swift and flexible mutual utilization of the management resources of the Tender Offeror Group, including the Company, and conducting business operations in a more integrated and closely coordinated manner, and the Tender Offeror began initial consideration of the Transactions.

Following the Transactions, the Tender Offeror Group plans to drive the realization of synergies through implementation of the following measures.

I. Vertical integration of the value chain in the space business and further business expansion

The Tender Offeror recognizes that the global space industry is an attractive industry that is expected to experience dramatic growth, driven by technological innovation and private-sector led acceleration. In this context, the Tender Offeror Group, which includes the Company, recognizes itself as a corporate group involved in many of the value chains in the space satellite business, including optical technology, production and mass production technology, satellite launch, and satellite data/image data sales and, through the Transactions, aims to integrate the space industry within the Tender Offeror Group and achieve further business growth with a sense of speed.

II. Optimization of asset allocation and cost reduction within the Tender Offeror Group

The Tender Offeror expects to achieve synergy effects in terms of productivity improvement through mutual utilization of domestic and overseas factories owned by the Tender Offeror Group, including the Company, and optimization of production layout, as well as cost competitiveness by utilizing the purchasing power and financing power of the Tender Offeror Group.

III. Improving management efficiency and corporate governance to enhance corporate value

The Tender Offeror believes that the Transactions will eliminate structural conflict of interest risks between the Tender Offeror and the Company's general shareholders, and will enable focus on measures to enhance corporate value from a longer-term perspective.

Note, the Tender Offeror also further considered the disadvantages of the delisting of the Company associated with the implementation of the Transactions. Although potential disadvantages such as limitations on financing methods in the stock market associated with delisting may be envisaged, the Company's capital-to-asset ratio (Note 11) as of June 30, 2025 is 85.2% and, considering the Company's financial condition, the need for large-scale financing through the use of equity financing is considered not to be high; and, furthermore, in the event that financing needs arise, it is possible to utilize methods that substitute for financing in the stock market, such as the use of group financing, etc. Therefore, the Tender Offeror believes there is also the possibility of being able to raise funds on more favorable terms. In addition, considering the relationship between the Tender Offeror and the Company, by becoming a wholly owned subsidiary of the Tender Offeror, the risk of a decline in the Company's name recognition or difficulty in securing human resources is limited, and on the contrary, the Tender Offeror believes there is ample possibility of a favorable impact on recruitment and securing of human resources. Moreover, since the Company is recognized as a member of the Tender Offeror Group, the Tender Offeror anticipates that the impact on the customer side will also be limited. Furthermore, by taking the Company Shares private through the Transactions, the Tender Offeror believes that various costs associated with maintaining the listing (listing fees, costs of preparing disclosure documents, fees to the stock transfer agent, audit costs, etc.) and the Company's operational burden will be reduced. In addition, the Tender Offeror does not envisage any particular disadvantage arising from elimination of capital relationships with existing shareholders.

(Note 11) Based on its capital-to-asset ratio as of June 30, 2025 stated in the Semi-Annual Securities Report for the 87th fiscal period submitted by the Company on August 1, 2025.

The Tender Offeror believes that the Transactions will advance further collaboration between the Tender Offeror and the Company and that while synergies are expected to be realized, no particular dyssynergies that would have a material impact on the Company's business are likely to occur, and that the advantages outweigh the disadvantages.

Based on this understanding, the Tender Offeror began examination of the Transactions in early August 2025, and in late August 2025, appointed Mizuho Securities Co., Ltd (“**Mizuho Securities**”) as a financial advisor and third-party valuation institution independent from both the Tender Offeror and the Company, and in late August 2025, appointed Nishimura & Asahi Gaikokuho Kyodo Jigyo as a legal advisor independent from both the Tender Offeror and the Company, and thereupon, proceeded with full-scale examination of the Transactions, and on August 26, 2025, notified the Company that it had begun examination toward the implementation of the Transactions. Subsequently, on September 5, 2025, the Tender Offeror submitted to the Company a non-binding initial letter of intent (the “**Letter of Intent**”) setting forth an overview of the Transactions and the initiatives the Tender Offeror envisions following the Transactions.

On September 17, 2025, the Tender Offeror received a communication from the Company that, regarding the Letter of Intent, the Special Committee (defined in “(iv) Process and Reasons Leading to the Company's Decision to Support the Tender Offer”; the same below) had been established by resolution of the Company's board of directors on that date. At the same time as the submission of the Letter of Intent, the Tender Offeror requested to conduct due diligence with respect to the Company in order to closely examine the feasibility of the Transactions; and the Company responded on that same date that it would accept the request. The Tender Offeror conducted due diligence from late September to late October 2025 and, in parallel, explained to the Company and the Special Committee the significance and purpose of the Transactions and the management policy for the Company after it becomes a wholly owned subsidiary, and continued discussions and negotiations regarding the Tender Offer Price with the Company and the Special Committee. Specifically, following the submission of the Letter of Intent on September 5, 2025 proposing the purpose of the Transactions, the policy for management involvement after the Transactions, and the scheme of the Transactions, etc., the Tender Offeror, on October 20, 2025, provided written responses through the Special Committee regarding the examination process that led to proposing the Transactions, the content of measures envisioned after the Transactions, the advantages, disadvantages and other impacts expected from the Transactions and the degree thereof, and the management policy planned for after the Transactions, etc., and further, at a meeting of the Special Committee held on the 28th of the same month, was interviewed by the Special Committee and participated in questions and answers in response. Subsequently, the Tender Offeror has not received any further questions, opinions, or proposals from the Company or the Special Committee regarding the significance and purpose of the Transactions proposed and explained by the Tender Offeror, and the management policy for the Company after implementing the series of procedures to make the Tender Offeror the sole shareholder of the Company.

In addition, the Tender Offeror, taking into account the calculation of the value of the Company Shares by Mizuho Securities (a third-party valuation institution), trends in the market price of the Company Shares, and the prospect of tenders in the Tender Offer, and other factors, on November 4, 2025, the Tender Offeror made a proposal to set the Tender Offer Price at 2,930 yen (the 2,930 yen proposed as the Tender Offer Price represents a premium of 8.48% (rounded to the second decimal place; the same shall apply hereinafter in the calculation of premiums) over the closing price of 2,701 yen for the Company's shares on the Tokyo Stock Exchange Prime Market on October 31, 2025, which was the business day preceding the proposal date; a premium of 6.16% over the simple average of closing prices for the one-month period up to October 31, 2025 of 2,760 yen (rounded to the nearest whole number; the same shall apply hereinafter in the calculation of simple averages of closing prices); a premium of 8.88% over the simple average of closing prices for the three-month period up to that date of 2,691 yen; and a premium of 12.13% over the simple average of closing prices for the six-month period up to that date of 2,613 yen, respectively). The Tender Offer Price of 2,930 yen is a price based on the premise that the Company will not distribute dividends of surplus. The same shall apply hereinafter to portions regarding the Tender Offer Price proposal. In response to this, on November 7, 2025, the Tender Offeror received a response from the Company stating that said tender offer price was at a low level compared to past cases of tender offers similar to the Transactions in terms of the premium level over the stock price at the present

time and over a certain past period, that the Company's corporate value was not sufficiently reflected in the Tender Offer Price, and that, from the perspective of pursuing the interests of the Company's general shareholders, the Company requested a significant increase in the Tender Offer Price. In response to this, on November 11, 2025, after careful and repeated deliberation taking into account the past stock price trends of the Company Shares and the prospect of tenders in the Tender Offer, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 3,100 yen (representing a premium of 17.25% over the closing price of 2,644 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 10, 2025, which was the business day preceding the proposal date; a premium of 14.01% over the simple average of closing prices for the one-month period up to that date of 2,719 yen, a premium of 14.94% over the simple average of closing prices for the three-month period of 2,697 yen up to that date, and a premium of 18.10% over the simple average of closing prices for the six-month period of 2,625 yen up to that date, respectively). In response to this, on November 12, 2025, the Tender Offeror received a response from the Company stating that said tender offer price was at a low level compared to past cases of tender offers similar to the Transactions in terms of the premium level over the stock price at the present time and over a certain past period, that the Company's corporate value was not sufficiently reflected in the Tender Offer Price, and that, from the perspective of pursuing the interests of the Company's general shareholders, the Company requested a significant increase in the Tender Offer Price. In response to this, on November 14, 2025, after careful and repeated deliberation taking into account the past stock price trends of the Company Shares and the prospect of tenders in the Tender Offer, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 3,250 yen (representing a premium of 21.13% over the closing price of 2,683 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 13, 2025, which was the business day preceding the proposal date; a premium of 19.75% over the simple average of closing prices for the one-month period up to that date of 2,714 yen, a premium of 20.46% over the simple average of closing prices for the three-month period of 2,698 yen up to that date, and a premium of 23.72% over the simple average of closing prices for the six-month period of 2,627 yen up to that date, respectively). In response to this, on November 17, 2025, the Tender Offeror received a response from the Company stating that said tender offer price was at a low level compared to past cases of tender offers similar to the Transactions in terms of the premium level over the stock price at the present time and over a certain past period, that the Company's corporate value was not sufficiently reflected in the Tender Offer Price, and that, from the perspective of pursuing the interests of the Company's general shareholders, the Company requested a significant increase in the Tender Offer Price. In response to this, on November 19, 2025, after careful and repeated deliberation taking into account the past stock price trends of the Company Shares and the prospect of tenders in the Tender Offer, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 3,370 yen (representing a premium of 29.12% over the closing price of 2,610 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 18, 2025, which was the business day preceding the proposal date; a premium of 24.91% over the simple average of closing prices for the one-month period up to that date of 2,698 yen, a premium of 24.72% over the simple average of closing prices for the three-month period of 2,702 yen up to that date, and a premium of 28.09% over the simple average of closing prices for the six-month period of 2,631 yen up to that date, respectively). In response to this, on November 20, 2025, the Tender Offeror received a response from the Company stating that said tender offer price was at a low level compared to past cases of tender offers similar to the Transactions in terms of the premium level over the stock price at the present time and over a certain past period, that the Company's corporate value was not sufficiently reflected in the Tender Offer Price, and that, from the perspective of pursuing the interests of the Company's general shareholders, the Company requested a significant increase in the Tender Offer Price. In response to this, on November 21, 2025, after careful and repeated deliberation taking into account the past stock price trends of the Company Shares and the prospect of tenders in the Tender Offer, the Tender Offeror made a proposal to the Company to set the Tender Offer Price at 3,500 yen (representing a premium of 32.38% over the closing price of 2,644 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 20, 2025, which was the business day preceding the proposal date; a premium of 30.16% over the simple average of closing prices for the one-month period up to that date of 2,689 yen, a premium of 29.49% over the simple average of closing prices for the three-month period of 2,703 yen up to that date, and a premium of 32.98% over the simple average of closing prices for the six-month period of 2,632 yen up to that date, respectively). In response to this, on November

25, 2025, the Tender Offeror received a response from the Company stating that said tender offer price was at a low level compared to past cases of tender offers similar to the Transactions in terms of the premium level over the stock price at the present time and over a certain past period, that the Company's corporate value was not sufficiently reflected in the Tender Offer Price, and that, from the perspective of pursuing the interests of the Company's general shareholders, the Company requested a increase in the Tender Offer Price. In response to this, on November 25, 2025, after careful and repeated deliberation taking into account the past stock price trends of the Company Shares and the prospect of tenders in the Tender Offer, the Tender Offeror made a final proposal to the Company to set the Tender Offer Price at 3,650 yen (representing a premium of 36.70% over the closing price of 2,670 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 21, 2025, which was the business day preceding the proposal date; a premium of 35.99% over the simple average of closing prices for the one-month period up to that date of 2,684 yen, a premium of 34.94% over the simple average of closing prices for the three-month period of 2,705 yen up to that date, and a premium of 38.57% over the simple average of closing prices for the six-month period of 2,634 yen up to that date, respectively). In response to this, on November 26, 2025, the Tender Offeror received from the Company stating that, on the premise that the Company's final decision on the Transactions would be made by a resolution at a meeting of its board of directors to be held on 28 November 2025, it would accept the Tender Offeror's proposal, and an agreement was reached to set the Tender Offer Price at 3,650 yen.

Through the above process and subsequent discussions and negotiations, the Tender Offeror resolved at a meeting of its board of directors held on November 28, 2025 to implement the Tender Offer for the purpose of making the Company a wholly owned subsidiary of the Tender Offer, setting the Tender Offer Price at 3,650 yen.

(iii) Management Policy After the Tender Offer

With respect to the Company's management policy after the Transactions, the Tender Offeror plans to promote management that contributes to the enhancement of the corporate value of the Tender Offeror Group, including the Company, by leveraging the brand and business foundation that the Company's officers and employees have built together to date, while providing the management resources and networks held by the Tender Offeror Group.

Furthermore, as stated in "(ii) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Implementation of the Tender Offer" above, in order to realize further growth and enhancement of the corporate value of the Tender Offeror Group, including the Company, the Tender Offeror Group will work together on agile investments, including M&A, and on strengthening collaboration within the Group.

With respect to the Company's management structure after the Transactions (including the composition and number of members of the board of directors, and the number of executive officers, etc.), the basic principle is to respect the current management structure, and the Tender Offeror has not started considering whether changes or the dispatch of additional officers is necessary, but intends to decide on the specific composition of officers and other aspects of the management structure in the future after discussion with the Company. The Tender Offeror does not at this time plan to make any changes to the Company's relationship with its business partners.

(iv) Process and Reasons Leading to the Company's Decision to Support the Tender Offer

(a) Background to the Establishment of the Examination System

The Company received the Letter of Intent from the Tender Offeror on September 5, 2025. In response, the Company, when proceeding to consider the Transactions and conduct discussions and negotiations with the Tender Offeror regarding the Transactions, in light of the fact that the Tender Offeror is the Company's controlling shareholder (parent company), the Transactions constitute a material transaction, etc. with a controlling shareholder, and the Transactions are transactions in which structural conflicts of interest and information asymmetries typically exist, in early September 2025, appointed Nomura Securities Co., Ltd. ("**Nomura Securities**") as its financial advisor and third-party valuation institution, and Shimada Hamba & Osajima as its legal advisor, in order to address these issues and ensure the fairness of the Transactions. Subsequently, in order to ensure the fairness of the Transactions, based on legal

advice from Shimada Hamba & Osajima regarding the process, methods, and other points to consider, relating to the Transactions, the Company established an internal system to examine, negotiate, and make decisions on the Transactions from a standpoint independent from both the Tender Offeror, the Company, and the success or failure of the Transactions, with a view to enhancing the Company's corporate value and protecting the interests of the Company's general shareholders. (Note, the details of the internal system for examining the Transactions are described below in "(v) Establishment of an Independent Examination System at the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest".)

Specifically, as described below in "(iii) Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" under "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest", the Company established a special committee (the "**Special Committee**") consisting of three members: Mr. Toshikazu Togari (Independent Outside Director of the Company, Chairman and Representative Director of Zaikei Jutaku Kinyu Co., Ltd., Chairman of Nihon-Kango-Kasei-Shokai-Jigyo Association, and External Auditor of LDH Japan, Inc.), Mr. Atsushi Maekawa (Independent Outside Director of the Company, President of MAEK Lab Limited Liability Company, Guest Professor of Osaka University, and Visiting Professor of Center of Advanced Technology, Shizuoka Institute of Science and Technology), and Ms. Keiko Yamagami (Independent Outside Director of the Company, Member (attorney-at-law) of Tokyo Seiwa Law Office, Outside Director of Denyo Co., Ltd (Audit and Supervisory Committee member), and Outside Director of GEOLIVE Group Corporation), by resolution at a meeting of its board of directors held on September 17, 2025. For details of the Special Committee's composition, the authority granted to it, and its examination process and judgement, etc. please refer to "(iii) Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" under "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

In addition, Company has obtained approval of the Special Committee as to the appointment of Nomura Securities as the Company's financial advisor and third-party valuation institution, and Shimada Hamba & Osajima as the Company's legal advisor, after confirming that there are no issues with their independence or their expertise.

Furthermore, the Company established an internal system to examine, negotiate, and make decisions regarding the Transactions from a standpoint independent from the Tender Offeror (including the scope and work duties of the Company's officers and employees involved in examining, negotiating, and making decisions regarding the Transactions). The Company obtained the approval of the Special Committee confirming that there were no issues with the independence or fairness of this system. (For details on the examination system, please refer to "(v) Establishment of an Independent Examination System at the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.)

(b) Background to the Examination and Negotiations

After establishing the examination system as described in "(a) Background to the Establishment of the Examination System" above, the Company received from Nomura Securities, a valuation report on the Company Shares, advice on negotiation policy with the Tender Offeror, and other advice from a financial standpoint, and from Shimada Hamba & Osajima, guidance on measures to ensure procedural fairness in the Transactions and other legal advice. Based on these, and giving maximum respect to the substance of the opinion of the Special Committee, the Company has carefully discussed and examined the appropriateness of the Transactions and the reasonableness of its transaction terms.

In addition, since establishing the Special Committee by resolution of the board of directors on September 17, 2025, the Company has continuously engaged in discussions and negotiations regarding the terms of the Transactions, including the Tender Offer Price.

Specifically, on October 9, 2025, the Company and the Special Committee sent to the Tender Offeror a set of

questions in writing regarding matters including the purposes and reasons for the implementing the Transactions, the expected advantages and disadvantages of the Transactions, the management policy and governance after the Transactions, the structure and implementation schedule of the Transactions, and requested that the Tender Offeror provide responses and explanations at a meeting of the Special Committee. The Company and the Special Committee received written responses from the Tender Offeror on the 20th of the same month and, after confirming the responses from the Tender Offeror regarding these questions at the Special Committee meeting held on the 23rd of the same month, conducted a question-and-answer session with the Tender Offeror at the Special Committee meeting held on the 28th of the same month.

Furthermore, since November 4, 2025, the Company and the Special Committee have engaged in multiple rounds of negotiations with the Tender Offeror with respect to the Tender Offer Price. Specifically, on November 4, 2025, the Company received a proposal from the Tender Offeror that set the Tender Offer Price at 2,930 yen (on the premise that the Company would not pay a year-end dividend), which was based on comprehensive consideration of various factors by the Tender Offeror, including the results of analysis the Company's business and financial condition based on financial information and other materials disclosed by the Company, the results of analysis of historical share price trends of the Company Shares, and the prospects for tendering in response to the Tender Offer. In response to the proposal from the Tender Offeror, on the 7th of the same month, the Company and the Special Committee requested a substantial increase in the Tender Offer Price, on the grounds the proposed price fell significantly short of the premium levels in transactions similar to this one and did not sufficiently reflect the Company's corporate value. Subsequently, on the 11th of the same month, the Company received from the Tender Offeror a renewed proposal that set the Tender Offer Price at 3,100 yen. In response to this renewed proposal from the Tender Offeror, the Company and the Special Committee, on the 12th of the same month, again requested a substantial increase in the Tender Offer Price, on the grounds that the proposed price still fell significantly short of the premium levels in transactions similar to this one and did not sufficiently reflect the Company's corporate value. Subsequently, on the 14th of the same month, the Company received from the Tender Offeror a renewed proposal that set the Tender Offer Price at 3,250 yen. In response to this renewed proposal from the Tender Offeror, the Company and the Special Committee, on the 17th of the same month, again requested a substantial increase in the Tender Offer Price, on the grounds that the proposed price still fell significantly short of the premium levels in transactions similar to this one and did not sufficiently reflect the Company's corporate value. Subsequently, on the 19th of the same month, the Company received a renewed proposal from the Tender Offeror to set the Tender Offer Price at 3,370 yen. In response to the proposal from the Tender Offeror, on the 20th of the same month, the Company and the Special Committee requested a substantial increase in the Tender Offer Price, because the said tender offer price still fell significantly short of the premium level for transactions similar to the Transactions and does not adequately reflect the Company's corporate value. Subsequently, on the 21st of the same month, the Company received from the Tender Offeror a renewed proposal setting the Tender Offer Price at 3,500 yen. In response to the proposal from the Tender Offeror, on the 25th of the same month, the Company and the Special Committee requested an increase in the Tender Offer Price, because the said tender offer price was still short of the premium level for transactions similar to the Transactions and does not adequately reflect the Company's corporate value. Subsequently, on the 25th of the same month, the Company received from the Tender Offeror the final proposal setting the Tender Offer Price at 3,650 yen. Then, on the 26th of the same month, the Company and the Special Committee responded to the Tender Offeror that, on the premise that the Company's final decision regarding the Transactions would be made by resolution by a meeting of the board of directors to be held on 28 November, 2025, they would accept the Tender Offeror's proposal, and an agreement was reached to set the Tender Offer Price at 3,650 yen.

(c) Substance of the Judgement

Given the developments described above, the Company conducted careful discussion and examination, at a meeting of the Company's board of directors held today, as to whether the Transactions including the Tender Offer would contribute to enhancing the Company's corporate value and whether the terms of the Transactions including the Tender Offer Price are reasonable, taking into account the legal advice received from Shimada Hamba & Osajima, the

advice received from a financial perspective received from Nomura Securities, and the content of the share valuation report regarding the Company Shares submitted by Nomura Securities dated November 27, 2025 (the “**Share Valuation Report (Nomura Securities)**”), and giving maximum respect to the judgement of the Special Committee as set forth in the report (the “**Special Committee Report**”) submitted by the Special Committee dated November 28, 2025.

As described in “(ii) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror’s Implementation of the Tender Offer” above, the Company believes that, amid the changing business environment surrounding the Company Group, in order to contribute to resolving social issues, including carbon neutrality, while responding to various business challenges in a timely manner, it has become necessary for the Company and the Tender Offeror to collaborate with a greater sense of unity and speed, and to achieve even stronger mutual collaboration in business operations beyond the initiatives implemented to date.

On the other hand, because the Company is an independent listed company, it has been necessary for the Company to complete its own appropriate decision-making and organizational resolution approval processes, while also taking into account the interests of general shareholders other than the Tender Offeror; and there have been certain constraints and limitations on the mutual utilization of management resources between the Tender Offeror and the Company, from the perspective of structural conflicts of interest between the Tender Offeror and the general shareholders of the Company, as ensuring the independence of the Company. After the Transactions, however, the Company believes that, by eliminating such constraints and deepening mutual collaboration, this will lead to the realization of synergies as described below.

I. Expansion of Business in the Space-Related Domain

Since the Tender Offeror and the Company are both listed companies, collaboration in satellite development has been limited from the viewpoint of management independence and the interests of general shareholders; however, by deepening collaboration with the Tender Offeror Group after the Transactions, the Company believes that by utilizing the optical technologies of the Tender Offeror Group, such as sensors and cameras, and its research and development capabilities; and if it can leverage the financial power of the Tender Offeror Group in the space-related domain where industry-wide growth is expected, strategic and agile investment that does not miss market growth opportunities will become possible, and product quality improvement and research and development can be accelerated. Furthermore, regarding the manufacture of artificial satellites, the Company believes that, by utilizing the Tender Offer Group’s production facilities and mass-production technologies in order to gain large orders from companies that build satellite constellations (Note 1), it will become possible to manufacture artificial satellites with high price competitiveness, and this will contribute to the Company’s acquisition of business opportunities and expanding operations in the space-related business.

In addition, as the Company aims to expand its business in the space-related domain in the future, the Company believes that the probability of capturing business opportunities in the space-related domain will increase by utilizing the Tender Offeror Group’s global customer network and network with government agencies. Since businesses in the space-related domain requires public-private integrated promotion, the Company believes that in order to grow business in the space-related domain going forward, it will be necessary to strengthen collaboration with government agencies more than ever before; and the Company believes that it will be able to utilize the relationships and know-how with government agencies that the Tender Offeror Group has cultivated to date through its activities in executive positions at business associations. Furthermore, in considering future business expansion in the space-related domain overseas, the Company believes that utilizing the Tender Offeror Group’s global sales network and customer network will increase the possibility of timely capturing market needs in the growth industry that is the space-related domain, and will contribute to the Company’s business expansion.

(Note 1) “**satellite constellation**” means the technological concept for deploying a large number of artificial satellites in the same orbit and operating them in an integrated manner.

II. Strengthening Collaboration in the Component Business and the Electronic & Information Equipment Business

With regard to transactions in the Component Business and the Electronic & Information Equipment Business, in which the Company Group has been entrusted with manufacturing by the Tender Offeror Group (excluding the Company Group) up to now, the Company believes that, after the Transactions, even stronger collaboration with the Tender Offeror Group will become possible, and by establishing a structure in which more information is shared with the Company Group, through receiving the sharing of feedback, etc. from the Tender Offeror Group's customers, this can be utilized for the Company's product development, etc. Furthermore, regarding transactions in which the Company Group has been entrusted with only manufacturing by the Tender Offeror Group (excluding the Company Group), as collaboration with the Tender Offeror Group deepens, changes in transaction structures after the Transactions can also be expected, such as the Company Group serving as the lead in development and customer negotiations etc., and the Company believes this will lead to the expansion of the Company Group's business domain.

Furthermore, even in independent transactions with customers who are not part of the Company Group or the Tender Offeror Group, the Company believes that the benefits obtained through strengthening collaboration with the Tender Offeror Group can be leveraged in areas such as product quality improvement and product development, etc., and will contribute to the expansion of the Company Group's business and revenue.

III. Improvement of Production Efficiency and Cost Reduction by Strengthening Collaboration between Production Facilities and Utilization of Management Resources

The Company believes that, through the Transactions, efficiency and optimization of the production system can be expected by mutual utilization of the management resources of the Tender Offeror Group and the Company Group to a greater extent than before, without being constrained by concerns about conflicts of interest between the Tender Offeror and general shareholders or that of ensuring the Company's independence. By promoting the mutual utilization of domestic and overseas production facilities held by the Tender Offeror Group including the Company Group, and by further strengthening the production cooperation structure, the Company believes that it will become possible to further improve the production efficiency of the Tender Offeror Group including the Company Group, as well as improve the operation rates of the Company Group's production facilities; and, through these, strengthening of cost competitiveness will become possible. In addition, with regard to the procurement of production materials, auxiliary materials, and tooling, the Company believes that cost reduction effects can be obtained through supply chain efficiency by utilizing the Tender Offeror Group's purchasing power and distribution network, through mutual utilization of production facilities, joint purchasing and logistics operations.

IV. Strengthening the Company Group's Organizational Capability through Expansion of Personnel Exchange

Up to now, personnel exchanges between the Tender Offeror Group (excluding the Company Group) and the Company Group have been conducted in a limited manner, given that both the Tender Offeror and the Company are listed companies and the need to give consideration to ensuring the independence of the Company's management and avoiding conflicts of interest with general shareholders; however, the Company believes that further personnel exchange will become possible by the Company becoming a wholly owned subsidiary of the Tender Offeror after the Transactions. For example, with regard to business development overseas, the Company believes there is a possibility that through personnel exchange between the Tender Offeror Group (excluding the Company Group) and the Company Group, and the recruitment and development of human resources in an integrated manner between the Tender Offeror Group (excluding the Company Group) and the Company Group, there is a possibility that this could lead to capturing further business opportunities.

On the other hand, general disadvantages associated with delisting may be envisaged, including loss of ability to raise funds from capital markets and the potential impact on the name recognition, credibility, and ability to secure human resources, which are advantages enjoyed as a listed company. However, considering the Company's current

financial condition, etc., there is currently no anticipated need for financing through the use of equity financing for the time being, and the Company believes that it has been able to build relationships of trust with numerous stakeholders, including employees and business partners, through its long history of business and social activities to date. Furthermore, in light of the high social-credibility and recognition possessed by the Tender Offeror, the Company believes that the disadvantages of going private through the Transactions are limited, as it is unlikely that becoming a wholly owned subsidiary of the Tender Offeror would adversely affect the Company's social-credibility or recruitment activities compared to its current status as a listed company. It should be noted that, while capital relationships with existing shareholders other than the Tender Offeror will be dissolved if the Transactions are implemented, given that even under current circumstances, where transactions with said existing shareholders exist, such transactions are conducted on an arm's length basis, the Company believes that concerns such as a decrease in transactions with existing shareholders are limited.

In addition, based on the following points, the Company has comprehensively determined that the Tender Offer Price is a reasonable price that secures the benefits to be enjoyed by the general shareholders of the Company, and that the Tender Offer provides the general shareholders of the Company with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium.

- I. The price has been agreed upon as a result of repeated sincere negotiation with the Tender Offeror with the substantial involvement of the Special Committee, after measures have been fully implemented to ensure the fairness of transaction terms, including the Tender Offer Price as described in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.
- II. Among the results of the valuation of the Company Shares by Nomura Securities described in “(i) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Company” under “(3) Matters Relating to Valuation” below, the price exceeds the upper limit of the calculation result by the average market price method and is within the calculation result range based on the discounted cash flow method (the “DCF Method”).
- III. In the Special Committee Report obtained from the Special Committee as well, it is judged that the appropriateness of the transaction terms of the Transactions, including the Tender Offer Price, is ensured, as described in “(c) Substance of the Judgement” under “(iii) Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”.
- IV. The Tender Offer Price of 3,650 yen is the price obtained by adding a premium of 33.41% to the closing price of 2,736 of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 27, 2025, which is the business day immediately prior to the announcement of the implementation of the Tender Offer (November 28, 2025): 37.01% to the simple average closing price of 2,664 yen for the most recent one-month period, 34.64% to the simple average closing price of 2,711 yen for the most recent three-month period, and 38.36% to the simple average closing price of 2,638 yen for the most recent six-month period.

With respect to said premium level, when compared, from the perspective of examining recent premium trends, with the premium levels among the 44 cases of tender offers conducted for the purpose of a parent company making its listed subsidiary a wholly owned subsidiary (the “**Reference Cases**”) that were announced on or after January 1, 2022 and for which settlement was completed by November 27, 2025 (namely, the average premiums (being 38.65%, 41.06%, 40.30%, and 39.07%, respectively) and the median premiums (being 38.78%, 40.90%,

41.23%, and 36.70%, respectively) over the closing price on the business day prior to the announcement, the simple average of closing prices for the one-month period prior to the announcement, the simple average of closing prices for the three-month period prior to the announcement, and the simple average of closing prices for the six-month period prior to the announcement), it is recognized that the Tender Offer Price has been set with a premium (being 33.41%, 37.01%, 34.64%, and 38.36%, respectively, over the closing price on the business day prior to the announcement, the simple average of closing prices for the one-month period prior to the announcement, the simple average of closing prices for the three-month period prior to the announcement, and the simple average of closing prices for the six-month period prior to the announcement) that is not inferior to the Reference Cases considering that there were 16 cases, 16 cases, 15 cases, and 24 cases in the Reference Case, respectively, with premium levels below 33.41%, 37.01%, 34.64%, and 38.36%.

Based on the above, the Company has determined that the Transactions would contribute to the enhancement of the Company's corporate value and that the transaction terms of the Transactions, including the Tender Offer Price, are appropriate; and, at a meeting of the board of directors of the Company held today, resolved to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender in the Tender Offer.

For details of the decision-making process of the board of directors, please refer to "(vi) Approval by All Non-interested Directors and Opinion of No Objection by All Non-interested Audit & Supervisory Board Members of the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(3) Matters Relating to Valuation

(i) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Company

(a) Name of Valuation Institution and Relationship with the Company and the Tender Offeror

In expressing its opinion regarding the Tender Offer, the Company, in order to ensure the fairness of the decision-making by the board of directors of the Company regarding the Tender Offer Price, requested Nomura Securities, which is a financial advisor and third-party valuation institution independent from the Company and the Tender Offeror, to conduct a valuation of the Company Shares, and obtained the Share Valuation Report (Nomura Securities) dated November 27, 2025. (Note 1)

Nomura Securities is not a related party of either the Company or the Tender Offeror and does not have any material interest in the Transactions, including the Tender Offer. Furthermore, the Special Committee, at its first meeting, after confirming that there were no issues with the independence and expertise of Nomura Securities, approved the appointment of Nomura Securities as the Company's financial advisor and third-party valuation institution. The Company has not obtained a fairness opinion from Nomura Securities regarding the fairness of the Tender Offer Price because, as described in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Company and the Tender Offeror have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

The remuneration to be paid to Nomura Securities for the Transactions includes a contingency fee to be paid based on factors such as the completion of the Transactions. The Company, taking into account general practices in the same type of transactions and other factors, judged that the fact that the remuneration includes a contingency fee to be paid based on factors such as the completion of the Transactions does not negate the independence of Nomura Securities, and appointed Nomura Securities as the Company's financial advisor and third-party valuation institution under the above-described remuneration system.

(b) Calculation Overview

After considering valuation methods for the Tender Offer, Nomura Securities determined that it would be

appropriate to evaluate the value of the Company Shares from multiple perspectives based on the premise that the Company is a going concern, and proceeded to carry out the valuation of the Company Shares using the market price method because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, and the DCF Method to reflect the status of future business activities in the calculation.

According to Nomura Securities, in calculating the value of the Company Shares, the valuation methods adopted and the ranges of share values per Company Share calculated based on those methods are as set forth below:

Market price method	JPY2,638 to JPY2,736
DCF Method	JPY2,572 to JPY4,345

Under the market price method, the valuation base date was November 27, 2025, the value per Company Share was calculated to be in the range of 2,638 yen to 2,736 yen, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the base date (2,736 yen), the simple average of the closing prices for 5 business days up to that date (2,680 yen), the simple average of the closing prices for one-month period up to that date (2,664 yen), the simple average of the closing prices for three-month period up to that date (2,711 yen), and the simple average of the closing prices for six-month period up to that date (2,638 yen).

Under the DCF Method, the financial projections that Nomura Securities used as the basis for its valuation were prepared by the Company for the purpose of considering the Transactions, taking into account the business results for the most recent period and the various initiatives for future growth in the Component Business and the Electronic & Information Business etc., and the forecast period is from the fiscal year ending December 2025 to the fiscal year ending December 2028 as the period during which future forecasts can be reasonably made. Nomura Securities calculated the range of share value per share of the Company Shares to be in the range of 2,572 yen to 4,345 yen, on the basis of business plan prepared by the Company for the period from the fiscal year ending December 2025 to the fiscal year ending December 2028 (the “**Business Plan**”), as well as the investment plan and publicly available information, etc., analyzing the share value by calculating the corporate value derived by discounting, at a certain discount rate, the free cash flows that the Company is expected to generate from the fourth quarter of the fiscal year ending December 2025 onward to their present value, and then making certain financial adjustments, such as adding the value of cash and deposits held by the Company to that corporate value. The discount rate applied is the weighted average cost of capital (**WACC**), for which a range of 7.25% to 8.25% has been adopted. In calculating the terminal value, a range of 37,095 million yen to 117,287 million yen has been derived based on both the perpetual-growth method and the multiple method. Under the perpetual-growth method, a perpetual growth rate of - 0.25% to 0.25% has been applied, taking into consideration the long-term economic outlook surrounding the Company. Under the multiple method, the EBITDA multiple (earnings before interest, taxes, depreciation, and amortization (“**EBITDA**”) (the “**EBITDA Multiple**”)), which is commonly used in valuation practice for M&A, has been adopted, and, taking into account the Company’s most recent and historical EBITDA multiple levels, a range of 2.5 times to 4.5 times has been applied.

The Business Plan was prepared by eight officers/employees (specifically, two directors (President Takeshi Hashimoto and Director Hiroyuki Ohkita) and six employees) who are independent from the Tender Offeror, and the Tender Offeror was not involved in the preparation process. In the preparation of the Business Plan, the Special Committee received an explanation on the content and important assumptions, etc. of the draft business plan, and confirmed the reasonableness of the final content, important assumptions, and preparation history of the Business Plan, and approved it.

The specific figures of the Company’s financial projections that Nomura Securities used as the basis for its valuation under the DCF Method are as follows, which include fiscal years in which significant increases or decreases in profit are expected. Specifically, in the fiscal year ending December 2026, free cash flow is expected to decrease significantly

due to an increase in capital expenditures, and in the fiscal year ending December 2028, free cash flow is expected to increase significantly due to a decrease in capital expenditures. Also, the synergy effects expected to be realized from the execution of the Transactions are not taken into account in the following financial projections because it is difficult to estimate them specifically at the time of valuation.

(Unit: million yen)

	Fiscal year ending December 2025 (three months)	Fiscal year ending December 2026	Fiscal year ending December 2027	Fiscal year ending December 2028
Net sales	27,801	106,603	114,439	120,063
Operating income	3,893	10,660	11,413	12,006
EBITDA	4,234	13,102	14,494	15,083
Free cash flow	4,511	2,633	3,309	6,396

(Note 1) In calculating the share value of the Company Shares, Nomura Securities has assumed that the publicly disclosed information and all information provided from the Company is accurate and complete, and has not independently verified the accuracy and completeness of such information. Nomura Securities has not conducted an independent evaluation, appraisal or assessment of the assets or liabilities (including derivative financial instruments, off-the-book assets and liabilities, and other contingent liabilities) of the Company and its affiliated companies, nor has it requested any third-party institution to conduct such an appraisal or assessment. Nomura Securities has assumed that the Company's financial projections (including profit plans and other information) were reasonably considered or prepared by the Company's management (excluding Mr. Akira Katsuyama) based on the best and good faith projections and judgements available at the time of calculation. The calculation by Nomura Securities reflects the information and economic conditions available to Nomura Securities up to November 27, 2025. The sole purpose of the calculation by Nomura Securities is to contribute as a reference for the board of directors of the Company in considering the share value of the Company.

(ii) Obtaining a Share Valuation Report from an Independent Third-party Valuation Institution Engaged by the Tender Offeror

(a) Name of Valuation Institution and Relationship with the Company and the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror requested Mizuho Securities, the Tender Offeror's financial advisor and third-party valuation institution, to conduct a valuation of the shares of the Company as a third-party valuation institution independent from both the Tender Offeror and the Company. Mizuho Securities is not a related party of either the Tender Offeror or the Company and does not have a material interest in the Transactions, including the Tender Offer. Mizuho Bank, a group company of Mizuho Securities, holds a position as a shareholder of both the Tender Offeror and the Company and, in addition to this, conducts lending transactions, etc., with both the Tender Offeror and the Company, as part of its ordinary banking business, and plans to lend the Tender Offeror funds required for settlement of the Tender Offer. Also, Mizuho Trust & Banking Co., Ltd. ("**Mizuho Trust & Banking**"), a group company of Mizuho Securities, holds a position as a shareholder of both the Tender Offeror and the Company and, in addition to this, conducts lending transactions, etc., with both the Tender Offeror and the Company, as part of its ordinary banking business. However, according to Mizuho Securities, Mizuho Securities has established and is implementing appropriate conflict of interest management systems, including information barriers, etc. between Mizuho Securities and Mizuho Bank, as well as between Mizuho Securities and Mizuho Trust & Banking, in accordance with Article 36 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; including subsequent amendments) and Article 70-4 of the Cabinet Office Ordinance on the Financial Instruments Business, etc. (Cabinet Office Ordinance No. 52 of 2007; including subsequent amendments), and Mizuho Securities is conducting valuation from a position independent from Mizuho Bank's status as a shareholder and lender, and Mizuho Trust & Banking's status as a shareholder and lender. The Tender Offeror appointed Mizuho Securities as an independent third-party valuation institution based on the following considerations: appropriate preventive measures against harm, including

information barrier measures, have been implemented between Mizuho Securities and Mizuho Bank as well as Mizuho Trust & Banking; the Tender Offeror conducts transactions with Mizuho Securities under the same transaction terms as with general business partners, thus ensuring Mizuho Securities' independence as a third-party valuation institution; and Mizuho Securities has a track record as a third-party valuation institution in similar cases in the past.

Furthermore, the Tender Offeror has not obtained an opinion (fairness opinion) from Mizuho Securities regarding the appropriateness of the Tender Offer Price, as the Tender Offeror believes that sufficient consideration has been given to the interests of the general shareholders of the Company after comprehensively considering the various factors described in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(b) Calculation Overview

After considering the financial condition of the Company and the trends in the market price of Company Shares, etc., Mizuho Securities determined that it would be appropriate to conduct a valuation from multiple perspectives. As a result of considering the valuation methods to be adopted from among several share valuation methods, Mizuho Securities carried out the valuation on the Company Shares using the market price method, comparable company method and DCF method; and the Tender Offeror obtained a share valuation report regarding the share value of the Company Shares dated November 27, 2025 from Mizuho Securities (the “**Share Valuation Report (Mizuho Securities)**”).

The ranges of share values per Company Share calculated based on each of the above methods are as follows:

Market price method	JPY2,638 to JPY2,736
Comparable company method	JPY2,774 to JPY3,265
DCF method	JPY2,717 to JPY4,044

Under the market price method, the valuation base date was November 27, 2025, the value per Company Share was calculated to be in the range of 2,638 yen to 2,736 yen, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the base date (2,736 yen), the simple average of the closing prices for one-month period up to that date (2,664 yen), the simple average of the closing prices for three-month period up to that date (2,711 yen), and the simple average of the closing prices for six-month period up to that date (2,638 yen).

Under the comparable company method, the stock value of the Company was calculated through a comparison with financial indicators showing the market stock prices and profitability of listed companies operating businesses relatively similar to the Company, and the value per Company Share was calculated to be in the range of 2,774 yen to 3,265 yen.

Under the DCF Method, based on the business plan provided by the Company (from the fiscal year ending December 2025 to the fiscal year ending December 2028), and taking into account various factors such as the trend of business results up to the most recent period, the results of the due diligence that the Tender Offeror conducted on the Company from late September 2025 to late October of the same year, and publicly disclosed information, the corporate value and share value of the Company were calculated by discounting the free cash flow that the Company is expected to generate from the fourth quarter of the fiscal year ending December 2025 onward to present value at a certain discount rate, and the range of share value per Company Share was calculated to be from 2,717 yen to 4,044 yen. The Company's business plan, which forms the basis for the calculation under the DCF Method mentioned above, does not include any fiscal year in which a significant increase/decrease in profit is expected but does include fiscal years in which a significant increase/decrease in free cash flow is expected. Specifically, in each fiscal year from the that ending December 2025 to December 2028, a significant increase/decrease in free cash flow compared with the previous year

is expected mainly due to fluctuations in capital expenditures aimed at expanding production areas and establishing new bases, etc. Additionally, synergistic effects expected to be realized through the implementation of the Transactions have not been factored into the above calculation, as it is currently difficult to estimate them concretely.

In addition to the valuation results in the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, the Tender Offeror comprehensively considered the results of the due diligence conducted on the Company from late September to late October of the same year, the trends in the market stock price of the Company Shares, whether the Company's board of directors would approve the Tender Offer, and the prospects for participation in the Tender Offer, and based on the results of discussions and negotiations with the Company, ultimately decided at a meeting of its board of directors held on November 28, 2025 to set the Tender Offer Price at 3,650 yen.

The Tender Offer Price of 3,650 yen represents a premium of 33.41% over the closing price of 2,736 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 27, 2025, the business day preceding the announcement date of the Tender Offer; 37.01% over the simple average of closing prices of 2,664 yen for the one-month period up to that date; 34.64% over the simple average of closing prices of 2,711 yen for the three-month period up to that date; and 38.36% over the simple average of closing prices of 2,638 yen for the six-month period up to that date, respectively.

In calculating the share value of the Company, Mizuho Securities, in principle, adopted the information provided by the Company and publicly available information as is, and relied on the assumptions that all such materials and information are accurate and complete, and that there are no facts undisclosed to Mizuho Securities that could have a material impact on the analysis and calculation of the Tender Offer Price, without independently verifying their accuracy. In addition, with respect to information concerning the Company's financial projections, Mizuho Securities assumed that such information was reasonably prepared based on the best forecasts and judgements currently available to the Company's management, and that the Tender Offeror's management reviewed the content and approved its use in Mizuho Securities' valuation. Furthermore, Mizuho Securities did not conduct its own evaluation or assessment of the assets and liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company and its related companies, nor did it request any appraisal or assessment from a third-party institution. Mizuho Securities' valuation reflects the above information as of November 27, 2025.

(4) Possibility of Delisting and Reasons Therefor

The Company Shares are as of today currently listed on the Prime Market of the Tokyo Stock Exchange. However, since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, there is a possibility that the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. Also, even if said criteria are not met at the time of completion of the Tender Offer, the Tender Offeror plans to implement a series of procedures (the **"Squeeze-Out Procedures"**) after the Tender Offer is successfully completed, as described in "5. Policies on Organizational Restructuring, etc. after the Tender Offer (Matters relating to so-called 'Two-Step Acquisition') below, in order to make the Tender Offeror the sole shareholder of the Company. In the event that the Squeeze-Out Procedures are implemented, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. After delisting, the Company Shares cannot be traded on the Prime Market of the Tokyo Stock Exchange.

(5) Policies on Organizational Restructuring, etc. after the Tender Offer (Matters relating to so-called 'Two-Step Acquisition')

As described in "(i) Overview of the Tender Offer" under "2. Grounds and Reasons for the Opinion" above, in the event that the Tender Offeror is unable to acquire all of the Company Shares (including the Restricted Shares; and

excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures after the completion of the Tender Offer, by the methods below, for the purpose of acquiring all of the Company Shares.

(i) Demand for Share Cash-Out

If, as a result of the completion of the Tender Offer, the total number of voting rights of the Company owned by the Tender Offeror becomes 90% or more of the total voting rights of all shareholders of the Company, and the Tender Offeror becomes a Special Controlling Shareholder as stipulated in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to, promptly after the completion of settlement of the Tender Offer, demand that all shareholder of the Company (excluding the Tender Offeror and the Company) (the “**Shareholders Subject to Share Cash-Out**”) sell as the shares of the Company owned by them (the “**Demand for Share Cash-Out**”), pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act. In this case, the Tender Offeror will notify the Company to that effect and request the Company to approve the Demand for Share Cash-Out. If the Company approves the Demand for Share Cash-Out by resolution of its board of directors, the Tender Offeror will, in accordance with the procedures prescribed by the relevant laws and regulations, acquire all shares of the Company owned by the Shareholders Subject to Share Cash-Out on the acquisition date specified in the Demand for Share Cash-Out, without requiring the individual approval of the Shareholders Subject to Share Cash-Out. In this case, as consideration for each Company Share owned by the Shareholders Subject to Share Cash-Out, the Tender Offeror plans to deliver to the Shareholders Subject to Share Cash-Out cash in an amount equal to the Tender Offer Price.

If the Company receives notice from the Tender Offeror of its intention to make a Demand for Share Cash-Out and of the matters set forth in each item of Article 179-2, paragraph 1 of the Companies Act, the Company plans to approve the Demand for Share Cash-Out at a meeting of its board of directors. As of today, the acquisition date is currently scheduled for late March 2026.

As a provision under the Companies Act for the purpose of protecting the rights of general shareholders in connection with the Demand for Share Cash-Out, it is provided that, in accordance with Article 179-8 of the Companies Act, and other relevant laws and regulations, the Shareholders Subject to Share Cash-Out may file a petition with a court for a determination of the purchase price of the Company Shares owned by them. If such petition is filed, the purchase price of the Company will be ultimately determined by the court.

In addition, if, as a result of the completion of the Tender Offer, the total number of voting rights of the Company owned by the Tender Offeror becomes 90% or more of the total voting rights of all shareholders of the Company, and the Tender Offeror becomes a Special Controlling Shareholder as stipulated in Article 179, paragraph (1) of the Companies Act, and if the acquisition of the Company Shares subject to the Demand for Share Cash-Out is expected to be completed by March 31, 2026, then, in order to ensure that only the Tender Offeror can exercise voting rights at the first annual general shareholders’ meeting (the “**Annual General Shareholders’ Meeting**”) convened after the completion of the Tender Offer, it is planned that, by an extraordinary shareholders’ meeting of to be held by March 31, 2026 (after the completion date of said acquisition), a partial amendment to the Articles of Incorporation of deleting the provision stipulating that the annual general shareholders’ meeting shall be convened every March, and abolishing the provision regarding the record date for voting rights at the annual shareholders’ meeting will be made. Therefore, even shareholders listed or recorded in the Company’s shareholder registry as of December 31, 2025, may not be able to exercise their rights at the Annual General Shareholders’ Meeting.

Specifically, the provision requiring the AGM to be convened every March will be deleted, and the provision setting the record date for voting rights at the AGM will also be abolished.

(ii) Share Consolidation

If, as a result of the completion of the Tender Offer, the total number of voting rights of the Company owned by the Tender Offeror is less than 90% of the total voting rights of all shareholders of the Company, the Tender Offeror plans to, promptly after the completion of settlement of the Tender Offer, request the Company to convene an

extraordinary general meeting of shareholders (the “**Extraordinary Shareholders’ Meeting**”) with agenda items that include proposals for conducting a consolidation of the Company Shares (the “**Share Consolidation**”) pursuant to Article 180 of the Companies Act, and making a partial amendment to the articles of incorporation to abolish the provisions on the number of shares constituting one unit, on the condition that the Share Consolidation takes effect. The Tender Offeror plans to vote in support of these proposals at the Extraordinary Shareholders’ Meeting. In addition, as of today, the Extraordinary Shareholders’ Meeting is scheduled to be held in late March 2026.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Company will own, on the date on which the Share Consolidation takes effect, a proportionate number of the Company Shares in accordance with the Share Consolidation ratio approved at the Extraordinary Shareholders’ Meeting. If the Share Consolidation results in fractional shares less than one share, cash will be delivered to the shareholder of the Company for whom such fractions have arisen by means such as selling the Company Shares equivalent to the aggregate number of such fractions (if such aggregate number includes a fraction less than one share, such fraction shall be rounded down; the same applies hereinafter) to the Company or the Tender Offer, in accordance with the procedures provided for in Article 235 of the Companies Act and other relevant laws and regulations. The Tender Offeror plans to request the Company to file a petition with the court for permission to conduct a voluntary sale, after calculating the sale price of the Company Shares so that the amount to be paid, as a result of the sale, to the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by the shareholders. In addition, although the ratio of the Share Consolidation has not been determined as of today, the Tender Offeror plans to request the Company to determine the ratio so that the number of shares of the Company owned by the shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will become fractions less than one share, such that the Tender Offeror shall own all the Company Shares (including the Restricted Shares; and excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company). If the Tender Offer is successfully completed, the Company plans to comply with these requests from the Tender Offeror.

As a provision under the Companies Act for the purpose of protecting the rights of general shareholders in connection with the Share Consolidation, if fractional shares less than one share arise as a result of the Share Consolidation, it is provided that, in accordance with Article 182-4 and 182-4 of the Company Act and other relevant laws and regulations, the shareholders of the Company (excluding the Tender Offeror and the Company) may request the Company to purchase all of the shares that they own that would become fractions less than one share, and may file a petition with the court for a determination of the price of the Company Shares.

As stated above, in the Share Consolidation, the number of Company Shares owned by the shareholders of the Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Company) are expected to constitute fractions less than one share, and therefore, the shareholders of the Company who oppose the Share Consolidation (excluding the Tender Offeror and the Company) are expected to be able to file the above petition. If such petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

With respect to each of the procedures for (i) Demand for Share Cash-Out and (ii) Share Consolidation described above, the method and timing of implementation may be subject to change depending on the status amendments to, enforcement of, and interpretation by the authorities of relevant laws and regulations. However, even in such cases, a method of ultimately delivering cash to the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) is planned to be adopted, and the amount of cash to be delivered to each such shareholder in such case is planned to be calculated so as to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder.

With respect to the Restricted Shares, the allocation agreement relating to the Restricted Shares (the “**Allocation**”

Agreement”) provides that: (a) during the transfer restriction period, if matters relating to a share consolidation as prescribed in Article 180 of the Companies Act are approved at a general meeting of the Company, or if matters relating to a share sale demand as prescribed in Article 179 of the Companies Act are approved by the Company’s board of directors (provided, however, that the effective date of the share consolidation as specified in Article 180, Paragraph 2, Item 2 of the Companies Act, or the date on which the Special Controlling Shareholder acquires the shares to be sold, etc. as prescribed in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the “**Squeeze-Out Effective Date**”) falls before the expiration of the transfer restriction period), the transfer restrictions shall be lifted on the number of Restricted Shares calculated based on the Allocation Agreement, by resolution of the Company’s board of directors, as of the time immediately preceding the business day prior to the Squeeze-Out Effective Date; and (b) in the cases prescribed in (a) above, the Company will automatically acquire for no consideration all of the Restricted Shares for which transfer restrictions have not been lifted as of the business day prior to the Squeeze-Out Effective Date. Therefore, in the Squeeze-Out Procedures, in accordance with provision (a) of the Allocation Agreement above, the Restricted Shares for which transfer restrictions are lifted as of the time immediately preceding the business day prior to the Squeeze-Out Effective Date will be subject to a share sale demand or share consolidation, and in accordance with provision (b) of the Allocation Agreement above, the Restricted Shares for which transfer restrictions have not been lifted as of the business day prior to the Squeeze-Out Effective Date will be acquired by the Company for no consideration.

In addition, if, as a result of the completion of the Tender Offer, the total number of voting rights of the Company owned by the Tender Offeror becomes less than 90% of the total voting rights of all shareholders of the Company, and if the Extraordinary Shareholders’ Meeting is expected to be held by March 31, 2026, then, in order to ensure that only the Tender Offeror can exercise voting rights at the Annual General Shareholders’ Meeting, it is planned that, by an Extraordinary Shareholders’ Meeting, a partial amendment to the Articles of Incorporation of deleting the provision stipulating that the annual general shareholders’ meeting shall be convened every March, and, subject to the completion of the Squeeze-Out Procedures, abolishing the provision regarding the record date for voting rights at the annual shareholders’ meeting will be made. Therefore, even shareholders listed or recorded in the Company’s shareholder registry as of December 31, 2025, may not be able to exercise their rights at the Annual General Shareholders’ Meeting.

The specific procedures and timing of implementation in each of the above cases will be publicly announced promptly once determined. Please note that the Tender Offer does not in any way constitute a solicitation of support from the shareholders of the Company in the Extraordinary Shareholders’ Meeting. In addition, the shareholders of the Company are requested to consult with tax advisors and other experts on their own responsibility regarding the tax treatment in respect of tendering in the Tender Offer and any of the above procedures.

(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

Given that the Tender Offeror is the controlling shareholder (parent company) of the Company and the Transactions, including the Tender Offer, constitute a material transaction, etc. with a controlling shareholder and that, moreover, the Transactions constitute a transaction in which structural conflicts of interest and information asymmetries typically exist, the Tender Offeror and the Company have taken the following measures to address these issues and ensure the fairness of the Tender Offer.

Since the Tender Offeror currently owns rd0 Company Shares (ownership ratio: 55.01%) as of today, the Tender Offeror believes that setting a so-called “Majority of Minority” minimum number of shares to be purchased in the Tender Offer could destabilize the completion of the Tender Offer and may not contribute to the interests of the Company’s general shareholders who wish to tender their shares in the Tender Offer. Therefore, the Tender Offeror has not set a so-called “Majority of Minority” minimum number of shares to be purchased in the Tender Offer.

However, as the following measures have been taken by the Tender Offeror and the Company to ensure the fairness of the Tender Offer, the Tender Offeror and the Company believe that sufficient regard has been given to the interests of the Company's general shareholders. Furthermore, in the Special Committee Report, the Special Committee assesses that, although a majority of minority condition has not been established, other substantial fairness ensuring measures have been taken and sufficient regard has been given to the interests of the Company's shareholders through fair procedures.

The descriptions below regarding the measures implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

(i) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Tender Offeror

When determining the Tender Offer Price, the Tender Offeror requested Mizuho Securities, a financial advisor and third-party valuation institution that is independent from the Tender Offeror and the Company, to calculate the share value of the Company, and has obtained the Share Valuation Report (Mizuho Securities) dated November 27, 2025. For details, please refer to "(ii) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Tender Offeror" under "(3) Matters Concerning Valuation" above.

(ii) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Company

As stated in "(ii) Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution Engaged by the Company" under "(3) Matters Concerning Valuation" above, the Company appointed Nomura Securities as a financial advisor and third-party valuation institution that is independent from both the Tender Offeror and the Company, received advice from a financial perspective, including advice on the valuation of the Company Shares and negotiation policy with the Tender Offeror, and obtained the Share Valuation Report (Nomura Securities) dated November 27, 2025. Nomura Securities is not a related party of the Tender Offeror or the Company, and does not have any material interests in the Transactions, including the Tender Offer.

(iii) Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee

(a) Background to Establishment, etc.

As stated in "(iv) Process and Reasons Leading to the Company's Decision to be in Support of the Tender Offer" under "(2) Grounds and Reasons for the Opinion" above, the Company, at a meeting of its board of directors held on September 17, 2025, after confirming that the candidates for members of the Special Committee who are outside directors have no relationship of interest with the Tender Offeror or the Company, do not have any material interest different from general shareholders regarding the success or failure of the Transactions, and possess the qualifications to serve as committee members, established the Special Committee consisting of three members: Mr. Toshikazu Togari (Independent Outside Director of the Company, Chairman and Representative Director of Zaikei Jutaku Kinyu Co., Ltd., Chairman of Nihon-Kango-Kasei-Shokai-Jigyo Association, and External Auditor of LDH Japan, Inc.), Mr. Atsushi Maekawa (Independent Outside Director of the Company, President of MAEK Lab Limited Liability Company, Guest Professor of Osaka University, and Visiting Professor of Center of Advanced Technology, Shizuoka Institute of Science and Technology), and Ms. Keiko Yamagami (Independent Outside Director of the Company, Member (attorney-at-law) of Tokyo Seiwa Law Office, Outside Director of Denyo Co., Ltd (Audit and Supervisory Committee member), and Outside Director of GEOLIVE Group Corporation). The Company has five independent outside directors. However, the Company has selected three independent outside directors (Mr. Toshikazu Togari, Mr. Atsushi Maekawa, and Ms. Keiko Yamagami) as members of the Special Committee because it believes that such three independent outside directors will be able to flexibly and efficiently conduct examinations and negotiations, etc. related to the Transactions, and that the three members of the special committee (Mr. Toshikazu Togari, Mr. Atsushi

Maekawa, and Ms. Keiko Yamagami) will be able to secure necessary and sufficient experience and knowledge related to examinations and negotiations, etc. related to the Transactions from the viewpoints of corporate management, finance and finance, legal and risk management, and global experience, etc. The membership of the Special Committee has remained unchanged since its establishment, and Mr. Toshikazu Togari has been selected as chairperson of the Special Committee by mutual vote of the members of the Special Committee. The remuneration of the members of the Special Committee consists only of fixed amount compensation payable regardless of the success or failure of the Transactions, and does not include any success fee contingent on the public announcement or completion, etc. of the Transactions.

The Company's board of directors, at a meeting of the board of directors held on September 17, 2025, referred the following matters for consultation to the Special Committee (collectively, the **"Matters for Consultation"**): (i) the legitimacy and rationality of the purpose of the Transactions (including whether the Transactions contribute to enhancing the Company's corporate value); (ii) the fairness and appropriateness of the terms of the Transactions (including the Tender Offer Price in the Transactions); (iii) the fairness of the procedures for the Transactions; (iv) based on items (i) through (iii) above and other matters, whether the Transactions can be considered fair to the Company's general shareholders; (v) based on items (i) through (iv) above, whether the board of directors should express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender in the Tender Offer.

Also, the Company's board of directors resolved (1) to make its decision regarding the Transactions in a manner that respects the judgement of the Special Committee to the maximum extent, and (2) not to support the Transactions on the terms proposed if the Special Committee determines that the terms of the Transactions are not appropriate; and, with this, to grant to the Special Committee: (a) the authority to appoint its own financial advisors / third-party valuation institutions and legal advisors or to nominate or approve (including ex post-facto approval) advisors, etc. of the Company, (collectively, **"Advisors, etc."**) (b) the authority to be substantially involved in the negotiation process with respect to the terms of the Transactions, etc. by confirming the Company's negotiation strategy in advance, obtaining timely reports on the negotiation status and at important junctures rendering opinions, instructions, or requests; (3) the authority to approve the Company's internal examination system (including ex post-facto approval); (4) the authority to require the attendance at the Committee of officers or employees of the Company related to the Transactions or the Company's Advisors, etc. relating to the Transactions, and to request explanations on necessary matters; (5) the authority to decide on the fairness ensuring measures to be taken.

(b) Process of Examination

The Special Committee was convened a total of 11 times from September 25, 2025 until November 27 of the same year, for a total of approximately 20 hours. The Special Committee carefully discussed and examined the Matters for Consultation by making reports, sharing information, conducting deliberations, and making decisions, etc. through email or telephone communications as necessary.

Specifically, first, the Special Committee confirmed on September 25, 2025, that there were no issues with the independence or expertise of Nomura Securities as a financial advisor and third-party valuation institution for the Company, and Shimada Hamba & Osajima as a legal advisor of the Company, and approved the appointment of those advisors, and further confirmed that it had no objection to receiving professional advice from these advisors as necessary.

Furthermore, the Special Committee, after confirming that there were no issues from the perspective of independence and fairness with the system that the Company established internally for conducting examination, negotiation, and decision-making regarding the Transactions from a position independent from the Tender Offeror (including the scope of the Company's officers and employees involved in the examination, negotiation and decision-making regarding the Transactions, and their duties), and approved the system.

The Special Committee then, based on the opinion received from Shimada Hamba & Osajima, examined the measures that should be taken to ensure procedural fairness in the Transactions.

The Special Committee sent to the Tender Offeror a written document containing questions regarding matters including the purposes and reasons for the implementing the Transactions, the expected advantages and disadvantages of the Transactions, the management policy and governance after the Transactions, the structure and implementation schedule of the Transactions, and received written responses from the Tender Offeror, and conducted question-and-answer session and discussion on these matters. Also, the Special Committee requested Mr. Takeshi Hashimoto (Representative Director and President of the Company) and Mr. Hiroyuki Ohkita (Director of the Company) to attend meeting of the Special Committee, and heard from them, as members of the Company's management, their views and related information regarding matters including the significance of the Transactions, the timing and method of its implementation, the Company's management policy and governance, etc. after the Transactions, the Company's approach to the calculation of its share value, and other matters, etc., and conducted question-and-answer session on these matters.

In addition, the Special Committee confirmed the reasonableness of the content of the Business Plan, its important assumptions, and the process by which it was prepared, etc., and approved the Business Plan. Based on this, as stated in "(3) Matters Relating to Valuation" under "(i) Obtaining a Share Valuation Report from an Independent Third-party Valuation Institution Engaged by the Company" above, Nomura Securities conducted a valuation of the Company Shares based on the Business Plan. The Special Committee received explanations from Nomura Securities regarding the valuation methodologies employed in the share valuation, the reasons for adopting those methodologies, the details of valuations under each methodology, and the important assumptions. After conducting question-and-answer sessions, as well as deliberation and examination, the Special Committee confirmed the reasonableness of these matters.

Further, the Special Committee conducted deliberation on and examination of the policy on negotiations with the Tender Offeror, taking into account the opinions received from Nomura Securities and Shimada Hamba & Osajima, and decided on the negotiation policy. Also, from the time the Special Committee received the initial price proposal from the Tender Offeror on November 4, 2025, which included a proposed Tender Offer Price of 2,930 yen per share, each time the Company received a price proposal from the Tender Offeror, the Special Committee was promptly informed regarding its content, and the Special Committee conducted deliberation and examination, taking into account the opinions received from Nomura Securities and Shimada Hamba & Osajima; and then, expressed its view that the Tender Offeror should be requested to increase the proposed Tender Offer Price, and was substantively involved in the discussions and negotiations between the Company and the Tender Offeror regarding the Tender Offer Price. As a result, on November 25 of the same year, the Company received from the Tender Offeror a proposal including a revised Tender Offer Price of 3,650 yen per share, and ultimately, through a total of 5 rounds of proposals, the Tender Offer Price was increased from 24.57 % from the initial price proposal (rounded to the second decimal place).

Furthermore, the Special Committee received explanations on multiple occasions from Nomura Securities and Shimada Hamba & Osajima regarding the content of drafts of press releases and other documents relating to the Tender Offer that the Company plans to disclose or submit, engaged in question-and-answer sessions, and has confirmed that substantial information disclosure is planned to be made.

(c) Substance of the Judgement

Based on the foregoing process, the Special Committee carefully deliberated and examined the Matters for Consultation on multiple occasions, taking into account the legal advice received from Shimada Hamba & Osajima, the advice from a financial standpoint received from Nomura Securities, and the content of the Share Valuation Report (Nomura Securities) dated November 27, 2025; and, as a result, submitted the Special Committee Report dated November 28, 2025 to the Company's board of directors with the approval of all members of the Special Committee. For details of the Special Committee Report, please refer to Attachment 1.

(iv) Obtaining Advice from an Independent Law Firm Engaged by the Company

As stated in “(iii) Establishment of an Independent Special Committee at the Company and the Obtaining of a Report from the Special Committee”, the Company appointed Shimada Hamba & Osajima as its legal advisor, independent from the Tender Offeror and the Company Group, and has received legal advice on matters including the measures to be taken to ensure procedural fairness in the Transactions, the various procedures relating to the Transactions, and the methods and processes of the Company’s decision-making with respect to the Transactions.

Shimada Hamba & Osajima is not a related party of the Tender Offeror or the Company and does not have any material interest in connection with the Transactions. The remuneration to be paid to Shimada Hamba & Osajima does not include a contingency fee to be paid based on factors such as the completion of the Transactions.

(v) Establishment of an Independent Examination System at the Company

As stated in “(iv) Process and Reasons Leading to the Company’s Decision to be in Support of the Tender Offer” under “(2) Grounds and Reasons for the Opinion”, the Company established an internal system for examining, negotiating, and making decisions regarding the Transactions from a position independent from the Tender Offeror. Specifically, from the time the Company received a written proposal regarding the implementation of the Transactions from the Tender Offeror on September 5, 2025, the Company established an internal system to examine the Transactions (including the preparation of a business plan serving as the basis for the valuation of the Company’s shares), as well as to conduct discussions and negotiations with the Tender Offeror. The members involved in the examination are (i) composed solely of officers and employees of the Company who are not currently affiliated with the Tender Offeror Group (excluding the Company) and (ii) composed solely of officers and employees of the Company who, with the exception of Mr. Takeshi Hashimoto, have never been affiliated with the Tender Offeror Group excluding the Company Group in the past (specifically, it is composed of a total of eight members: two directors of the Company (Mr. Takeshi Hashimoto and Mr. Hiroyuki Ohkita) and six employees), and the Company has continued this approach. While Mr. Takeshi Hashimoto previously held a position as an officer / employee of the Tender Offeror, more than 10 years have passed since his transfer to the Company, and he has not been involved in any way on the Tender Offeror’s side with respect to the Transactions, nor is he in a position to do so. Accordingly, the Company has determined that there is no risk of conflict of interest with respect to the Company’s decision-making in the Transactions, and Mr. Takeshi Hashimoto has participated in the deliberations and resolutions of the Company’s board of directors regarding the Transactions and has also participated as a director of the Company in discussions and negotiations with the Tender Offeror. In addition, with respect to the independence and fairness of the Company’s consideration structure (including the scope and duties of the Company’s officers and employees involved in the consideration, negotiation, and decision-making regarding the Transactions), the Company has obtained the approval of the Special Committee that there are no issues from such perspectives.

(vi) Approval by All Non-interested Directors and Opinion of No Objection by All Non-interested Audit & Supervisory Board Members of the Company

The Company’s board of directors carefully deliberated and examined whether the series of procedures for the Transactions, including the Tender Offer, and the transaction terms of the Transactions are appropriate, taking into account the legal advice obtained from Shimada Hamba & Osajima regarding the decision-making process and method for the Transactions and other points requiring attention, the advice from a financial standpoint received from Nomura Securities, and the content of the Share Valuation Report (Nomura Securities), and giving maximum respect to the content of the Special Committee Report submitted by the Specified Committee. As a result, as stated in “(iv) Process and Reasons Leading to the Company’s Decision to be in Support of the Tender Offer” under “(2) Grounds and Reasons for the Opinion”, having reached the judgement that the Transactions can be expected to realize synergies and contribute to enhancement of the Company’s corporate value, and further, the terms of the Transactions, including the Tender Offer Price, are appropriate to secure the benefits that should be enjoyed by the Company’s general shareholders, and the Tender Offer provides the Company’s general shareholders with an opportunity to sell their

shares in the Company at a price with a reasonable premium, at the Company's board of directors meeting held today, resolved to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender in the Tender Offer, as set forth below.

At the above-mentioned board of directors meeting of the Company, 10 directors of the 11 directors of the Company (excluding Mr. Akira Katsuyama) deliberated and unanimously resolved as stated above. In addition, all three of the Company's three audit & supervisory board members attended the board of directors meeting mentioned above, and all of the members stated that they had no objection to the above resolution. In light of the fact that less than three years have elapsed since Mr. Akira Katsuyama, one of the Company's directors, transferred from the Tender Offeror to the Company, he has not participated in the deliberations and resolutions of the Company's board of directors regarding the Transactions (including the Company's board of directors meeting held today mentioned above) and has not participated in discussions and negotiations regarding the Transactions on behalf of the Company, from the perspective of eliminating to the extent possible the impact of conflicts of interest with the Company's general shareholders, and ensuring fairness, transparency, and objectivity in decision-making regarding the Transactions. On the other hand, although Mr. Takeshi Hashimoto, one of the Company's directors, previously held a position as an officer / employee of the Tender Offeror, more than 10 years have elapsed since he transferred to the Company, and he has not been involved in any way on the Tender Offer side regarding the Transactions and is not in a position to do so; accordingly, the Company determined that there is no risk of conflict of interest regarding the Company's decision-making in the Transactions, and he has participated in the deliberations and relations of the Company's board of directors regarding the Transactions (including the Company's board of directors meeting held today mentioned above) and has participated in discussions and negotiations with the Tender Offeror as a director of the Company.

(vii) No Deal Protection Clause

The Company and the Tender Offeror have not entered into any agreements with content that would restrict the Company from engaging with tender offer proposers other than the Tender Offeror ("**Competing Offeror**"), such as agreements including deal protection provisions that would prohibit the Company from contacting a Competing Offeror and, by not impeding opportunities for competing tender offers, etc., have taken care to ensure the fairness of the Tender Offer.

(viii) Measures to Ensure Opportunity for the Company's Shareholders to Make Appropriate Decision as to Whether to Tender in the Tender Offer

As stated in "(5) Policies on Organizational Restructuring, etc. after the Tender Offer (Matters Relating to so-called 'Two-Step Acquisition')", the Tender Offeror: (i) plans to request that the Company, promptly after the completion of settlement of the Tender Offer, convene an Extraordinary General Meeting of Shareholders that includes as a proposed agenda item a partial amendment to the articles of incorporation to abolish the provision regarding the number of shares constituting one unit, on the condition that the Share Delivery Demand or the Share Consolidation take effect, according to the number of shares of the Company that the Tender Offeror acquires through the completion of the Tender Offer, and will not adopt any method that does not secure appraisal rights or price determination petition rights for the Company's shareholders (excluding, however, the Tender Offeror and the Company); and (ii) has clarified that when conducting the Share Delivery Demand or the Share Consolidation, the cash to be delivered as consideration to the Company's shareholders will be calculated so as to be identical to the price calculated by multiplying the Tender Offer Price by the number of shares of the Company owned by each such shareholder (excluding, however, the Tender Offeror and the Company), and therefore, due attention is being given to ensuring that the Company's shareholders (excluding, however, the Tender Offeror and the Company) have opportunity to make appropriate decision as to whether to tender in the Tender Offer, thereby ensuring that no coerciveness arises.

Also, while the minimum period for purchase, etc., in a tender offer as provided by laws and regulations is 20 business days, the Tender Offeror has set the period for purchase, etc., in the Tender Offer (the "**Tender Offer Period**") at 30 business days. By setting the Tender Offer Period as a relatively long period in this manner, due attention is being

given to ensuring that the Company's shareholders have opportunity to make appropriate decision as to whether to tender in the Tender Offer.

4. Matters Concerning Material Agreements Related to the Tender Offer Between the Offeror and the Company's Shareholders

Not applicable.

4. Details of Provision of Benefits from the Tender Offeror or a Special Related Party of the Tender Offeror

Not applicable.

5. Response Policy with respect to Basic Policy Related to Corporate Control of the Company

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Request for Postponement of the Tender Offer Period

Not applicable.

8. Future Outlook

Please refer to sections above titled "(iii) Management Policy After the Tender Offer", "(iv) Process and Reasons Leading to the Company's Decision to Support the Tender Offer", and "(5) Policies on Organizational Restructuring, etc. after the Tender Offer (Matters relating to 'Two-Step Acquisition')" under "(2) Grounds, and Reasons for the Opinion" of "3. Substance, Grounds, and Reasons for the Opinion on the Tender Offer".

9. Matters Relating to MBO, etc.

(1) Applicability of Transactions, etc. with Controlling Shareholders and Compliance with Policy on Protection of General Shareholders

The Tender Offeror is the Company's controlling shareholder (parent company), and the Transactions would constitute a transaction with a controlling shareholder. The Company has as its 'Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder' stated the following in its Corporate Governance Report disclosed on July 30, 2025: "*With regard to transactions with a controlling shareholder, for transactions that the Company determines require deliberation and examination from the perspective of protecting the interests of minority shareholders, a 'special committee' composed of independent Outside Directors appointed by the board of directors will deliberate and submit a report to the board of directors. The determination, etc. of transaction terms is not conducted arbitrarily with controlling shareholder.*" With respect to the Transactions, including the Tender Offer, as stated in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" under "3. Substance, Grounds, and Reasons for the Opinion on the Tender Offer" above, the Company has established a special committee in accordance with the guidelines set forth in the Corporate Governance Report, and taken measures to address structural conflicts of interest and information asymmetries and to ensure the fairness of the Transactions including the Tender Offer Price, and the Company believes that these measures conform to the above policy.

(2) Matters Relating to Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

As stated in "(1) Applicability of Transactions, etc. with Controlling Shareholders and Compliance with Policy on Protection of General Shareholders" above, because the Transactions including the Tender Offer would constitute transactions, etc. with the controlling shareholder of the Company, the Company determined that measures to ensure

fairness and measures to avoid conflicts of interest are necessary and, by taking the measures stated in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” under “3. Substance, Grounds, and Reasons for the Opinion on the Tender Offer” above, the Company has made its determination after ensuring fairness and avoiding conflicts of interest.

(3) Overview of Opinion Regarding Fairness of the Transactions, etc. to General Shareholders Obtained from a Person that has Independence from Controlling Shareholder

The Company today obtained from the Special Committee the Special Committee Report, which states that the Company board of directors’ resolution to express an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders tender in the Tender Offer is fair to the Company’s general shareholders. For details, please refer to “(iii) Substance of the Judgement” under “(iii) Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “3. Substance, Grounds, and Reasons for the Opinion Regarding the Tender Offer” above. The Special Committee Report also serves as an opinion regarding the fact that the Tender Offeror’s making the Company a wholly owned subsidiary after the Tender Offer is successfully completed, as described in “(5) Policy on Organizational Restructuring, etc. after the Tender Offer (Matters Concerning So-called Two-Step Acquisition)” under “3. Substance, Grounds, and Reasons for the Opinion Regarding the Tender Offer” above, would be fair to the Company’s general shareholders.

10. Other Matters

(1) Announcement of “Notice regarding Dividend of Surplus (No Dividend)”

As described in the “Notice regarding Dividend of Surplus (No Dividend)” announced today, at a meeting of the board of directors of the Company held today, the Company resolved not to distribute dividends of surplus with December 31, 2025 as the record date, on the condition that the Tender Offer is successfully completed. Please refer to the announcement for details.

End of Document.

(References)

Special Committee Report (Attached 1)

“Notice Regarding Commencement of Tender Offer for Shares of Canon Electronics Inc. (Securities Code: 7739)”
Attached 2)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 28, 2025

To: The Board of Directors, CANON ELECTRONICS INC.

CANON ELECTRONICS INC., Special Committee
Toshikazu Togari, Committee Chairperson
Atsushi Maekawa, Committee Member
Keiko Yamagami, Committee Member

Special Committee Report

The Committee hereby unanimously provides this report as set forth in Part III below regarding each matter set forth in Part I below, having conducted the examination described in Part II below, with the reasons for its findings set forth in Part IV below; pursuant to the referral for consultation received by the Committee from the board of directors of CANON ELECTRONICS INC. (the “**Company**”) regarding the tender offer by Canon, Inc. (the “**Tender Offeror**”) for the issued common shares of the Company and the series of procedures to be conducted following completion of the Tender Offer in order to make the Tender Offeror the sole shareholder of the Company.

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Key Abbreviated Terms

Term	Meaning
Legal Entities, etc.	
Company	CANON ELECTRONICS INC.
Company Group	The corporate group that consists of the Company and its eight consolidated subsidiary companies and one equity-method affiliate company
Tender Offeror	Canon, Inc.
Tender Offeror Group	The corporate group that consists of Tender Offeror and its subsidiary companies and affiliate companies (however, excluding the Company Group)
Nomura Securities	Nomura Securities Co., Ltd., the Company's financial advisor and third party valuation institution
Shimada Hamba & Osajima	Shimada Hamba & Osajima, the Company's legal advisor
Shares, Transactions, etc.	
Company Shares	The issued common shares of the Company
Transactions	A series of transactions aimed at making the Tender Offeror the sole shareholder of the Company and taking the Company Shares private through the Tender Offer and the Squeeze-Out Procedures
Tender Offer	The tender offer for the Company Shares planned to be implemented by the Tender Offeror based on the Tender Offer Statement
Squeeze-Out Procedures	A series of procedures to be conducted in the event that this Tender Offer is completed in order to make the Tender Offeror the sole shareholder of the Company
Tender Offer Price	The purchase price per share of the Company Shares in the Tender Offer.
Tender Offer Period	The period for the purchase, etc. in the Tender Offer
Other	
M&A Guidelines	The Ministry of Economy, Trade and Industry's "Fair M&A Guidelines" dated June 28, 2019
Committee	The special committee established by resolution of the Company's board of directors dated September 17, 2025
Consultation Matters	The matters for consultation referred to the Committee by the Company's board of directors
Tender Offer Statement	The proposal document dated September 3, 2025 relating to the Transactions that the Company received from the Tender Offeror
Questions Letter	The questions letter dated October 9, 2025 that the Committee submitted to the Tender Offeror
Response Letter	The response letter dated October 20, 2025 that the Committee received from the Tender Offeror
Interviews, etc.	The interviews, etc. that Committee conducted in the course of the examination
Interview with the Tender Offeror	Among the Interviews, etc., the interview with Mr. Toshizo Tanaka, Representative Director, Executive Vice President & CFO of the Tender Offeror and with others at the sixth meeting of the Committee, held on October 28, 2025.

Examination Materials	The materials that the Committee used in the examination
Business Plan	The business plan prepared by the Company for term ending December 2025 to the term ending December 2028
Business Plan Premises Explanatory Document	The document titled “CANON ELECTRONICS 2026-28 Business Plan Approach” dated September 25, 2025 prepared by the Company
Business Plan Explanatory Document	The document titled “CANON ELECTRONICS Business Plan” dated October 2, 2025 prepared by the Company
Tender Offer Registration Statement	The draft, as of the date of preparation of the Special Committee Report, of the tender offer registration statement that the Tender Offeror plans to file with the Kanto Local Finance Bureau on December 1, 2025
Company’s Expression of Opinion Press Release	The draft, as of the date of preparation of the Special Committee Report, of the “Notice Concerning Expression of Opinion in Support and Recommendation to Tender for the Tender Offer for the Company’s Shares by Canon Inc., the Company’s Controlling Shareholder” that the Company plans to publish on November 28, 2025
Share Valuation Report	The share valuation report dated November 27, 2025 prepared by Nomura Securities
The Company’s Internal Examination Members	The directors, officers, and employees of the Company who were involved in examining the Transactions (including the preparation of the Business Plan) and who conducted discussions and negotiations with the Tender Offeror

I. Consultation Matters

- (i) The legitimacy and rationality of the purpose of the Transactions (including whether the Transactions would contribute to enhancement of the corporate value of the Company);
- (ii) The fairness and appropriateness of the terms of the Transactions (including the Tender Offer Price in the Transactions);
- (iii) The fairness of the procedures of the Transactions;
- (iv) Given (i) through (iii) above, and other matters, whether the Transactions would be fair for the general shareholders of the Company; and
- (v) Based on (i) through (iv) above, whether the board of directors is to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender in the Tender Offer.

II. Process of Examination

1. Method of Deliberation

In order to examine the Consultation Matters, the Committee held a total of 11 meetings during the period from September 25, 2025 and November 27 of the same year, and conducted deliberations. The Committee also conducted information gathering and deliberations when and as needed between meetings via email, etc.

2. Investigation and Examination of the Examination Materials

In the course of its deliberations, the Committee conducted investigation and examination of the Tender Offer Statement, the Business Plan Premises Explanatory Document, the Business Plan Explanatory Document, the Response Document, the Share Valuation Report, the Tender Offer Registration Statement, the Company's Expression of Opinion Press Release, materials regarding the negotiations, etc. as to the Tender Offer Price between the Company and the Tender Offeror, and other materials, etc. distributed at the Committee meetings.

3. Investigation and Examination through the Interviews, etc.

In the course of its deliberations, the Committee conducted interviews with the Company's directors and the Tender Offeror, and received advice from Nomura Securities and Shimada Hamba & Osajima. The main content thereof follows below.

(1) Interviews with the Directors of the Company

a. Interviews regarding the Business Plan

At the first Committee meeting, held on September 25, 2025, the Committee received an explanation from Mr. Hiroyuki Ohkita ("**Mr. Ohkita**"), a director of the Company, regarding the concepts underlying the Business Plan, which used the Business Plan Premises Explanatory Document, and further conducted a question-and-answer session with Mr. Ohkita and Mr. Takeshi

Hashimoto (“**Mr. Hashimoto**”), Representative Director and President of the Company.

Following this, at the second Committee meeting, held on October 2 of the same year, the Committee received an explanation from Mr. Ohkita regarding the Business Plan, which used the Business Plan Explanatory Document, and further conducted a question-and-answer session with Mr. Hashimoto and Mr. Ohkita.

b. Interviews regarding the Assessment of the Impact of the Transactions on the Company’s Corporate Value

At the third Committee meeting, held on October 8, 2025, the Committee received an explanation from Mr. Ohkita regarding the status of the examination of the evaluation of the impact of the Transactions on the Company’s corporate value, the understanding of the business environment underlying such evaluation, etc., and further conducted a question-and-answer session with Mr. Hashimoto and Mr. Ohkita. In addition, at the fifth Committee meeting, held on the 23rd of the same month, in the course of examining the Response Letter from the Tender Offeror and examining matters for interview with the Tender Offeror, the Committee conducted a question-and-answer session with Mr. Hashimoto and Mr. Ohkita regarding the Company’s understanding and views concerning the Tender Offeror’s responses.

Following this, at the sixth Committee meeting, held on the 28th of the same month, Mr. Ohkita explained the Company’s view on the evaluation of the impact of the Transactions on the Company’s corporate value, and the Committee conducted a question-and-answer session with Mr. Hashimoto and Mr. Ohkita.

(2) Interview with the Tender Offeror

Following examination at the third Committee meeting, held on October 8, 2025, the Committee submitted the Question Document to the Tender Offeror, and asked questions regarding the purpose and reasons for implementing the Transactions, the management policy and governance after the Transactions, the procedures and terms, etc. of the Transactions, and, in response to this, received a response from the Tender Offeror by means of the Response Letter.

At the fifth Committee meeting, held on October 23, 2025, the Committee examined matters for interview with the Tender Offeror based on the content of the responses in the Response Letter, and submitted the interview items to the Tender Offeror in advance on the 24th of the same month. Following this, at the sixth Committee meeting, held on the 28th of the same month, the Committee conducted the Interview with the Tender Offeror, and received explanation regarding the synergies to be realized through the Transactions, the significance of the Transactions for the Tender Offeror, and the management policy after the Transactions, etc.

(3) Explanation by Advisors

At the first Committee meeting, held on September 25, 2025, the Committee confirmed that Nomura Securities, appointed by the Company as its financial advisor and third-party valuation institution, and the law firm Shimada Hamba & Osajima, appointed by the Company as its legal advisor, each have the requisite expertise and independence from the Company, the Tender

Offeror and the success or failure of the Transactions. Based on this confirmation, the Committee approved the Company's appointment of Nomura Securities and Shimada Hamba & Osajima, and further confirmed that the Committee would also utilize explanations and advice from Nomura Securities and Shimada Hamba & Osajima.

Following this, the Committee received, when and as needed, explanations and advice from Nomura Securities regarding the status of negotiations and discussions with the Tender Offeror regarding the Transactions, the content and method of valuation of the Company Shares, the evaluation and examination of the transaction terms proposed by the Tender Offer, etc. and from Shimada Hamba & Osajima regarding the measures to ensure the fairness of the procedures in the Transactions, the procedures relating to the Transactions, the negotiations regarding the transaction terms with the Tender Offeror, etc., and conducted question-and-answer sessions.

III. Substance of the Report

- (i) It is the Committee's finding that the Transactions would contribute to the enhancement of the Company's corporate value and that the purpose of the Transactions has legitimacy and rationality.
- (ii) It is the Committee's finding that the fairness and appropriateness of the terms of the Transactions (including the Tender Offer Price in the Tender Offer) are secured.
- (iii) It is the Committee's finding that the procedures relating to the Transactions are fair.
- (iv) It is the Committee's finding that the Transactions would be fair for the general shareholders of the Company.
- (v) It is appropriate for the Company's board of directors to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender in the Tender Offer.

IV. Reasons for the Report

1. Policy and Sequence of the Examination

(1) Policy of Examination Based on the Characteristics of the Transactions

The Transactions are being conducted by the Tender Offeror, the Company's parent company and controlling shareholder, for the purpose of making the Company its wholly owned subsidiary and, as a result, the Company Shares are expected to be delisted. That is to say, the Tender Offer, which is part of the Transactions, is a tender offer by a controlling shareholder, and the Squeeze-Out Procedures, which are part of the Transactions, constitute approval of a share consolidation or demand for share cash-out involving a controlling shareholder.

Given this, the Transactions can be considered a type of transaction that inherently involves structural conflicts of interest and information asymmetries; and so, from the perspective of eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of the Company's board of directors and ensuring its fairness, and in order to enhance the Company's corporate value and secure the interests of the Company's general shareholders, the Committee

has decided to examine the Consultation Matters, with reference to the M&A Guidelines, from a standpoint independent from the Tender Offeror Group and other related parties, and the Transactions.

(2) Sequence of Examination Based on the Characteristics of the Transactions

The M&A Guidelines set forth the following two principles that should be respected when conducting M&A:

- **Principle 1:** Enhancement of Corporate Value (whether an M&A is desirable should be judged based on whether it enhances corporate value.)
- **Principle 2:** Securing General Shareholder Interests through Fair Procedures (M&A transactions should be conducted through fair procedures, thereby securing the interests that general shareholders should enjoy.)

These principles stand in the relationship that, on the premise that the M&A contributes to enhancement of corporate value satisfying Principle 1, when implementing such M&A, the interests of general shareholders should be secured through fair procedures conducted in accordance with Principle 2. Furthermore, while these principles apply to M&A in general, in an acquisition of a subsidiary by a controlling shareholder, Principle 2 becomes even more important than in general M&A (regarding the above, see M&A Guidelines 2.3).

The Consultation Matters consist of five items. Consultation Matter item (i) is understood to basically seek examination of whether the requirements for enhancement of corporate value, which is set forth as Principle 1 above, are satisfied. Consultation Matters item (ii) and item (iii) relate to Principle 2 above. Consultation Matter item (ii) is understood to seek examination, focusing on the content of the Transactions conditions, of whether fairness and appropriateness are recognized from the perspective of securing the interests of general shareholders. Consultation Matter item (iii) is understood to seek examination, focusing on the procedures of the Transactions including the process of forming the Transactions conditions, of whether fairness ensuring measures, which are specific practical responses constituting fair procedures according to the specific circumstances of the Transactions, have been appropriately taken.

Consultation Matter item (iv) asks, by integrating the examinations, etc. relating to Consultation Matters item (i) through item (iii), whether the Transactions can be recognized as fair to the Company's general shareholders. Then, if it can be recognized as fair to the Company's general shareholders, with respect to Consultation Matter item (v), it is considered that it would be appropriate both for the board of directors to both express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender in the Tender Offer.

Therefore, in the following, in Section 2. through Section 4. below, after examining Consultation Matters item (i) through item (iii) in order, in Section 5. below, by integrating the examinations up to that point and other matters, the Committee will examine Consultation Matters item (iv) and item (v).

2. Examination of the Legitimacy and Rationality of the Purpose of the Transactions (related to Consultation Matter item (i))

With respect to Consultation Matter item (i), the Committee will state its understanding of the business environment and management challenges surrounding the Company (Sub-Section (1) below), the synergies expected from the Transactions (Sub-Section (2) below), and the expected disadvantages (Sub-Section (3) below), and based on this, the Committee will examine whether the legitimacy and rationality of the purpose of the Transactions can be recognized (Sub-Section (4) below).

(1) Current Situation Recognition at the Company

Based on the Company's Expression of Opinion Press Release, other Examination Materials, and the Interviews, etc. the Committee recognizes the Company's outline and business description (Sub-Section (a) below) and the business environment and management challenges surrounding the Company (Sub-Section (b) below) as follows, respectively.

a. Outline and Business Details of the Company

The Company was founded in May 1954 as Chichibu Eikosha Co., Ltd (changing its corporate name to CANON ELECTRONICS INC. in January 1964) and, in order to change the par value of its shares from 500 yen to 50 yen, carried out an absorption-type merger with an effective date of January 1, 1980, with Sakura Shoukai Co., Ltd., which was established in May 1947 (whose corporate name was changed to CANON ELECTRONICS INC. in July 1979), as the formally surviving company, which continues to the present. Also, in August 1981, the Company listed its shares on the Second Section of the Tokyo Stock Exchange, and its classification was changed to the First Section of the Tokyo Stock Exchange in June 1998. As a result of an April 2022 revision to the market segments of the Tokyo Stock Exchange, its classification was changed to the Prime Market of the Tokyo Stock Exchange.

The Company Group engages in the development, production and sale of precision instruments, electronic and electrical instruments, optical instruments, information equipment, computer and communications equipment software, etc., and operates its business in the "Components", "Electronic & Information Equipment" and "Other" segments. Also, the Company Group is a member of the Tender Offeror Group, and primarily purchases parts from the Tender Offeror and its manufacturing subsidiaries, conducts manufacturing, and delivers products to the Tender Offeror and its subsidiaries.

b. Business Environment and Management Topics for the Company

The business environment surrounding the Company Group is changing significantly due to factors including heightened interest in social issues such as sustainability, adaptation to the new post-COVID-19 society, and the maturation in markets related to copies, printers, and document scanners, etc., and the situation continues to be unpredictable. Under such circumstances, the Company Group is working on (a) entering and establishing growth domains, (b) promoting human capital management, and (c) promoting ESG management and sustainability initiatives.

The Committee thinks that, of these, (a) entering and establishing growth domains and (b) promoting human capital management are highly relevant to the synergies envisaged by the

Transactions described later below, and so the following sets forth an overview thereof, based on the Examination Materials and the Interviews, etc.

(a) Entering and Establishing Growth Domains

The Company Group is currently making progress with entry into various growth domains. In the space-related domain, it is advancing with the research and development accumulated to date and, based on the results of repeated demonstration-experiments with microsatellites put into orbit, is steadily progressing with the shift to commercialization, including initiatives such as entering into contract with the Japan Ministry of Defense to manufacture and test a multi-orbit observation demonstration satellite. Furthermore, leveraging its strengths of agile scale and technology, it is also expanding sales of environment-related equipment, dental milling machines, etc., in addition to blood pressure monitors and sterilizers in the medical domain. In the agricultural domain, it is engaged in sales activities for automatic production equipment for vegetable factories newly developed at the Company. Also, in the component domain, it has been expanding its business after receiving transfer of a motor business from a domestic group company of the Tender Offeror. In this way, as its policy, the Company Group will aim to establish numerous small businesses.

(b) Promoting Human Capital Management

The Company is advancing initiatives to maximize the value of human capital from the perspective of human capital management. It is actively promoting the recruitment of career professionals with diverse experience, work histories, and skills. In addition, the Company has established educational systems and workplace environments to maximize the use of each individual's characteristics and abilities, and operates training programs for managers and executive management; and thereby, is fostering early development of young talent to hone their business acumen and strengthening the human foundation for management.

Furthermore, it aims to increase the proportion of women in assistant manager or higher position to 30% by 2030, and is conducting recruitment activities to increase the proportion of women hired to over 30% every year. It operates a 'position-based pay system' that determines employees' treatment and remuneration according to duties and results, and the difficulty and responsibility of work, regardless of factors such as gender, educational background, or years of service. Also, it has established an occupational health and safety management system to create a workplace where employees can work more safely and in a healthier manner, and has acquired ISO 45001 certification, the international standard for such systems, at all domestic business sites and two overseas factories. It has been selected as a "Health & Productivity Stock" under the Japanese Ministry of Economy, Trade and Industry's Health & Productivity Management Outstanding Organizations Recognition Program for five consecutive years, and is also advancing initiatives based on the "Health First" principle.

(2) Synergies Envisioned from the Transactions

a. Synergies Envisioned by the Tender Offeror

According to the Response Letter, the Tender Offeror, based on the view that comprehensive and proactive utilization of the management resources of the Tender Offeror Group is essential for maintaining the Company's competitive advantage and sustainable growth, commenced consideration of the Transactions, having recognized that it is necessary to establish a system for

swift and flexible mutual utilization of the management resources of the Company Group and the Tender Offeror Group by taking the Company Shares private. According to the Tender Offer Statement, the Response Letter, and the results of the Interview with the Tender Offeror, the Tender Offeror envisions the following as synergies of the Transactions.

(a) Vertical Integration of the Value Chain in the Space Business and Further Business Expansion

According to the Tender Offer Statement, the Tender Offeror recognizes that the global space industry is an attractive industry that is expected to experience dramatic growth, driven by technological innovation and private-sector led acceleration. In this context, the Company Group and the Tender Offeror Group recognizes that they are corporate groups involved in many of the value chains in the space satellite business, including optical technology, production and mass production technology, satellite launch, and satellite data/image data sales and, through the Transactions, aims to integrate the space business within the Company Group and the Tender Offeror Group and achieve further business growth with a sense of speed.

In this regard, according to the Response Letter and the results of the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- In the space business, private companies, particularly in the United States, have had a remarkable rise to prominence and, in order to enhance competitiveness in this domain, the importance of growth, accompanied by expansion of business areas (such as multi-sensor integration for satellites and vertical integration of business models) has come to have increasing importance; in this context, through the Transactions, with the Company Group and the Tender Offeror Group working together as one, while leveraging the financial power of the Tender Offeror Group, and the strengthening the collaboration between both groups, the Transactions can be expected to lead to further growth of the Company's space business.
- The space business envisions development of overseas customers, and it has the aspect of public-private integrated business; in this context, through the Transactions, with the leveraging the Tender Offeror Group's know-how on export controls, global customer network, and networks with government agencies, the Transactions can be expected to lead to further growth of the Company's space business.

(b) Optimization of Asset Allocation and Cost Reduction within the Company Group and the Tender Offeror Group

According to the Tender Offer Statement, the Tender Offeror expects to achieve synergy effects in terms of productivity improvement through mutual utilization of domestic and overseas factories owned by the Company Group and the Tender Offeror Group, and optimization of production layout, as well as cost competitiveness by utilizing the purchasing power and financing power of the Tender Offeror Group.

In this regard, according to the Response Letter and the results of the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- With regard to the existing major business domains of the Components Business and the Electronic & Information Equipment Business, the Transactions can be expected to further promote collaboration between the Company Group and the Tender Offeror Group in various respects, including sharing feedback on products by customers of the Tender Offeror Group and, through effective utilization of various management resources of the Tender Offeror

Group, to lead to increased business opportunities for the Company, such as building a mass production system and expanding the product lineup of components, and to further strengthen the technological capabilities that support high quality and high productivity, which are the Company's strengths.

(c) Improvement of Management Efficiency and Corporate Governance to Enhance Corporate Value

According to the Tender Offer Statement, the Tender Offeror believes that the Transactions will eliminate structural conflict of interest risks between the Tender Offeror and the Company's general shareholders, and will enable focus on measures to enhance corporate value from a longer-term perspective.

In this regard, according to the Response Letter and the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- In the space business in particular, it is envisioned that there will be situations where investment amounts will expand in the short term, and the Transactions can be expected to facilitate flexible management.
- The Transactions can be expected to lead to the promotion of personnel exchanges between the Company Group and the Tender Offeror Group through flexible human resources allocation and the recruitment and development of human resources as unified group. In addition, the Transactions can be expected to facilitate the enhancement of the Company's corporate value by realizing the utilization of diverse human resources.

b. Synergies Envisioned by the Company

According to the Company's Expression of Opinion Press Release and the Interviews, etc., the synergies envisioned by the Company from the Transactions are as follows.

(a) Expansion of Business in the Space-Related Domain

Since the Tender Offeror and the Company are both listed companies, collaboration in satellite development has been limited from the viewpoint of management independence and the interests of general shareholders; however, by deepening collaboration with the Tender Offeror Group after the Transactions, the Company believes that by utilizing the optical technologies of the Tender Offeror Group, such as sensors and cameras, and its research and development capabilities; and if it can leverage the financial power of the Tender Offeror Group in the space-related domain where industry-wide growth is expected, strategic and agile investment that does not miss market growth opportunities will become possible, and product quality improvement and research and development can be accelerated. Furthermore, regarding the manufacture of artificial satellites, the Company believes that, by utilizing the Tender Offeror Group's production facilities and mass-production technologies in order to gain large orders from companies that build satellite constellations, it will become possible to manufacture artificial satellites with high price competitiveness, and this will contribute to the Company's acquisition of business opportunities and expanding operations in the space-related business.

In addition, as the Company aims to expand its business in the space-related domain in the future, the Company believes that the probability of capturing business opportunities in the space-related domain will increase by utilizing the Tender Offeror Group's global customer network and network with government agencies. Since businesses in the space-related domain require public-

private integrated promotion, the Company believes that in order to grow business in the space-related domain going forward, it will be necessary to strengthen collaboration with government agencies more than ever before; and the Company believes that it will be able to utilize the relationships and know-how with government agencies that the Tender Offeror Group has cultivated to date through its activities in executive positions at business associations. Furthermore, in considering future business expansion in the space-related domain overseas, the Company believes that utilizing the Tender Offeror Group's global sales network and customer network will increase the possibility of timely capturing market needs in the growth industry that is the space-related domain, and will contribute to the Company's business expansion.

(b) Strengthening Cooperation in the Component Business and the Electronic & Information Equipment Business

With regard to transactions in the Component Business and the Electronic & Information Equipment Business, in which the Company Group has been entrusted with manufacturing by the Tender Offeror Group up to now, the Company believes that, after the Transactions, even stronger collaboration with the Tender Offeror Group will become possible, and by establishing a structure in which more information is shared with the Company Group, through receiving the sharing of feedback, etc. from the Tender Offeror Group's customers, this can be utilized for the Company's product development, etc. Furthermore, regarding transactions in which the Company Group has been entrusted with only manufacturing by the Tender Offeror Group, as collaboration with the Tender Offeror Group deepens, changes in transaction structures after the Transactions can also be expected, such as the Company Group serving as the lead in development and customer negotiations etc., and the Company believes this will lead to the expansion of the Company Group's business domain.

Furthermore, even in independent transactions with customers who are not part of the Company Group or the Tender Offeror Group, the Company believes that the benefits obtained through strengthening collaboration with the Tender Offeror Group can be leveraged in areas such as product quality improvement and product development, etc., and will contribute to the expansion of the Company Group's business and revenue.

(c) Improvement of Production Efficiency and Cost Reduction by Strengthening Collaboration Between Production Facilities and Utilization of Management Resources

The Company believes that, through the Transactions, efficiency and optimization of the production system can be expected by mutual utilization of the management resources of the Tender Offeror Group and the Company Group to a greater extent than before, without being constrained by concerns about conflicts of interest between the Tender Offeror and general shareholders or that of ensuring the Company's independence. By promoting the mutual utilization of domestic and overseas production facilities held by the Company Group and the Tender Offeror Group, and by further strengthening the production cooperation structure, the Company believes that it will become possible to further improve the production efficiency of the Company Group and the Tender Offeror Group, as well as improve the operation rates of the Company Group's production facilities; and, through these, strengthening of cost competitiveness will become possible. In addition, with regard to the procurement of production materials, auxiliary materials, and tooling, the Company believes that cost reduction effects can be obtained through supply chain efficiency by utilizing the Tender Offeror Group's purchasing power and

distribution network, through mutual utilization of production facilities, joint purchasing and logistics operations.

(d) Strengthening the Company Group's Organizational Capability through Expansion of Personnel Exchange

Up to now, personnel exchanges between the Tender Offeror Group and the Company Group have been conducted in a limited manner, given that both the Tender Offeror and the Company are listed companies and the need to give consideration to ensuring the independence of the Company's management and avoiding conflicts of interest with general shareholders; however, the Company believes that further personnel exchange will become possible by the Company becoming a wholly owned subsidiary of the Tender Offeror after the Transactions. For example, with regard to business development overseas, the Company believes there is a possibility that through personnel exchange with the Tender Offeror Group and the recruitment and development of human resources in an integrated manner with the Tender Offeror Group, there is a possibility that this could lead to capturing further business opportunities.

(3) Possible Disadvantages of the Transactions

According to the Company's Expression of Opinion Press Release and other Examination Materials, and the Interviews, etc., the general disadvantages associated with delisting include loss of ability to raise funds from capital markets and the potential impact on the name recognition, credibility, and ability to secure human resources, which are advantages enjoyed as a listed company. However, considering the Company's current financial condition, etc., there is currently no anticipated need for financing through the use of equity financing for the time being, and the Company believes that it has been able to build relationships of trust with numerous stakeholders, including employees and business partners, through its long history of business and social activities to date. Furthermore, given that the Tender Offeror is considered to possess high social-credibility and recognition, the Company believes that the disadvantages of going private through the Transactions are limited, as it is unlikely that becoming a wholly owned subsidiary of the Tender Offeror would adversely affect the Company's social credibility or recruitment activities compared to its current status as a listed company.

In addition, with respect to the possibility that the Transactions may affect the name recognition, credibility, and human resources that the Company has enjoyed as a listed company, according to the Tender Offer Registration Statement and other Examination Materials, and the Interviews, etc., the Tender Offeror's basic principle is to respect the management structure of the Company after the Transactions (including the composition and number of members of the board of directors and the number of executive officers etc.), based on the current management structure, and has not started considering whether it is necessary to change the management structure or dispatch additional officers, but intends to determine the specific composition of officers and other aspects of management structure in the future through discussion the Company. The Tender Offeror does not at this time plan to make any changes to the Company's relationship with its business partners.

(4) Examination by the Committee

a. Method of Examination by the Committee

With regard to the business environment and management issues for the Company, the impact of the Transactions on the Company, including synergies and disadvantages, etc., the Committee examined the validity and rationality of the purpose of the Transactions from various perspectives, while receiving necessary information from the Company and the Tender Offeror, including the content of the Business Plan Explanation and other Examination Materials and the results of the Interviews, etc.

In the examination, the Committee examined carefully from various perspectives, including the specifics and feasibility of the synergies based on the Transactions that the Tender Offeror and the Company are considering, whether the Transactions are necessary or beneficial for realizing the corporate value enhancement measures, etc., the disadvantages of the Transactions, and the potential impact on stakeholders including the Company's employees and business partners.

b. Assessment of the Synergies Expected from the Transactions

The Committee has not found any unreasonable point in the Company's recognition of the current situation regarding the business environment and management issues for the Company. In light of this, the content of the synergies anticipated by the Company and the Tender Offeror is acceptable, and the Committee has determined that it is sufficiently reasonable to believe that the implementation of the Transactions will lead to the enhancement of the Company's corporate value through the realization of the synergies anticipated by the Company and the Tender Offeror.

In other words, in light of the management measures implemented by the Company, with regard to "Entering and Establishing Growth Domains" mentioned in (1) b. (a) above, the space-related domain is particularly important among the growth domains in which the Company is entering. The Company has indicated that the Transactions are expected to provide synergies that will contribute to business expansion in the space-related domain, such as (i) improvement of product quality, acceleration of research and development, and enhancement of price competitiveness by utilizing the optical technology, research and development capabilities, financial resources, production bases, and mass production technology of the Tender Offeror Group, and (ii) capturing business opportunities by utilizing the Tender Offeror Group's global customer network and network with government agencies (as mentioned in (2) b. (a) above). This recognition of the Company is acceptable.

Also, with regard to "Promoting Human Capital Management" mentioned in (1) b. (b) above, the Company has indicated that the Transactions will facilitate further human resource exchange with the Tender Offeror Group and, for example, with regard to overseas business development, it may lead to capture of further business opportunities through human resource exchange with the Tender Offeror Group and human resource recruitment and development in cooperation with the Tender Offeror Group ((2) b. (d) above). This recognition of the Company is acceptable.

Next, with regard to the existing major business domains, namely, the components business and the Electronic & Information Equipment Business, the Company has indicated that the Transactions are expected to further deepen its relationship with the Tender Offeror Group and further expand its business domains with customers other than the Tender Offeror Group through the improvement of its product development capabilities and changes in transaction structures ((2) B. (b) above), and that the promotion of mutual utilization of domestic and overseas

production bases will enable the Company Group to improve its production efficiency and the utilization rate of its production bases ((2) B. (c) above). This recognition of the Company is acceptable.

In addition to this, the Committee believes that, since the synergies envisioned by the Company are consistent with those envisioned by the Tender Offeror, it can be expected that, after the Transactions, the Company Group and the Tender Offeror Group will share the synergies they aim to realize and work together smoothly.

c. Evaluation of the Possible Disadvantages of the Transactions

While the Company may experience certain disadvantages from the Transactions, the Company believes that the disadvantages to the Company arising from the Tender Offeror's making the Company a wholly owned subsidiary will be limited (as set forth in (3) above), and since the Committee has not found any unreasonable point in this recognition of the Company, it has determined that the disadvantages that may arise from the Transactions are limited compared to the benefits of the Company's increased corporate value through the realization of the synergies assumed by the Company and the Tender Offeror.

(5) Summary

As set forth in the above, the Transactions have rationality that leads to the enhancement of the Company's corporate value. In addition, it can be recognized that the Tender Offeror is implementing the Transactions for the legitimate purpose of enhancing Company's corporate value, and no circumstances are found that would cast doubt on this.

As described above, the Transactions would contribute to the enhancement of Company's corporate value, and it can be recognized that the purpose thereof has legitimacy and rationality.

3. Examination of the fairness and appropriateness of the terms of the Transactions

(related to Consultation Matter item (ii))

According to the M&A Guidelines it is important to consider the reasonableness of transaction terms by (a) ensuring that in discussions and negotiations of transaction terms with an acquiring party, reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value, and (b) confirming the content of the stock price valuation, which is an important basis for judging the reasonableness of transaction terms, and the rationality of financial forecasts, assumptions and other factors which are the premises for such valuation. In addition, (c) according to the M&A Guidelines, it is important to examine not only the level of the acquisition consideration but also the reasonableness of the acquisition method and types of acquisition consideration, etc. (On the above: M&A Guidelines 3.2.2).

Therefore, with regard to item (ii) of the Consultation Matters, we will examine the negotiation process with the Tender Offeror from the perspective of (a) above ((1) below); the reasonableness of the content of the Business Plan and the content of the Share Valuation Report, which are

assumed to be the basis for the price calculation in the Share Valuation Report, from the perspective of (b) above ((2) and (3) below); and the appropriateness of the selection of the scheme in the Transactions from the perspective of (c) above ((4) below), and based on this, we examine whether the fairness and appropriateness of the terms of the Transactions can be recognized based on each of these points of examination ((5) below).

(1) Process of Negotiations with the Tender Offeror

The Company has held multiple rounds of negotiations and discussions with the Tender Offeror regarding an increase in the Tender Offer Price. In conducting these negotiations and discussions, from the perspective of protecting the interests of general shareholders, the Company is to obtain the approval of the Committee in advance regarding the policy and content of the negotiations and discussions. Also, in considering the negotiations and discussions, the Company and the Committee received timely and appropriate advice from Nomura Securities (financial advisor and third-party valuation institution), and Shimada Hamba & Osajima (legal advisor).

Specifically, on November 4, 2025, the Company received a proposal from the Tender Offeror that set the Tender Offer Price at 2,930 yen, on the premise that no year-end dividend would be made by the Company, and comprehensive taking into account various factors, including the results of analysis of the Company's business and financial condition based on materials such as financial information disclosed by the Company, the results of analysis of past stock price movements of the Company Shares, and the outlook for the Tender Offer, etc..

In response to the above proposal from the Tender Offeror, on November 7, 2025, the Company requested a significant increase in the Tender Offer Price, as the said proposal price was significantly below the premium level for transactions similar to the Transactions and did not sufficiently reflect the corporate value of the Company.

On November 11, 2025, the Company received a renewed proposal from the Tender Offeror setting the Tender Offer Price at 3,100 yen. In response to the renewed proposal from the Tender Offeror, on the 12th of the same month, the Company again requested a significant increase in the Tender Offer Price, as the said proposal price was still significantly below the premium level for transactions similar to the Transactions and did not sufficiently reflect the corporate value of the Company.

On November 14, 2025, the Company received a renewed proposal from the Tender Offeror setting the Tender Offer Price at 3,250 yen. In response to the renewed proposal from the Tender Offeror, on the 17th of the same month, the Company again requested a significant increase in the Tender Offer Price, as the said proposal price was still significantly below the premium level for transactions similar to the Transactions and did not sufficiently reflect the corporate value of the Company.

On November 19, 2025, the Company received a renewed proposal from the Tender Offeror setting the Tender Offer Price at 3,370 yen. In response to the renewed proposal from the Tender Offeror, on the 20th of the same month, the Company again requested a significant increase in the Tender Offer Price, as the said proposal price was still significantly below the premium level for

transactions similar to the Transactions and did not sufficiently reflect the corporate value of the Company.

On November 21, 2025, the Company received a renewed proposal from the Tender Offeror setting the Tender Offer Price at 3,500 yen. In response to the renewed proposal from the Tender Offeror, on the 25th of the same month, the Company again requested an increase in the Tender Offer Price, as the said proposal price was still below the premium level for transactions similar to the Transactions and did not sufficiently reflect the corporate value of the Company.

On November 25, 2025, the Company received the final proposal from the Tender Offeror setting the Tender Offer Price at 3,650 yen. Then, on the 26th of the same month, the Company responded to the Tender Offeror, on the premise that the Company's final decision on the Transactions would be made by a resolution at a meeting of its board of directors to be held on 28 November 2025, it would accept the Tender Offeror's proposal, and an agreement was reached to set the Tender Offer Price at 3,650 yen.

As described above, the Company sought the approval of the Committee in advance regarding the policy and content of the negotiations and discussions, such as the requests to the Tender Offeror mentioned above. Specifically, whenever the Company received a proposal from the Tender Offeror, it promptly reported to the Committee the content of the proposal and the response policy that the Company was considering, etc., and then sought the opinions and instructions of the Committee and took measures accordingly. The negotiations and discussions described above were conducted with the substantive involvement of the Committee. In the process, the Company and the Committee received advice from expert viewpoints from Nomura Securities and Shimada Hamba & Osajima in a timely and appropriate manner, and conducted the examination while thoroughly considering the content thereof.

In this way, the Company conducted negotiations and discussions with the Tender Offeror multiple times while taking into account the opinions of the Committee and receiving advice from expert viewpoints. As a result, the final Tender Offer Price was substantially increased from the price initially offered by the Tender Offeror.

Thus, it can be said that, in the Transactions, reasonable efforts were made to ensure that the Transactions would be on terms as favorable as possible for general shareholders, while enhancing corporate value.

(2) Rationality of the Content of the Business Plan

The Company obtained the Share Valuation Report from Nomura Securities, a third-party valuation institution independent of the Company and the Tender Offeror. Since the Share Valuation Report was prepared based on the content of the Business Plan, we are to examine the rationality of the content of the Business Plan.

According to the Business Plan Premises Explanatory Document, the Business Plan Explanatory Document, and the Interviews, etc., the Business Plan was prepared by the Company for the purpose of providing it for examination of the Transactions, and with the period from the fiscal

year ending December 2025 to the fiscal year ending December 2028 as the target period as a period for which future projections can be reasonably made, it is recognized that the financial projections for that period were prepared in the Components Business and the Electronic & Information Equipment Business, etc., taking into account the business results up to the most recent period and each measure for future growth, as well as based on past growth rates, etc., and it can be said that the content is reasonable and feasible, being neither optimistic nor conservative. Furthermore, regarding the increases and decreases in operating profit and free cash flow projected in the Business Plan, we have confirmed through the Interviews, etc. that they are based on capital investments, etc. that were reasonably expected at the time of preparation of the Business Plan.

In addition, looking at the preparation process of the Business Plan, as described in 4(2) below, the Business Plan was prepared by Company's Internal Examination Members, who are independent from the Tender Offeror, and no circumstances are found to indicate that the Business Plan was influenced by the intentions or interests of the Tender Offeror.

Therefore, the content of the Business Plan, which premises the calculation of the price in the Share Valuation Report, can be regarded as reasonable.

(3) Content of the Share Valuation Report

a. Selection of Calculation Method

At the second meeting of the Committee, held on October 2, 2025 and the seventh meeting of the Committee held on November 7 of the same year, the Committee received from Nomura Securities a detailed explanation regarding the consideration process, etc. for the calculation method of the share value of the Company Shares, and, at the eighth meeting of the Committee held on 12th of the same month and the ninth meeting of the Committee held on 20th of the same month, the Committee received from Nomura Securities further explanation on these matters based on questions and requests from the Committee members and the proposed price from the Tender Offeror, etc. Furthermore, at the tenth meeting of the Committee held on 25th of the same month, the Committee received from Nomura Securities a draft of the Share Valuation Report and again received an explanation on the calculation results of the share value of the Company Shares and the calculation process.

According to these explanations, as a result of examining the calculation method for the Tender Offer, Nomura Securities determined that it would be appropriate to evaluate the value of the Company Shares from multiple perspectives based on the premise that the Company is a going concern, and proceeded to carry out the valuation of the Company Shares using the market price method because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, and the DCF method to reflect the status of future business activities in the calculation

These methods adopted by Nomura Securities are also generally used in the calculation of the share value for transactions similar to the Transactions, and there is nothing unreasonable in the selection of the share value calculation method by Nomura Securities.

b. Summary of the Share Valuation Results

According to the Share Valuation Report, in calculating the value of the Company Shares, the valuation methods adopted and the ranges of share values per Company Share calculated based on those methods are as set forth below:

Market price method	JPY2,638 to JPY2,736
DCF method	JPY2,572 to JPY4,345

c. Rationality of Each Calculation Method

According to the Share Valuation Report, the share value calculation methods adopted by Nomura Securities, in overview and the basis for each, were as follows.

(a) Market Price Method

Under the market price method, Nomura Securities set the valuation base date as November 27, 2025, and calculated the value per Company Share to be in the range of 2,638 yen to 2,736 yen, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the base date (2,736 yen), the simple average of the closing prices for 5 business days up to that date (2,680 yen), the simple average of the closing prices for one-month period up to that date (2,664 yen), the simple average of the closing prices for three-month period up to that date (2,711 yen), and the simple average of the closing prices for six-month period up to that date (2,638 yen).

In the market price method, it is common practice to reference these values, and no unreasonable aspects are recognized in the calculation method.

(b) DCF Method

Nomura Securities, based on various factors including the Business Plan and publicly available information, etc., has analyzed the share value by calculating the enterprise value by discounting to present value the free cash flow expected to be generated by the Company from the fourth quarter of the fiscal year ending December 2025 onwards at a certain discount rate, adding the value of cash and deposits held by the Company, and making certain financial adjustments, and has calculated the range of share value per share of Company Stock to be 2,572 yen to 4,345 yen.

The discount rate applied is the weighted average cost of capital (**WACC**), for which a range of 7.25% to 8.25% has been adopted. In calculating the terminal value, a range of 37,095 million yen to 117,287 million yen has been derived based on both the perpetual-growth method and the multiple method. Under the perpetual-growth method, a perpetual growth rate of -0.25% to 0.25% has been applied, taking into consideration the long-term economic outlook surrounding the Company. Under the multiple method, the EBITDA multiple (the “**EBITDA Multiple**”), which is commonly used in valuation practice for M&A, has been adopted, and, taking into account the Company’s most recent and historical EBITDA multiple levels, a range of 2.5 times to 4.5 times has been applied.

No unreasonable aspects are recognized in the calculation basis or calculation content for the discount rate under the DCF method by Nomura Securities.

d. Analysis of Premium

The Tender Offer Price of 3,650 yen represents a premium of 33.41% over the closing price of 2,736 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on November 27, 2025, the business day preceding the scheduled announcement date of the Tender Offer (November 22, 2025); 37.01% over the simple average of closing prices of 2,664 yen for the one-month period up to that date; 34.64% over the simple average of closing prices of 2,711 yen for the three-month period up to that date; and 38.36% over the simple average of closing prices of 2,638 yen for the six-month period up to that date, as follows.

Reference Value	Share Price	Premium
Closing price on the business day preceding the announcement date	2,736 yen	33.41%
Simple average of closing prices for most recent one-month period	2,664 yen	37.01%
Simple average of closing prices for most recent three-month period	2,711 yen	34.64%
Simple average of closing prices for most recent six-month period	2,638 yen	38.36%

According to the Interviews, etc., when compared with the premium levels among the 44 cases of tender offers conducted for the purpose of a parent company making its listed subsidiary a wholly owned subsidiary (the “Reference Cases”) that were announced on or after January 1, 2022 and for which settlement was completed by November 27, 2025 (namely, the average premiums (being 38.65%, 41.06%, 40.30%, and 39.07%, respectively) and the median premiums (being 38.78%, 40.90%, 41.23%, and 36.70%, respectively) over the closing price on the business day prior to the announcement, the simple average of closing prices for the one-month period prior to the announcement, the simple average of closing prices for the three-month period prior to the announcement, and the simple average of closing prices for the six-month period prior to the announcement), it is recognized that the Tender Offer Price has been set with a premium (being 33.41%, 37.01%, 34.64%, and 38.36%, respectively, over the closing price on the business day prior to the announcement, the simple average of closing prices for the one-month period prior to the announcement, the simple average of closing prices for the three-month period prior to the announcement, and the simple average of closing prices for the six-month period prior to the announcement) that is not inferior to the Reference Cases considering that there were 16 cases, 16 cases, 15 cases, and 24 cases in the Reference Case, respectively, with premium levels below 33.41%, 37.01%, 34.64%, and 38.36%.

Thus, the premium of the Tender Offer Price can be recognized as a reasonable level in comparison with the Reference Cases.

e. Level of the Tender Offer Price and its valuation

When considered in light of the content of the Stock Valuation Report, the Tender Offer Price exceeds the upper limit of the range of share value per share of the Company Shares calculated by the Market Average Method in the stock valuation by Nomura Securities, falls within the range of share value per share of the Company Shares calculated by the DCF Method, and the premium relating to the Tender Offer can be recognized as appropriate in comparison with the Reference Cases; therefore, when considered in light of the content of the Stock Valuation Report, it is considered to be at a level that has validity in light of the Company’s corporate value and is not at a level that would impair fairness for general shareholders.

(4) Validity of Scheme

In the Transactions, it is planned that the Tender Offer will be implemented first, and then, if the Tender Offer is successful, the Squeeze-Out Procedure will be implemented through a demand for share cash-out request or share consolidation, whereby the Tender Offeror will acquire all of our company's shares.

Such a scheme is a common method of acquisition of a subsidiary by a controlling shareholder. In addition, in the Squeeze-Out Procedure, any shareholder who is dissatisfied with the consideration may file a petition to the court for the determination of the sell-out price or a petition for the determination of the price after the share purchase request. It is also considered desirable that the consideration be monetary from the viewpoint of protecting the interests of general shareholders, considering the ease of understanding for general shareholders, certainty and stability of value, and other factors.

Consequently, there is nothing unreasonable in the selection of the scheme of the Transactions.

(5) Summary

As described above, reasonable efforts have been made to conduct the Transactions under terms and conditions that are as favorable as possible to general shareholders while increasing corporate value ((1) above), the contents of the Business Plan, which are used as a basis for calculating the price in the Share Valuation Report, are reasonable ((2) above), the Tender Offer Price, in light of the contents of the Share Valuation Report, is considered to be at a level that is reasonable in light of our company's corporate value and at a level that does not compromise fairness to general shareholders ((3) above), and there are no unreasonable points in the selection of the scheme for the Transactions ((4) above).

As described above, the terms and conditions of the Transactions are considered fair and reasonable from the viewpoint of securing the interests of general shareholders.

4. Examination of the Fairness of the Procedures (related to Consultation Matter item

(iii))

With regard to Consultation Matter item (iii), we examine whether it is reasonable to conclude that the Transactions would be conducted through fair procedures to ensure that the interests of the general shareholders are protected.

According to the M&A Guidelines, 'Fairness Ensuring Measures' are practical measures that constitute such fair procedures, and in acquisitions by a controlling shareholder of controlled company, such measures can be taken as a means to realize fair transaction terms, depending on the specific circumstances (the degree of issues with respect to structural conflicts of interest or information asymmetries, the situation of the target company, and the overall transaction structure, etc.), from the following perspectives (M&A Guidelines, Section 2.4):

① Perspective 1: Ensuring a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms.

In the process in the target company conducts negotiation and evaluation of the appropriateness

of the M&A and the reasonableness of transaction terms, ensure a situation substantially equivalent to a situation where an M&A transaction is conducted between mutually independent parties; in other words, a situation where issues with respect to structural conflicts of interest or information asymmetries are properly addressed, and reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value.

② Perspective 2: Ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information

Taking into account the natural challenges for general shareholders to make an appropriate decision based on sufficient information (informed judgment) on the reasonableness of transaction terms due to information asymmetries between an acquiring party and general shareholders in MBOs and acquisitions of a controlled company by the controlling shareholder, provide general shareholders with necessary information to make an appropriate decision and ensure that general shareholders have an opportunity to make an appropriate decision.

Based on the above perspectives above, we examine whether Fairness Ensuring Measures are being implemented in the Transactions and it can be recognized as being conducted through fair procedures.

(1) Establishment of the Committee and Deliberations, etc.

a. Establishment of the Committee

After receiving the Tender Offer Statement from the Tender Offeror on September 3, 2025, the Company, based on the understanding that the Transactions constitute a material transaction, etc. with the Tender Offeror, which is the Company's controlling shareholder, the Company promptly established the Committee by a board of directors' resolution dated the 17th of the same month, in order to exercise caution in its decision-making and to eliminate the risk of arbitrariness and conflicts of interest, from the perspective of ensuring its fairness. The Committee is composed of three members: Mr. Toshikazu Togari (an Independent Outside Director of the Company), Mr. Atsushi Maekawa (an Independent Outside Director of the Company), and Ms. Keiko Yamagami (an Independent Outside Director of the Company), each of whom have independence from both the Company and the Tender Offeror.

The membership of the Committee has remained unchanged since its establishment, and Mr. Toshikazu Togari has been selected as chairperson of the Committee by the committee members' mutual vote. The remuneration for the members of the Committee consists only of a fixed amount compensation payable regardless of whether the Transactions succeed or fails and does not include any success fee contingent on the public announcement or completion, etc. of the Transactions.

b. Authority Granted, etc. to the Committee

The Company's board of directors resolved (1) to make its decision regarding the Transactions in a manner that respects the judgment of the Committee to the maximum extent, and (2) not to support the Transactions on the terms proposed if the Committee determines that the terms of the Transactions are not appropriate; and, based on this, resolved to grant to the Committee: (a) the

authority to appoint its own financial advisors / third-party valuation institutions and legal advisors or to nominate or approve (including ex post-facto approval) advisors, etc. of the Company, (b) the authority to be substantially involved in the negotiation process with respect to the terms of the Transactions, etc. by confirming the Company's negotiation strategy in advance, obtaining timely reports on the negotiation status and at important junctures rendering opinions, instructions, or requests; (c) the authority to approve the Company's internal examination system (including ex post-facto approval); (d) the authority to require the attendance at the Committee of officers or employees of the Company related to the Transactions or the Company's advisors, etc. relating to the Transactions, and to request explanations on necessary matters; (e) the authority to decide on the Fairness Ensuring Measures to be taken; (f) the authority to obtain confidential information; and (g) other authority incidental to the foregoing.

(2) Establishment of an Independent Review Structure

In order to examine, negotiate, and make judgments regarding the Transactions from a position independent of the Tender Offeror, the examination of the Transactions (including the preparation of the Business Plan) as well as discussions and negotiations with the Tender Offeror were conducted through the Company's Internal Examination Members. The Company's Internal Examination Members consist solely of officers / employees of the Company who (i) are not currently employed by the Tender Offeror Group (excluding the Company Group) and (ii) with the exception of Mr. Hashimoto, have not previously been employed by the Tender Offeror Group (excluding the Company Group) (specifically, eight persons in total, comprising Mr. Hashimoto and Mr. Ohkita, who are directors of the Company, and six employees). The Committee has confirmed that there are no issues from the perspective of independence and fairness. With respect to Mr. Hashimoto, although he was previously an employee of the Tender Offeror, more than 10 years have passed since his transfer to the Company, and he has had no involvement whatsoever on the Tender Offeror's side with respect to the Transactions, nor is he in a position to have such involvement. Accordingly, it was determined that there is no risk of conflict of interest with respect to the Transactions.

In addition, at the meeting of the Company's board of directors regarding the Transactions, 10 directors out of the 11 directors of the Company participated (excluding Mr. Akira Katsuyama), and after deliberation, are expected to adopt resolutions by unanimous vote of all attendees. Mr. Akira Katsuyama did not participate in the deliberations or resolutions of the said board meeting, in view of the fact that less than three years have passed since his transfer from the Tender Offeror to the Company, from the perspective of eliminating to the extent possible the effects of conflicts of interest with the Company's general shareholders and ensuring fairness, transparency, and objectivity in the decision-making regarding the Transactions.

As described above, the Company has established an internal structure that enables examination and negotiation, etc. regarding the Transactions to be conducted from a position independent of the Tender Offeror.

(3) Advice from Independent Outside Expert Advisors

The Company has appointed Nomura Securities as its financial advisor independent from the

Tender Offeror Group, and the Company and the Committee have received advice from a financial standpoint from Nomura Securities as set forth in II. 3. (3) above. According to the Interviews, etc. and the Examination Materials, Nomura Securities is not a related party of either the Company or the Tender Offeror and does not have any material interest in the Transactions, including the Tender Offer. Although the fees payable to Nomura Securities include a success fee contingent on completion, etc. of the Transactions, taking into account general market practice, etc., in similar transactions, the Committee considers that it is reasonable to conclude that inclusion of a success fee contingent on the completion, etc. of the Transactions does not negate Nomura Securities' independence. Also, the Committee confirmed that there are no issues with Nomura Securities' independence including by receiving explanations from Nomura Securities regulation information barrier measures, etc. in connection with the Transactions.

Furthermore, the Company has appointed Shimada Hamba & Osajima as its legal advisor independent from the Tender Offeror Group, and the Company and the Committee have received advice from a legal perspective from Shimada Hamba & Osajima as set forth in II. 3. (3) above. Shimada Hamba & Osajima is not a related party of the Tender Offeror or the Company and does not have any material interest in the Transactions. The fees payable to Shimada Hamba & Osajima do not include any success fee contingent on the completion, etc. of the Transactions.

Accordingly, the Company and the Committee are receiving advice from external professional advisors with a high degree of expertise who are independent of the Company and the Tender Offeror.

(4) Obtaining a Share Valuation Report from an Independent Third-Party Valuation

Institution

According to the Interviews, etc. and the Examination Materials, in order to ensure the fairness of the Tender Offer Price proposed by the Tender Offeror, the Company appointed Nomura Securities as a third-party valuation institution independent from the Company and the Tender Offeror, and obtained the Share Valuation Report as materials regarding the share value of the Company Shares. The independence of Nomura Securities from the Tender Offeror is as described in (3) above.

Accordingly, the Company has obtained a share valuation report from an independent third-party valuation institution with expertise, and has used it as a basis for its judgment.

(5) Market Check

According to the Tender Offer Registration Statement, the Tender Offeror has set the tender offer period at 30 business days, which is 10 business days longer than the minimum period of 20 business days prescribed by laws and regulations. It is found that this, by setting the tender offer period to a duration longer than the minimum period prescribed by laws and regulations, ensures an opportunity for the Company's shareholders to make appropriate decision regarding whether to tender in the Tender Offer, and thereby ensures the appropriateness of the Tender Offer Price.

In addition, the Company and the Tender Offeror have not entered into any agreement containing deal protection provisions that would prohibit the Company from conduct such as having contact with competing counterbidders, etc., and are ensuring a situation in which competing proposals can be made.

Accordingly, the Transactions are able to be conducted in an environment in which other potential acquiring parties can make competing proposals, and that a so-called indirect market check is being conducted.

Regarding market checks, the M&A Guidelines note that when the acquiring party is a controlling shareholder, there are only a limited number of cases where a market check will function as a Fairness Ensuring Measure, and in most cases there will be scant meaning to implementing a market check (M&A Guidelines 3.4.3.2).

Regarding this point, it is noted that market checks may function even when the acquiring party is a controlling shareholder in exceptional cases, such as: (i) where the percentage of voting rights held by the controlling shareholder is low, (ii) cases where there is a possibility that if a highly attractive competing proposal is made the controlling shareholder may decide to sell, and (iii) cases where the controlling shareholder intends to acquire the controlled company initially, and then eventually dispose of all or part of the controlled company. However, when it comes to the Transactions, (i) it cannot be said that the controlling shareholder holds a low percentage of voting rights since The Tender Offeror holds a majority of the Company's voting rights, and (ii) in the Response Letter and the Interview with the Tender Offeror, the significance and necessity of the Tender Offeror continuing to hold the Company as a subsidiary under its business strategy have been clearly demonstrated; therefore, even if such a competing proposal were made, it is considered extremely unlikely that the Tender Offeror would agree to sell the Company's shares. Furthermore, (3) in the Transactions, it is not anticipated that the Tender Offeror would acquire the Company and then subsequently sell it.

Based on the above points, the Committee determined that there are no exceptional circumstances warranting the implementation of a so-called active market check, beyond an indirect market check, regarding the Transactions.

(6) Majority-of-Minority

According to the Tender Offer Registration Statement, in the Tender Offer, if a minimum number of shares to be purchased were to be set (equivalent to a so-called majority-of-minority condition), this could make completion of the Tender Offer less stable and, rather, it could potentially detract from the interests of those general shareholders who wish to tender in the Tender Offer; and, for this reason, in the Tender Offer, a minimum number of shares to be purchased (equivalent to a so-called majority-of-minority condition) is not set.

The M&A Guidelines also state that it is difficult to go so far as to say that it is always advisable to set a majority-of-minority condition. Also, taking into account that other Fairness Ensuring Measures have been taken, it is considered that, simply because a majority-of-minority condition has not been set, this does not mean that appropriate Fairness Ensuring Measures have not been

taken.

(7) Enhanced Disclosure of Information to General Shareholders

In the Transactions, enhanced disclosure of information is planned in the Company's Expression of Opinion Press Release and the Tender Offer Registration Statement with respect to information regarding the Committee, including (i) the process of examination by the Committee and the status of its involvement in the process of negotiating the transaction terms with the Tender Offeror; and (ii) the appropriateness of the Transactions, the appropriateness of the transaction terms, and the fairness of the procedures, etc.

In addition, enhanced disclosure of information is planned with respect to: (iii) information regarding the Share Valuation Report obtained by the Company's board of directors, (iv) information regarding the process leading to the implementation of the Transactions; and (v) the specific content of the interests of the Company's directors, etc. with respect to the Transactions and whether and how the directors, etc. were involved in the process of formulating the transaction terms.

Accordingly, it is found that enhanced disclosure of information that contributes to the making of an appropriate decision by general shareholders is planned to be made in the Transactions.

(8) Elimination of Coerciveness

According to the Tender Offer Registration Statement, the Tender Offeror has made clear that (i) the Tender Offeror plans to request the Company to hold an extraordinary general meeting of shareholders promptly after the completion of the settlement of the Tender Offer, which will include, as an agenda item, a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit, conditional on demand for share cash-out or share consolidation taking effect, depending on the number of Company Shares acquired by the Tender Offeror on completion of the Tender Offer; and a method will not be adopted that does not ensure appraisal rights or price determination rights for the Company's shareholders (excluding the Company and the Tender Offeror); and (ii) in the case of demand for share cash-out or share consolidation, the cash to be delivered as consideration to the Company's shareholders will be calculated so as to be equal to the amount obtained by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder (excluding the Company and the Tender Offeror).

Accordingly, it is reasonable to conclude that the Tender Offeror has taken care to ensure that the Company's shareholders (excluding the Company and the Tender Offeror) have an opportunity to make an appropriate decision regarding whether or not to tender in the Tender Offer, thereby ensuring that no coerciveness arises.

(9) Summary

As set forth in (1) through (8) above, it is found that effective Fairness Ensuring Measures are

being taken in the Transactions from both perspectives, i.e. the perspective of ensuring a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms, and the perspective of ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information

Based on the matter set forth above, it is found that the Transactions have been conducted through fair procedures.

5. Comprehensive Review (related to Consultation Matter item (iv) and item (v))

As set forth in Section 2. above, it is the Committee's view that the Transactions would contribute to the enhancement of the corporate value of the Company, and it is the Committee's finding that the purpose of the Transactions has legitimacy and rationality. Also, as set forth in Section 3. above, it is the Committee's finding that the terms of the Transactions, including the price of purchase, etc. in the Tender Offer, have fairness and appropriateness, and as set forth in Section 4. above, that appropriate Fairness Ensuring Measures are being taken in the Transactions and that the procedures can be regarded as having fairness.

In light of the above, it is the Committee's finding that Transactions would be fair to the general shareholders of the Company, and that it is appropriate for the board of directors of the Company to express an opinion in support of the Tender Offer and to recommend the shareholders of the Company to tender in the Tender Offer.

V. Assumptions and Limitations

1. Premises of the Special Committee Report

The examination and report in the Special Committee Report are premised on the following points:

- (i) The procedures relating to the Transactions shall be conducted by the Company and Tender Offeror respectively in compliance with the Companies Act, the Financial Instruments and Exchange Act, the Securities Listing Regulations of the Tokyo Stock Exchange, and other laws and regulations, etc.
- (ii) The information set forth in the Examination Materials and the information obtained in the course of the Interviews, etc., is true and accurate, and there has been no change thereto as at the time of preparation of the Special Committee Report.
- (iii) There does not exist any information, nor any circumstances, that could affect the Committee's recognition of the facts on which the examination by the Committee is premised or the process of examination by the Committee, other than the information set forth in the Examination Materials and the information obtained through the Interviews, etc.

2. Purposes and Limitations of the Special Committee Report

The Special Committee Report has been prepared for the purpose of rendering a report to the

board of directors of the Company pursuant to the referral for consultation received from the board of directors regarding the Matters for Consultation and is not addressed to anyone other than the board of directors of the Company, and the Committee shall have no liability or responsibility whatsoever to any third party in connection with the matters set forth in this Report, regardless of whether or not disclosure is made pursuant to the Tokyo Stock Exchange Securities Listing Regulations. Also, the Special Committee Report does not guarantee any interpretation or judgment of a court, administrative agency, or self-regulatory organization, etc.

The examination and report in the Special Committee Report have been made subject to the following constraints and have the attendant limitations:

- (i) The report of the Committee has been rendered on the premise of the points set forth in Section 1. above, and is based on the Examination Materials and the Interviews, etc., and the Committee has not independently verified the truthfulness, accuracy or completeness of the content of the Examination Materials and the Interviews, etc.
- (ii) The report set forth in the Special Committee Report represents the judgment of the Special Committee at the time of preparation of the Special Committee Report, and it does not preclude the possibility that material changes may occur to the terms of the Transactions or the circumstances of the Company, etc. before the commencement of the Tender Offer, or the possibility that a competing proposal may be made, etc. In such case, separate analysis and review may be required.

End of Document.

November 28, 2025

To whom it may concern:

Company Name:	Canon Inc.
Name of Representative:	Chairman and CEO Fujio Mitarai
Code Number:	7751
Stock Exchanges:	Tokyo (Prime Market) Nagoya (Premier Market), Fukuoka, Sapporo
Contact:	General Manager, Finance Takaaki Tanaka (TEL. 03-3758-2111)

Notice Regarding Commencement of Tender Offer for Shares of Canon Electronics Inc. (Securities Code: 7739)

Canon Inc. (the “Tender Offeror”) hereby announces that it resolved at its board of directors meeting held today to acquire the common stock (the “Target Company Shares”) of Canon Electronics Inc. (Securities Code: 7739, Prime Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”); hereinafter the “Target Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter the “Act”), as follows:

1. Purpose of the Purchase etc.

(1) Overview of Tender Offer

As of today, the Tender Offeror owns 22,500,600 Target Company Shares (Shareholding ratio (Note 1): 55.01%), which are listed on the Prime Market of the Tokyo Stock Exchange, and the Target Company is a consolidated subsidiary of the Tender Offeror. The Tender Offeror resolved at its board of directors meeting held today to implement the Tender Offer as part of a series of transactions (the “Transaction”) for the purpose of acquiring all of the Target Company Shares (excluding, however, the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company, but including the Target Company’s restricted shares granted to the Target Company’s directors as restricted share-based remuneration (excluding those for which transfer restrictions have been lifted; hereinafter the “Restricted Shares”)) and making the Target Company a wholly-owned subsidiary of the Tender Offeror.

(Note 1) “Shareholding ratio” means the ratio (rounded to two decimal places) of shares to the number of shares (40,902,779 shares; hereinafter the “Base Shares”) calculated by deducting the number of treasury shares held by the Target Company as of September 30, 2025 (1,303,761 shares) from the total number of issued shares as of the same date (42,206,540 shares) stated in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 (Japanese GAAP) (Completion of Quarterly Review by Certified Public Accountants, etc.)” (the “Target Company’s Consolidated Financial Results for the Third Quarter”) published by the Target Company on October 29, 2025. The same applies hereinafter to descriptions of shareholding ratio.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 4,738,100 shares (Shareholding ratio: 11.58%), and if the total number of share certificates, etc. tendered in the Tender Offer (the “Tendered Share Certificates”) is less than the minimum number of shares to be purchased, the Tender

Offeror will not purchase any of the Tendered Share Certificates. The minimum number of shares to be purchased (4,738,100 shares) is set at the number of shares (4,738,100 shares) calculated by multiplying the number of voting rights (47,381 voting rights)—which is obtained by (i) multiplying the number of voting rights (409,027 voting rights) associated with the Base Shares (40,902,779 shares) by two-thirds, resulting in 272,685 voting rights (rounded up to the nearest whole number), and (ii) deducting from that number the number of voting rights (298 voting rights) associated with the Restricted Shares (Note 2) (29,895 shares) held by the Target Company's directors as of today and the number of voting rights (225,006 voting rights) associated with the Target Company Shares (22,500,600 shares) held by the Tender Offeror—by the number of shares per share unit of the Target Company (100 shares). This minimum number has been set because the Tender Offeror aims to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer, and if the procedures for the share consolidation described in “(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)” below are implemented, a special resolution of a general shareholders meeting as stipulated in Article 309, paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the “Companies Act”) is required. Therefore, the minimum number is set to ensure that the Tender Offeror will hold two-thirds or more of the total voting rights of all shareholders of the Target Company after the Tender Offer, in order to reliably execute the Transaction.

(Note 2) The Restricted Shares cannot be tendered in the Tender Offer because they are subject to transfer restrictions. However, the Target Company's board of directors resolved today to express its opinion in support of the Tender Offer, which is premised on delisting, and 10 out of the 11 directors of the Target Company participated in the deliberation and resolution, and all participating directors exercised their voting rights in favor of said resolution. Furthermore, the director who did not participate in the deliberation and resolution has also expressed an intention to support the Squeeze-Out Procedures (as defined below) if the Tender Offer is completed. Therefore, if, after the completion of the Tender Offer, the total number of voting rights owned by the Tender Offeror in the Target Company is less than 90% of the total number of voting rights of all shareholders of the Target Company, it is expected that all Restricted Shares will be voted in favor at the Extraordinary General Shareholders Meeting (as defined below). Accordingly, when considering the minimum number of shares to be purchased, the number of these Restricted Shares has been deducted.

On the other hand, because the Tender Offeror intends to acquire all of the Target Company's issued shares (excluding, however, the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company, but including the Restricted Shares) and make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Share Certificates is equal to or greater than the minimum number of shares to be purchased (4,738,100 shares), the Tender Offeror will purchase all of the Tendered Share Certificates.

If the Tender Offer is completed but the Tender Offeror is unable to acquire all of the Target Company Shares (excluding, however, the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company, but including the Restricted Shares) through the Tender Offer, the Tender Offeror plans to implement a series of procedures (the “Squeeze-Out Procedures”) to acquire all of the Target Company Shares (excluding, however, the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company, but including the Restricted Shares) and make the Target Company a wholly-owned subsidiary of the Tender Offeror after the completion of the Tender Offer, as described in “(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)” below.

The Tender Offeror plans to finance the funds required for the Transaction, including the Tender Offer, through a loan (the “Bank Loan”) from Mizuho Bank, Ltd. (“Mizuho Bank”), and plans to receive the Bank Loan by the business day immediately preceding the commencement date of the settlement for the Tender Offer, subject to the completion of the Tender Offer and other conditions. The details of the financing terms and conditions for the Bank Loan are to be stipulated in the loan agreement for the Bank Loan after separate consultation with Mizuho Bank.

According to the “Notice Concerning Expression of Opinion in Support and Recommendation to Tender Regarding the Tender Offer for Company Shares by Canon Inc., the Company's Controlling Shareholder” (the

“Target Company Press Release”) published by the Target Company today, the Target Company resolved at its board of directors meeting held today to express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. For details of such resolution by the Target Company’s board of directors, please refer to the Target Company Press Release and “(vi) Approval of All Directors Without Interests and Opinion of No Objection from All Auditors Without Interests in the Target Company” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below.

(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy

① Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making

The Tender Offeror was launched in November 1933 as the Precision Optical Instruments Laboratory for the purpose of research and development of high-quality domestic cameras, and was incorporated as Precision Optical Industry, Co., Ltd. in August 1937. Subsequently, the Tender Offeror changed its trade name to Canon Camera Co., Inc. in September 1947, and changed its trade name to the current Canon Inc. in March 1969. The Tender Offeror listed its shares on the First Section of the Tokyo Stock Exchange in May 1949, on Nagoya Stock Exchange, Inc. (the “Nagoya Stock Exchange”) and the Fukuoka Stock Exchange (securities members corporation) (the “Fukuoka Stock Exchange”) in June 1954, and on the Sapporo Securities Exchange (securities members corporation) (the “Sapporo Securities Exchange”) in January 1970, was designated to the First Section of the Nagoya Stock Exchange in October 1961, and subsequently, following the transition to the new market segments of the Tokyo Stock Exchange and the Nagoya Stock Exchange in April 2022, is currently listed on the Prime Market of the Tokyo Stock Exchange, the Premier Market of the Nagoya Stock Exchange, the Main Market of the Sapporo Securities Exchange, and the Main Market of the Fukuoka Stock Exchange.

The Tender Offeror Group (meaning the Tender Offeror and its subsidiaries and affiliates; hereinafter the same) consists of the Tender Offeror, 326 consolidated subsidiaries (including the Target Company), and 10 affiliates accounted for by the equity method as of September 30, 2025.

Although the Tender Offeror initially manufactured and sold cameras, it has expanded its business globally while diversifying its operations, starting with its entry into the business machines field on the 30th anniversary of its founding. In 1996, under the philosophy of “Kyosei” (Note 1), the Tender Offeror launched the “Excellent Global Corporation Plan,” aiming to become a company that is respected and admired around the world, continuously contributing through technology, and has promoted numerous innovations, including production and development innovations, and strengthening product competitiveness, based on the basic principles of total optimization and profitability. As a result, the Tender Offeror has succeeded in transforming into a highly profitable structure and recognizes that it is a representative company in office multifunction devices, laser printers, inkjet printers, interchangeable-lens cameras, semiconductor lithography equipment, and FPD lithography equipment.

(Note 1) “Kyosei” means aiming for a society in which all humankind, regardless of differences in culture, customs, language, ethnicity, etc., can live together, work together, and live happily into the future.

In its new five-year plan, “Excellent Global Corporation Plan Phase VI,” which started in 2021, the Tender Offeror is working to improve group productivity by thoroughly strengthening the business competitiveness of its industry-oriented groups and thoroughly strengthening headquarters functions, based on the basic policy of “accelerating productivity improvement and corporate portfolio transformation through new business creation.”

Meanwhile, according to the Target Company Press Release, the Target Company was founded in May 1954 as Chichibu Eikosha Co., Ltd. (changed its trade name to Canon Electronics Inc. in January 1964;

hereinafter “Chichibu Eikosha”). In order to change the par value of its shares from 500 yen to 50 yen, it conducted an absorption-type merger with Sakura Sho-kai Co., Ltd. (established in May 1947; changed its trade name to Canon Electronics Inc. in July 1979) as the surviving company in form, with the merger effective date as of January 1, 1980, and continues to the present. The Target Company Shares were listed on the Second Section of the Tokyo Stock Exchange in August 1981, designated to the First Section of the Tokyo Stock Exchange in June 1998, and transitioned to the Prime Market of the Tokyo Stock Exchange in April 2022 due to the reorganization of the market segments of the Tokyo Stock Exchange.

As of today, the corporate group (the “Target Company Group”) consisting of the Target Company, 8 subsidiaries, and 1 equity-method affiliate develops, produces, and sells precision machinery and equipment, electronic and electrical machinery and equipment, optical machinery and equipment, information equipment, and computer and communication equipment software, etc., and operates its business in the following “Components,” “Electronic Information Equipment,” and “Other” segments. The Target Company Group belongs to the Tender Offeror Group, and mainly purchases parts from, manufactures for, and delivers products to the Tender Offeror and its production subsidiaries.

(i) Components

This segment mainly manufactures and sells shutter units (Note 2), aperture units (Note 3), and laser scanner units (Note 4). Shutter units and aperture units are developed, manufactured, and sold by the Target Company. The main customers are clients outside the Target Company Group and the Tender Offeror Group. Laser scanner units are manufactured under contract from the Tender Offeror, and the products are delivered to the Tender Offeror.

(Note 2) A “shutter unit” refers to a mechanism for controlling the camera’s shutter speed and adjusting the amount of light during shooting.

(Note 3) An “aperture unit” refers to a mechanism for limiting the amount of light passing through the lens to control exposure. By operating the aperture, the brightness and focus of the photograph can be adjusted.

(Note 4) A “laser scanner unit” refers to a measuring device that uses laser light to measure the distance to or shape of an object. Laser scanner units installed in multifunction devices use laser light to generate digital data from documents, etc.

(ii) Electronic Information Equipment

This segment mainly manufactures and sells document scanners, handy terminals (Note 5), and laser printers. Document scanners and handy terminals are developed and manufactured by the Target Company and are mainly sold to Tender Offeror Group sales subsidiaries. Laser printers are manufactured under contract from the Tender Offeror, and the products are delivered to the Tender Offeror.

(Note 5) A “handy terminal” refers to a data collection terminal that reads barcodes and 2D codes. Since data can be collected and processed in real-time, they are used in business processes such as electricity and water meter reading, and sales management for vending machines.

(iii) Other

The main products manufactured and services provided are customer information management services, business card management services, system development, maintenance, and operation, dental milling machines (Note 6), environment-related equipment, medical-related equipment such as blood pressure monitors and sterilizers, micro-satellites, satellite-mounted components, and satellite imagery..

(Note 6) A “dental milling machine” refers to a device that processes dental fillings and other items. By installing it in dental laboratories, etc., it can support the rapid and high-precision production of dental prosthetics.

The Target Company Group aims to “build a world-class, high-profit company that contributes to society and earns respect globally,” and specifically, it is working to achieve a target recurring profit margin of 15%.

In the Target Company Group's related markets, while camera body sales remained firm, centered on mirrorless cameras, inventory adjustments associated with excess market inventory continued to affect camera and printer parts and units handled by the Target Company. For laser printer products, demand increased mainly in Asia, and sales of main units remained strong. Document scanner products maintained gradual growth due to the progress of digital transformation (DX) and increased post-COVID demand. In information systems, DX initiatives continued to expand, and investment demand, such as for system development for financial institutions, remained solid. On the other hand, the business environment surrounding the Target Company Group continues to be unpredictable, changing significantly due to growing interest in social issues including sustainability, responses to the new post-COVID society, and the maturation of the office equipment market related to core products such as copiers, printers, and document scanners. Under these circumstances, the Target Company Group is addressing the following challenges:

(i) Entry into and Establishment in Growth Fields

The Target Company Group is currently advancing entry into various growth fields. In the space-related fields, based on the results of demonstration experiments conducted with micro-satellites launched into orbit through past research and development, the Target Company Group is steadily shifting toward commercialization, such as by concluding a contract with the Ministry of Defense for the manufacture and testing of multi-orbit observation demonstration satellites. Furthermore, leveraging the Target Company Group's characteristic agility and technology, it is promoting sales expansion not only of medical field products like blood pressure monitors and sterilizers but also of environment-related equipment and dental milling machines. In the agricultural field, the Target Company is conducting sales activities for its newly developed automated production equipment for plant factories (Note 7). In the components field, the Target Company Group has expanded its business by taking over the motor business from a domestic group company of the Tender Offeror. In this way, the Target Company Group aims to establish numerous small businesses . (Note 7) "Automated production equipment for plant factories" refers to equipment for automating and saving labor in cultivation work at plant factories.

(ii) Promotion of ESG Management and Sustainability Initiatives

The Target Company Group is advancing its evolution into a sustainability company, based on its many years of environmental management initiatives. It is also actively working to strengthen compliance, enhance corporate governance systems, manage the supply chain, contribute to preventing global warming, respect human rights, and secure and develop diverse human resources. To strengthen ESG management, in January 2023, it became the first in Japan to obtain certification from a third-party certification body, SGS Japan Inc., for its ESG systems and activities. It continues to promote activities to improve the quality of its ESG management and is expanding disclosure of related policies and data. The Target Company Group also considers responding to the globally advocated realization of carbon neutrality by 2050 as an important issue, and is working toward targets of reducing CO2 emissions by 46% compared to 2013 levels by 2030, and achieving virtually zero CO2 emissions by 2050. The Target Company Group continues to provide and develop technologies and products that contribute to achieving a carbon-neutral society, while also addressing various risks such as climate change.

(iii) Promotion of Human Capital Management

From the perspective of human capital management, the Target Company is promoting initiatives to maximize the value of its human capital. The Target Company is actively promoting the hiring of career personnel with diverse experiences, work histories, and skills. In addition, the Target Company is developing education systems and workplace environments to maximize the characteristics and abilities of each individual, and operates training programs for managers and executives to strengthen its human resource base for management by fostering business acumen in young employees from an early stage. Furthermore, the Target Company aims to have women hold 30% of management positions at or above the level of assistant manager by 2030, and is conducting recruitment activities to ensure that the hiring ratio of women exceeds

30% each year. The Target Company uses a “role-based compensation system” in which treatment and remuneration of employees are determined based on roles and performance, as well as the difficulty and responsibility of the job, regardless of factors such as gender, educational background, or length of service. Furthermore, to create a workplace where employees can work more safely and healthily, the Target Company has established a labor safety and health management system and has obtained “ISO 45001” certification, an international standard for such systems, at all domestic business sites and two overseas factories. The Target Company has been recognized as a Health & Productivity Management Outstanding Organization under the Certified Health & Productivity Management Outstanding Organizations Recognition Program by the Ministry of Economy, Trade and Industry for five consecutive years, and is also promoting initiatives based on its “health-first” principle.

The capital relationship between the Tender Offeror and the Target Company began in 1956 when the Tender Offeror acquired all the shares of Chichibu Eikosha (now the Target Company) in order to incorporate the technology of Chichibu Eikosha (now the Target Company), which manufactured self-timers for cameras, etc. The Target Company Shares were listed on the Second Section of the Tokyo Stock Exchange in August 1981, and as of the end of December 1981 (total number of issued shares: 13,000,000 shares), the Tender Offeror held 6,576,000 Target Company Shares (representing a ratio of shares held to the total number of issued shares of the Target Company at this point in time (hereinafter, the ratio of the number of shares held by the Tender Offeror to the total number of issued shares of the Target Company at each point in time is referred to as the “Ownership ratio,” and all are rounded to the third decimal place): 50.58%).

Subsequently, the Target Company issued new shares by incorporating capital reserve without receiving payment of money from shareholders in January 1982, and the Tender Offeror held 8,230,000 Target Company Shares (Ownership ratio: 50.65%) as of the end of December 1982 (total number of issued shares: 16,250,000 shares), and 8,684,000 Target Company Shares (Ownership ratio: 51.26%) as of the end of December 1983 (total number of issued shares: 16,939,000 shares). The Target Company implemented a 20% gratuitous allotment of new shares in August 1984, and the Tender Offeror held 10,724,000 Target Company Shares (Ownership ratio: 50.86%) as of the end of December 1984 (total number of issued shares: 21,087,000 shares). In November 1987, the Target Company conducted a paid-in capital increase through a third-party allotment to the Tender Offeror, and the Tender Offeror held 16,894,000 Target Company Shares (Ownership ratio: 61.97%) as of the end of December 1987 (total number of issued shares: 27,264,000 shares). In September 2004, the Tender Offeror disposed of 1,939,000 Target Company Shares, and held 14,955,000 Target Company Shares (Ownership ratio: 54.09%) as of the end of December 2004 (total number of issued shares: 27,647,000 shares). Furthermore, in January 2007, the Target Company implemented a 1.5-for-1 stock split of its common stock, and the Tender Offeror held 22,433,000 Target Company Shares (Ownership ratio: 54.09%) as of the end of December 2007 (total number of issued shares: 41,471,000 shares).

Subsequently, the Tender Offeror held 22,500,000 Target Company Shares (Ownership ratio: 53.31%) as of the end of December 2012 (total number of issued shares: 42,206,000 shares), and the number of Target Company Shares (22,500,600 shares; Shareholding Ratio: 55.01%) held by the Tender Offeror remains unchanged as of today.

Since the Target Company listed its shares on the Second Section of the Tokyo Stock Exchange in August 1981 and was designated to the First Section of the Tokyo Stock Exchange in June 1998, the Tender Offeror has maintained the Target Company’s listing from the perspective of group-wide optimization of the Tender Offeror Group, primarily with the aim of allowing the Target Company to continuously enjoy the benefits of being a listed company, such as its name recognition in the industry and the recruitment of outstanding human resources. At the same time, the Tender Offeror recognizes that the Target Company has been engaged in space business as its own independent business, such as the in-house development of small satellites and related components, leveraging its advantageous technological capabilities in diverse manufacturing that support high quality and high productivity, in addition to businesses related to the Tender Offeror Group.

However, the market environment surrounding the businesses in which the Target Company is engaged—the components business, the electronic information equipment business, and the space business—has recently changed significantly, and the Tender Offeror recognizes that the Target Company’s price-to-book ratio (PBR) has been below 1x since 2019, indicating a need for further management efficiency. Furthermore, the Tender Offeror recognizes that in order to enhance the competitiveness of the space business, which is the Target Company’s independent business, it is increasingly important to achieve growth that involves expanding business domains, such as multi-sensor satellites (Note 8) and vertical integration of business models (Note 9), beyond just existing businesses.

(Note 8) “Multi-sensor satellites” refers to equipping a satellite with multiple types of sensors to complementarily use and integrate the information obtained from each sensor.

(Note 9) “Vertical integration of business models” refers to expanding the business domain to the entire value chain of the space industry, from upstream activities such as satellite development to downstream activities such as satellite data utilization.

The Tender Offeror believes that in order to simultaneously advance the space business as one of the drivers of future growth while reforming management, such as by improving profitability and capital efficiency, in the Target Company’s existing businesses, the acquisition of a wide range of technology such as SAR sensors (Note 10) and satellite data analysis utilizing AI through M&A and business alliances, human networks including overseas, and large capital investments will be necessary. In particular, the Tender Offeror believes that there are significant business risks in the process of getting the space business off the ground, and that management resources will be needed to address these risks.

(Note 10) “SAR sensor” refers to a sensor that irradiates the earth’s surface with microwaves and receives the reflected waves from the earth’s surface.

Under these circumstances, the Tender Offeror believes that there are certain limitations, such as funding and human networks including overseas, for the Target Company alone to establish a competitive advantage in its business and achieve further growth and corporate value. By making the Target Company a wholly-owned subsidiary through the Transaction, the Tender Offeror believes it will be possible to make agile investments, including M&A, as a united Tender Offeror Group and to strengthen collaboration within the Tender Offeror Group more than ever before.

In addition, considering the Target Company’s financial condition, the need for large-scale financing through equity financing in the capital market is not considered high. Given the relationship between the Tender Offeror and the Target Company, the possibility of a decline in name recognition or difficulty in securing human resources even if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror is considered limited. Furthermore, in light of the recent rise in listing maintenance costs, the significance of continuing to maintain the listing is considered to be diminishing. These factors also form the background for considering the Transaction.

Based on this awareness, in early August 2025, the Tender Offeror concluded that in order to establish the Target Company’s competitive advantage and ensure its sustainable growth, it was essential to comprehensively and actively utilize the Tender Offeror Group’s management resources. To achieve this, the Tender Offeror determined that it was necessary to make the Target Company a wholly-owned subsidiary of the Tender Offeror rather than maintaining its listing and continuing independent management, establish a system that allows for the rapid and flexible mutual utilization of the management resources of the Tender Offeror Group, including the Target Company, and conduct more integrated and closely coordinated business operations, and began initial consideration of the Transaction.

After the Transaction, the Tender Offeror Group plans to promote the realization of synergies by implementing the following measures:

I . Vertical Integration of the Value Chain in the Space Business and Further Business Expansion

The Tender Offeror recognizes that the global space industry is an attractive industry that is expected to grow dramatically in the future, driven by technological innovation and accelerated private-sector leadership. In this context, the Tender Offeror Group, including the Target Company, recognizes that it is a corporate group involved in many parts of the value chain in the space industry, such as optical technology, production and mass production technology, satellite launches, and satellite data/image data sales. Through the Transaction, the Tender Offeror intends to integrate the space business within the Tender Offeror Group and achieve further business growth with a sense of speed.

II. Optimization of Asset Allocation and Cost Reduction within the Tender Offeror Group

The Tender Offeror expects to achieve improved productivity through the mutual utilization of domestic and overseas factories held by the Tender Offeror Group, including the Target Company, and the optimization of production allocation, as well as cost competitiveness synergies by leveraging the Tender Offeror Group's purchasing power and financing capabilities.

III. Management Efficiency and Improved Corporate Governance for Enhanced Corporate Value

The Tender Offeror believes that the Transaction will resolve the structural conflict of interest risk between the Tender Offeror and the Target Company's general shareholders, enabling a more focused, long-term approach to measures aimed at enhancing corporate value.

The Tender Offeror also further considered the disadvantages of delisting the Target Company associated with the completion of the Transaction. Although potential disadvantages, such as limited financing options in the capital market due to delisting, are anticipated, the Tender Offeror believes that, given the Target Company's equity ratio (Note 11) of 85.2% as of June 30, 2025, and considering its financial condition, the need for large-scale financing through equity financing is not high. Furthermore, if funding needs arise, alternative means to financing in the capital market, such as the use of group financing, are available, and it may even be possible to procure funds on more favorable terms. In addition, given the relationship between the Tender Offeror and the Target Company, the possibility of a decline in the Target Company's name recognition or difficulty in securing human resources as a result of becoming a wholly-owned subsidiary of the Tender Offeror is limited, and the Tender Offeror believes there is a sufficient possibility that it will instead have a positive impact on recruitment and securing human resources. Furthermore, since the Target Company is recognized as one of the Tender Offeror Group companies, the Tender Offeror anticipates that the impact on customers will also be limited. Moreover, by delisting the Target Company Shares through the Transaction, the Tender Offeror believes that various costs associated with maintaining the listing (listing fees, costs for preparing disclosure documents, outsourcing fees for stock transfer agents, audit fees, etc.) and the operational burdens, etc. on the Target Company will be reduced. In addition, the Tender Offeror does not anticipate any particular disadvantages arising from the loss of capital relationships with existing shareholders.

(Note 11) Based on the equity ratio as of June 30, 2025, stated in the 87th Fiscal Period Semi-annual Report filed by the Target Company on August 1, 2025.

While the enhanced collaboration between the Tender Offeror and the Target Company through the Transaction is expected to generate synergies, no dis-synergies that would significantly impact the Target Company's business are anticipated, and the Tender Offeror believes that the merits will outweigh the demerits.

Based on this understanding, the Tender Offeror began considering the Transaction in early August 2025. In late August 2025, the Tender Offeror appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and third-party valuation agency, independent of the Tender Offeror and the Target Company, and in late August 2025, appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor, independent of the Tender Offeror and the Target Company. After appointing them, the Tender Offeror proceeded with full-scale consideration of the Transaction and notified the Target Company on August 26,

2025 that it had begun considering the completion of the Transaction. Subsequently, on September 5, 2025, the Tender Offeror submitted to the Target Company a non-legally binding initial letter of intent (the “Letter of Intent”) outlining the Transaction and the initiatives envisioned by the Tender Offeror after the Transaction.

On September 17, 2025, the Tender Offeror received a notice from the Target Company regarding the Letter of Intent to the effect that the Target Company had established the Special Committee (defined in “(i) Background of the Establishment of the Framework for Consideration” in “② Course of Events behind Decision-Making Leading to the Target Company’s Agreeing to the Tender Offer; Reasons” below; hereinafter the same) by a resolution of its board of directors held on the same day.

Simultaneously with the submission of the Letter of Intent, the Tender Offeror proposed to the Target Company to conduct due diligence on the Target Company to closely examine the feasibility of the Transaction, and the Target Company replied on the same day that it would accept the due diligence. The Tender Offeror conducted the due diligence from late September 2025 to late October 2025, and in parallel, held discussions and negotiations with the Target Company and the Special Committee regarding the price per share for the purchase, etc. of the Target Company Shares in the Tender Offer (the “Tender Offer Price”), while explaining the significance and purpose of the Transaction and the management policy for the Target Company after it becomes a wholly-owned subsidiary to the Target Company and the Special Committee. Specifically, after proposing the purpose of the Transaction, the post-Transaction management involvement policy, the scheme of the Transaction, etc. through the submission of the Letter of Intent on September 5, 2025, the Tender Offeror submitted a written response regarding the consideration process leading to the proposal of the Transaction, the details of the measures envisioned after the Transaction, the expected merits, demerits, and other impacts and their extent, and the management policy planned after the Transaction via the Special Committee on October 20, 2025, and was interviewed via the Special Committee at the Special Committee meeting held on the 28th of the same month, and held a question-and-answer session regarding these matters. Subsequently, the Tender Offeror has not received any further questions, opinions, or proposals from the Target Company or the Special Committee regarding the significance and purpose of the Transaction proposed and explained by the Tender Offeror, or the management policy of the Target Company after the implementation of the series of procedures to make the Tender Offeror the sole shareholder of the Target Company.

In addition, after considering the valuation of the Target Company Shares by its third-party valuation agency, Mizuho Securities, the market price trends of the Target Company Shares, and the prospects for tenders in the Tender Offer, the Tender Offeror proposed on November 4, 2025, a Tender Offer Price of 2,930 yen (the proposed Tender Offer Price of 2,930 yen represents a premium of 8.48% (rounded to two decimal places; the same applies hereinafter to premium calculations) over the closing price of 2,701 yen for the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on October 31, 2025, the business day immediately preceding the proposal date; 6.16% over the simple average closing price of 2,760 yen (rounded to the nearest whole number; the same applies hereinafter to the calculation of simple average closing prices) for the past one month up to October 31, 2025; 8.88% over the simple average closing price of 2,691 yen for the past three months; and 12.13% over the simple average closing price of 2,613 yen for the past six months). The Tender Offer Price of 2,930 yen is based on the assumption that the Target Company will not pay dividends. The same applies to all proposed Tender Offer Prices hereinafter. In response to this, on November 7, 2025, the Tender Offeror received a response from the Target Company stating that the Tender Offer Price was at a low level in terms of the premium level against the share price at the current time and over the past certain period compared to past cases of tender offers similar to the Transaction, that the corporate value of the Target Company was not sufficiently reflected in the Tender Offer Price, and requesting a significant increase in the Tender Offer Price from the perspective of pursuing the interests of the general shareholders of the Target Company. In response to this, on November 11, 2025, the Tender Offeror, after carefully considering the past share price trends of the Target Company Shares and the outlook for tendering in the Tender Offer, proposed to the Target Company that the Tender Offer Price be set at 3,100 yen (representing a premium of 17.25% on 2,644 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 10, 2025, the business day preceding the proposal date; 14.01% on

2,719 yen, the simple average closing price for the past one month up to the same date; 14.94% on 2,697 yen, the simple average closing price for the past three months; and 18.10% on 2,625 yen, the simple average closing price for the past six months). In response to this, on November 12, 2025, the Tender Offeror received a response from the Target Company stating that the Tender Offer Price was still at a low level in terms of the premium level against the share price at the current time and over the past certain period compared to past cases of tender offers similar to the Transaction, that the corporate value of the Target Company was still not sufficiently reflected in the Tender Offer Price, and requesting again a significant increase in the Tender Offer Price from the perspective of pursuing the interests of the general shareholders of the Target Company. In response to this, on November 14, 2025, after carefully reconsidering the matter again by taking into account the past share price trends of the Target Company Shares and the prospects for tenders in the Tender Offer, the Tender Offeror proposed to the Target Company a Tender Offer Price of 3,250 yen (which represents a premium of 21.13% over the closing price of 2,683 yen for the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 13, 2025, the business day immediately preceding the proposal date; 19.75% over the simple average closing price of 2,714 yen for the past one month up to that date; 20.46% over the simple average closing price of 2,698 yen for the past three months; and 23.72% over the simple average closing price of 2,627 yen for the past six months). In response to this, on November 17, 2025, the Tender Offeror received a response from the Target Company stating that the Tender Offer Price was still at a low level in terms of the premium level against the share price at the current time and over the past certain period compared to past cases of tender offers similar to the Transaction, that the corporate value of the Target Company was still not sufficiently reflected in the Tender Offer Price, and requesting again a significant increase in the Tender Offer Price from the perspective of pursuing the interests of the general shareholders of the Target Company. In response to this, the Tender Offeror, on November 19, 2025, after carefully considering again the historical stock price trends of the Target Company Shares and the prospects for tendering in the Tender Offer, proposed to the Target Company to set the Tender Offer Price at 3,370 yen (a price that adds a premium of 29.12% to the closing price of 2,610 yen for the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 18, 2025, the business day prior to the proposal date; 24.91% to the simple average closing price of 2,698 yen over the past one month up to the same day; 24.72% to the simple average closing price of 2,702 yen over the past three months; and 28.09% to the simple average closing price of 2,631 yen over the past six months). In response to this, the Tender Offeror received a reply from the Target Company on November 20, 2025, stating that the premium level of the Tender Offer Price relative to the stock price at the current time and over certain past periods is low compared to past examples of tender offers similar to the Transaction, that the corporate value of the Target Company is still not sufficiently reflected in the Tender Offer Price, and requesting a significant increase in the Tender Offer Price again from the perspective of pursuing the interests of the Target Company's general shareholders. In response to this, the Tender Offeror, on November 21, 2025, after carefully considering again the historical stock price trends of the Target Company Shares and the prospects for tendering in the Tender Offer, proposed to the Target Company to set the Tender Offer Price at 3,500 yen (a price that adds a premium of 32.38% to the closing price of 2,644 yen for the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 20, 2025, the business day prior to the proposal date; 30.16% to the simple average closing price of 2,689 yen over the past one month up to the same day; 29.49% to the simple average closing price of 2,703 yen over the past three months; and 32.98% to the simple average closing price of 2,632 yen over the past six months). In response to this, the Tender Offeror received a reply from the Target Company on November 25, 2025, stating that the premium level of the Tender Offer Price relative to the stock price at the current time and over certain past periods is low compared to past examples of tender offers similar to the Transaction, that the corporate value of the Target Company is not sufficiently reflected in the Tender Offer Price, and requesting an increase in the Tender Offer Price again from the perspective of pursuing the interests of the Target Company's general shareholders. In response to this, the Tender Offeror, on the same day, after carefully considering again the historical stock price trends of the Target Company Shares and the prospects for tendering in the Tender Offer, made a final proposal to the Target Company to set the Tender Offer Price at 3,650 yen (a price that adds a premium of 36.70% to the closing price of 2,670 yen for the Target Company

Shares on the Prime Market of the Tokyo Stock Exchange on November 21, 2025, the business day prior to the proposal date; 35.99% to the simple average closing price of 2,684 yen over the past one month up to the same day; 34.94% to the simple average closing price of 2,705 yen over the past three months; and 38.57% to the simple average closing price of 2,634 yen over the past six months).

In response to this, the Tender Offeror received a reply from the Target Company on November 26, 2025, indicating internal approval to set the Tender Offer Price at 3,650 yen, on the premise that the final decision would be made by a resolution of the Target Company Board of Directors' meeting scheduled to be held on November 28, 2025.

Based on the foregoing and subsequent discussions and negotiations, the Tender Offeror resolved at its board of directors meeting held today to implement the Tender Offer for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, setting the Tender Offer Price at 3,650 yen.

② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons

(i) Background of the Establishment of the Framework for Consideration

According to the Target Company Press Release, the Target Company received the Letter of Intent from the Tender Offeror on September 5, 2025. In response, in considering the Transaction and discussing and negotiating with the Tender Offeror regarding the Transaction, the Target Company, in early September 2025, appointed Nomura Securities Co., Ltd. ("Nomura") as its financial advisor and third-party valuation agency, and Shimada Hamba & Osajima as its legal advisor, in order to address the issues arising from the facts that the Tender Offeror is the controlling shareholder (parent company) of the Target Company, that the Transaction constitute material transaction, etc. with a controlling shareholder, and that the Transaction falls under a category of transactions in which there typically exist issues related to structural conflicts of interest and asymmetric information, and to ensure the fairness of the Transactions. Then, to ensure the fairness of the Transaction, the Target Company, based on legal advice received from Shimada Hamba & Osajima regarding the decision-making process, methods, and other points of caution concerning the Transaction, began to establish an internal framework for considering, negotiating, and making decisions regarding the Transaction from a standpoint independent of the Tender Offeror and the Target Company, as well as the outcome of the Transaction, and from the perspective of enhancing the Target Company's corporate value and ensuring the interests of its general shareholders (for details on the establishment of the internal framework for consideration, please refer to "(v) Establishment of an Independent Framework for Consideration at the Target Company" in "(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)" in "② Course of Computation" in "(5) Grounds for Computation of Tender Offer Price" in "2. Overview of Tender Offer" below).

Specifically, as described in "(iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report" in "(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)" in "② Course of Computation" in "(5) Grounds for Computation of Tender Offer Price" in "2. Overview of Tender Offer" below, the Target Company established the special committee (the "Special Committee") by a resolution of its board of directors on September 17, 2025, consisting of three members: Mr. Toshikazu Togari (an independent outside director of the Target Company, Chairman and Representative Director of Zaikei Jutaku Kinyu Co., Ltd., Chairman of Nihon-Kango-Kasei-Shokai-Jigyo Association, and Outside Auditor of LDH JAPAN Inc.), Mr. Atsushi Maekawa (an independent outside director of the Target Company, President of MAEK Lab, Inc., Guest Professor at Osaka University, and Visiting Professor at the Shizuoka Institute of Science and Technology Research Institute), and Ms. Keiko Yamagami (an independent outside director of the Target Company, Visiting Attorney at Tokyo Seiwa Sogo Law Office, Outside Director (Audit and Supervisory Committee Member) of Denyo Co., Ltd., and Outside Director of GEOLIVE Group Corporation). For the composition of the Special Committee, the authority it was granted, and the process of

its consideration and the details of its decisions, please refer to “(iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below.

In addition, the Target Company has received approval from the Special Committee for the appointment of Nomura as the Target Company’s financial advisor and third-party valuation agency, and Shimada Hamba & Osajima as the Target Company’s legal advisor, after confirming that there are no issues with their independence and expertise.

Furthermore, the Target Company has established a framework within the Target Company for considering, negotiating, and making decisions regarding the Transaction from a standpoint independent of the Tender Offeror (including the scope of the Target Company’s officers and employees involved in the consideration, negotiation, and decision-making regarding the Transaction and their duties), and has obtained the Special Committee’s approval that there are no issues with such framework from the perspective of independence and fairness (for details of such framework, please refer to “(v) Establishment of an Independent Framework for Consideration at the Target Company” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below).

(ii) Background of Consideration and Negotiations

After establishing the framework for consideration as described in “(i) Background of the Establishment of the Framework for Consideration” above, the Target Company received a report from Nomura regarding the results of the valuation of the Target Company Shares, advice regarding the negotiation policy with the Tender Offeror and other advice from a financial perspective, as well as guidance and other legal advice from Shimada Hamba & Osajima regarding measures to ensure the fairness of the procedures in the Transaction. Based on the above, and while respecting to the maximum extent possible the contents of the Special Committee’s opinion, the Target Company carefully discussed and considered whether or not the Transaction should be implemented and the appropriateness of the terms and conditions of the Transaction.

In addition, since the establishment of the Special Committee by the resolution of its board of directors on September 17, 2025, the Target Company continuously discussed and negotiated the terms and conditions of the Transaction (including the Tender Offer Price).

Specifically, on October 9, 2025, the Target Company and the Special Committee sent written questions to the Tender Offeror regarding the purpose and reason for implementing the Transaction, the expected merits and demerits of the Transaction, the management policy and governance after the Transaction, the structure and completion timing of the Transaction, etc., and requested a response and explanation at a meeting of the Special Committee. On October 20, the Target Company and the Special Committee received a written response to those questions from the Tender Offeror, and at the Special Committee meeting held on October 23, they confirmed the responses to the questions. At the Special Committee meeting held on October 28, they held a question-and-answer session with the Tender Offeror.

In addition, the Target Company and the Special Committee have held negotiations with the Tender Offeror regarding the Tender Offer Price on multiple occasions since November 4, 2025. Specifically, on November 4, 2025, the Target Company received a proposal from the Tender Offeror setting the Tender Offer Price at 2,930 yen, based on the premise that no year-end dividend would be paid by the Target Company, comprehensively taking into account various factors such as the results of the analysis of the Target Company’s business and financial status based on materials such as financial information disclosed by the Target Company, the results of the analysis of the past share price trends of the Target Company Shares, and the outlook for tendering in the Tender Offer. In response to the proposal from the Tender Offeror, on November 7, the Target Company and the Special Committee requested a significant increase in the Tender Offer Price, stating that the proposed price was significantly below the premium level in cases similar to the

Transaction and that the corporate value of the Target Company was not sufficiently reflected. Subsequently, on November 11, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,100 yen. In response to the revised proposal from the Tender Offeror, on November 12, the Target Company and the Special Committee requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected. Subsequently, on November 14, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,250 yen. In response to the revised proposal from the Tender Offeror, on November 17, the Target Company and the Special Committee requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected. Subsequently, on November 19, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,370 yen. In response to the revised proposal from the Tender Offeror, on November 20, the Target Company and the Special Committee requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected. Subsequently, on November 21, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,500 yen. In response to the revised proposal from the Tender Offeror, on November 25, the Target Company and the Special Committee requested again an increase in the Tender Offer Price, stating that the proposed price was below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected. Subsequently, on November 25, the Target Company received a final proposal from the Tender Offeror setting the Tender Offer Price at 3,650 yen. On November 26, Target Company and the Special Committee responded to the effect that it will agree to the proposal of the Tender Offeror on the premise that its final decision on the Transaction is subject to the resolution of the meeting of its board of directors scheduled to be held on November 28, 2025, reaching an agreement that the Tender Offer Price will be 3,650 yen.

(iii) Contents of Judgment

Under the above circumstances, at the Target Company's board of directors meeting held today, the Target Company, while taking into account the legal advice received from Shimada Hamba & Osajima, the advice from a financial perspective received from Nomura, and the contents of the share valuation report concerning the Target Company Shares dated November 27, 2025 submitted by Nomura (the "Target Company Share Valuation Report (Nomura)"), and while giving maximum respect to the determinations of the Special Committee as indicated in the report dated November 28, 2025 delivered by the Special Committee (the "Report"), carefully deliberated and examined whether the Transaction including the Tender Offer would contribute to the improvement of the Target Company's corporate value and whether the transaction terms relating to the Transaction including the Tender Offer Price are appropriate.

As described in "① Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making" above, amid changes in the business environment surrounding the Target Company Group, it is believed that, while responding to various business issues in a timely manner and contributing to the resolution of social issues including carbon neutrality, the Target Company and the Tender Offeror must collaborate with an even greater sense of unity and speed and, in addition to the initiatives carried out to date, need to realize even stronger business collaboration.

On the other hand, because the Target Company is an independent listed company, it is necessary to go through an appropriate decision-making and institutional decision-making process on its own while giving consideration to general shareholders other than the Tender Offeror, and with respect to the mutual utilization of management resources with the Tender Offeror, there were certain restrictions and limitations from the perspective of structural conflicts of interest between the Tender Offeror and the Target Company's general shareholders and ensuring the independence of the Target Company. After the Transaction, it is believed that

by avoiding such restrictions and deepening mutual collaboration, synergies such as those described below can be realized.

I. Business Expansion in Space-Related Fields

Since both the Tender Offeror and the Target Company are listed companies, collaboration in satellite development has been limited from the perspective of considering management independence and the interests of general shareholders. However, the Target Company believes that by deepening collaboration with the Tender Offeror Group after the Transaction, it will be able to leverage the Tender Offeror Group's optical technology and R&D capabilities. Furthermore, if the Target Company can utilize the Tender Offeror Group's financial strength in the space-related field, where growth is expected across the industry, it will be possible to make strategic and agile investments that do not miss opportunities for market growth, thereby accelerating product quality improvement and R&D. In addition, in satellite manufacturing, towards acquiring large-volume orders from companies responsible for building satellite constellations (Note 1), the Target Company believes that by utilizing the Tender Offeror Group's production bases and mass production technologies, it will be possible to manufacture satellites with high price competitiveness, which will contribute to acquiring business opportunities and expanding the business of the Target Company in space-related fields.

In addition, in aiming to expand business in space-related fields in the future, the Target Company believes that utilizing the Tender Offeror Group's global customer network and network with government agencies will increase the probability of capturing business opportunities in space-related fields. Since business in space-related fields needs to be promoted through public-private partnership, the Target Company believes that it is necessary to strengthen collaboration with government agencies more than ever to grow the business in space-related fields in the future, and it believes that it can utilize the relationships with government agencies and know-how that the Tender Offeror Group has cultivated through its activities as an executive of business organizations to date. Furthermore, in considering future business expansion into space-related fields overseas, the Target Company believes that utilizing the Tender Offeror Group's global sales network and customer network will increase the possibility of capturing market needs in the growth industry of space-related fields in a timely manner, contributing to the expansion of the Target Company's business.

(Note 1) "Satellite constellation" is a technological concept in which multiple artificial satellites are placed in the same orbit and operated as an integrated system.

II. Strengthening Collaboration in the Components Business and Electronic Information Equipment Business

With regard to transactions where the Target Company Group (excluding the Target Company Group) was entrusted with manufacturing by the Tender Offeror Group in the components business and electronic information equipment business, the Target Company believes that it will be possible to further strengthen collaboration with the Tender Offeror Group after the Transaction, and by establishing a system where more information is shared with the Target Company Group, information such as product feedback from the Tender Offeror Group's customers can be utilized in the Target Company Group's product development, etc. Also, regarding transactions where the Target Company Group was entrusted only with manufacturing by the Tender Offeror Group (excluding the Target Company Group), with the deepening of collaboration with the Tender Offeror Group, changes in transaction forms can be expected after the Transaction, such as the Target Company Group proactively taking on development and customer negotiations, which the Target Company believes will lead to the expansion of the Target Company Group's business domains.

Furthermore, even in the Target Company Group's independent transactions with customers who are not part of the Tender Offeror Group, the merits obtained through strengthening collaboration with the Tender Offeror Group can be utilized in aspects such as product quality improvement and product development, which the Target Company believes will contribute to the expansion of the Target Company Group's business and earnings.

III. Improvement of Production Efficiency and Cost Reduction through Strengthening Collaboration of Production Bases and Utilization of Management Resources

Through the Transaction, by mutually utilizing the management resources of the Target Company Group

and the Tender Offeror Group more than ever before, without being bound by constraints such as concerns about conflicts of interest between the Tender Offeror and general shareholders or ensuring the independence of the Target Company, efficiency and optimization of the production system can be expected. Specifically, by promoting the mutual utilization of domestic and overseas production bases held by the Target Company Group and the Tender Offeror Group and further strengthening the production cooperation system, the Target Company believes that further improvement in production efficiency of the Target Company Group and the Tender Offeror Group and improvement in the utilization rate of the Target Company Group's production bases will be achieved, enabling the strengthening of cost advantages through these measures. In addition, regarding the procurement of production materials, auxiliary materials, and tools, the Target Company believes that cost reduction effects can be obtained through supply chain efficiency utilizing the Tender Offeror Group's purchasing power and logistics network through mutual utilization of production bases, joint purchasing, and logistics optimization.

IV. Strengthening the Target Company Group's Organizational Capabilities through Expansion of Personnel Exchange

Personnel exchange conducted between the Tender Offeror Group (excluding the Target Company Group) and the Target Company Group has been limited in operation based on the need to consider securing the independence of the Target Company's management and conflicts of interest with general shareholders since both the Tender Offeror and the Target Company are listed companies. However, the Target Company believes that making the Target Company a wholly-owned subsidiary of the Tender Offeror after the Transaction will enable further personnel exchange. For example, in expanding business overseas, the Target Company believes that personnel exchange between the Tender Offeror Group (excluding the Target Company Group) and the Target Company Group and the integrated recruitment and development of human resources by the Tender Offeror Group (excluding the Target Company Group) and the Target Company Group could lead to capturing further business opportunities.

On the other hand, as general disadvantages associated with delisting, it may become impossible to raise funds from the capital market, and there may be an impact on the recognition, credibility, and securing of human resources that the Target Company has enjoyed as a listed company. However, considering the Target Company's current financial condition, etc., the need for fundraising through equity finance is not expected in the immediate future, and it is believed that the Target Company has built trust relationships with a large number of stakeholders, including employees and business partners, through its long-term business and social activities. In addition, because the Tender Offeror is considered to have high social credibility and recognition, even if the Target Company becomes a wholly owned subsidiary of the Tender Offeror, it is unlikely that there would be adverse effects on the Target Company's social credibility or hiring activities compared with the current situation as a listed company, and thus the disadvantages of privatization through the Transaction are considered to be limited. Although the capital relationship with existing shareholders other than the Tender Offeror will be dissolved if the Transaction is implemented, considering that current transactions with existing shareholders are conducted as transactions between independent parties, the Target Company believes that concerns about a decrease in transactions with the relevant existing shareholders are limited.

In addition, the Target Company comprehensively determined that the Tender Offer Price is a reasonable price that ensures the benefits that the general shareholders of the Target Company should enjoy, and that the Tender Offer provides the general shareholders of the Target Company with an opportunity to sell their reasonable Target Company Shares at a price with an appropriate premium, based on the following points, etc.

- I. That the price was agreed upon as a result of sincere negotiations between the Target Company and the Tender Offeror with the substantial involvement of the Special Committee, after measures to ensure the fairness of the transaction terms of the Transaction, including the Tender Offer Price, described in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender

Offer Price” in “2. Overview of Tender Offer” below were sufficiently taken.

- II. That among the share value calculation results for the Target Company Shares by Nomura described in “(ii) Acquisition of a Share Valuation Report by Target Company from an Independent Third-Party Valuation Agency” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below, the Tender Offer Price exceeds the upper end of the per-share value range for the Target Company Shares calculated by Nomura using the average market price method, falls within the per-share value range calculated using the discounted cash flow analysis (“DCF Analysis”).
- III. That the Report obtained from the Special Committee also judges that the appropriateness of the transaction terms of the Transaction, including the Tender Offer Price, is ensured, as described in “(C) Details of the Decision” in “(iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below.
- IV. That the Tender Offer Price of 3,650 yen represents a premium of 33.41% on 2,736 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 27, 2025, the business day immediately preceding the date of public notice of the Tender Offer; 37.01% on 2,664 yen, the simple average of the closing prices for the most recent one month; 34.64% on 2,711 yen, the simple average of the closing prices for the most recent three months; and 38.36% on 2,638 yen, the simple average of the closing prices for the most recent six months.

That from the perspective of referring to recent trends in premium levels, when compared to the premium levels in 44 cases of tender offers (the “Reference Cases”) that were given public notice on or after January 1, 2022 and completed the settlement of tender offers by November 27, 2025, for the purpose of allowing the parent company to acquire full ownership of a listed subsidiary—namely, the average premiums (38.65%, 41.06%, 40.30%, and 39.07%, respectively) and the medians (38.78%, 40.90%, 41.23%, and 36.70%, respectively) over (i) the closing price on the business day immediately preceding the date of public notice, and (ii) the simple average of the closing prices for the most recent one-month, three-month, and six-month periods prior to the public notice—the premium attached to the Tender Offer Price (33.41%, 37.01%, 34.64%, and 38.36% over the closing price on the business day immediately preceding the date of public notice, and over the simple average of the closing prices for the most recent one-month, three-month, and six-month periods, respectively) is not inferior to those in the Reference Cases, since there are 16, 16, 15, and 24 cases, respectively, in which the premium levels were lower than those of the Tender Offer Price.

Based on the above, the Target Company determined that the Transaction would contribute to the enhancement of the Target Company’s corporate value and that the transaction terms of the Transaction, including the Tender Offer Price, are reasonable, and at the meeting of the Target Company’s board of directors held today, resolved to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details of the decision-making process of the board of directors, please refer to “(vi) Approval of All Directors Without Interests and Opinion of No Objection from All Auditors Without Interests in the Target Company” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” below.

③ Management Policy After the Tender Offer

With respect to the Target Company's management policy after the Transaction, the Tender Offeror intends to promote management that contributes to the enhancement of corporate value of the Tender Offeror Group including the Target Company, by providing the management resources and networks held by the Tender Offeror Group while making use of the brand and business base that officers and employees of the Target Company have built up until now.

In addition, as described in "① Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making," the Tender Offeror Group will work together as one on agile investments including M&A and on strengthening collaboration within the Group in order to achieve further growth potential and improvement of corporate value of the Tender Offeror Group including the Target Company.

With respect to the Target Company's management structure after the Transaction (including the composition and number of the board of directors and the number of executive officers), the basic policy is to respect the current management structure, and consideration has not been commenced as to whether to make changes or to dispatch additional officers. However, the specific officer composition and other management structures will be determined in consultation with the Target Company going forward. It should be noted that the Tender Offeror does not plan any changes with respect to relationships with the Target Company's business partners as of now.

(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

As of today, in view of the facts that the Target Company is a consolidated subsidiary of the Tender Offeror, that the Transaction including the Tender Offer constitutes material transactions with a controlling shareholder, and that the Transaction is a type of transaction in which structural conflicts of interest and information asymmetry issues typically exist, the Tender Offeror and the Target Company have each implemented the following measures to address these issues and ensure the fairness of the Tender Offer. and that a structural conflict of interest could arise in the Target Company's consideration of the Transaction, the Tender Offeror and the Target Company have each implemented the following measures as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, etc., and as measures to ensure the fairness of the Tender Offer.

As stated in "(1) Overview of Tender Offer" above, as of today the Tender Offeror owns 22,500,600 shares of the Target Company (Shareholding ratio: 55.01%), and therefore the Tender Offeror believes that setting a minimum number of shares to be purchased in the Tender Offer corresponding to a so-called "majority of minority" would render the establishment of the Tender Offer unstable and could fail to serve the interests of general shareholders who wish to tender into the Tender Offer. Accordingly, no minimum number of shares to be purchased corresponding to a so-called "majority of minority" has been set in the Tender Offer. However, because the following measures have been taken by the Tender Offeror and the Target Company as measures to ensure the fairness of the Tender Offer, the Tender Offeror and the Target Company believe that sufficient consideration has been given to the interests of the Target Company's general shareholders.

Note that the descriptions below regarding measures implemented by the Target Company are based on explanations received from the Target Company.

- (i) Acquisition of a Share Valuation Report by the Tender Offeror from an Independent Third-Party Valuation Agency
- (ii) Acquisition of a Share Valuation Report by Target Company from an Independent Third-Party Valuation Agency
- (iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report
- (iv) Advice to the Target Company from an Independent Law Firm
- (v) Establishment of an Independent Framework for Consideration at the Target Company

- (vi) Approval of All Directors Without Interests and Opinion of No Objection from All Auditors Without Interests in the Target Company
- (vii) Absence of Deal-protection Provisions
- (viii) Measures to Ensure that the Target Company's Shareholders Have an Opportunity to Make an Appropriate Decision as to Whether to Tender into the Tender Offer

For details on the above, please refer to “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer.”

(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)

As stated in “(1) Overview of Tender Offer” above, if the Tender Offer does not result in the acquisition of all of the Target Company's shares (including Restricted Shares, but excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company), the Tender Offeror plans, after the establishment of the Tender Offer, to implement the Squeeze-Out Procedures described below.

① Demand for Shares Cash Out

If the total number of voting rights owned by the Tender Offeror in the Target Company becomes 90% or more of the total number of voting rights of all shareholders of the Target Company due to the establishment of the Tender Offer, and the Tender Offeror becomes a special controlling shareholder as stipulated in Article 179, paragraph 1 of the Companies Act, the Tender Offeror plans to, promptly after the completion of the settlement of the Tender Offer, demand that all of the Target Company's shareholders (provided, however, that the Tender Offeror and the Target Company are excluded; hereinafter the “Selling Shareholders”) sell all of the Target Company Shares they own (the “Demand for Shares Cash Out”) pursuant to the provisions of Section 4-2, Chapter 2, Part 2 of the Companies Act. In the Demand for Shares Cash Out, it is planned to stipulate that cash in the same amount as the Tender Offer Price will be delivered to the Selling Shareholders as consideration for one Target Company Share. In this case, the Tender Offeror will notify the Target Company to that effect and request the Target Company to approve the Demand for Shares Cash Out. If the Target Company approves the Demand for Shares Cash Out by a resolution of its board of directors, the Tender Offeror will acquire all of the Target Company Shares owned by all of the Selling Shareholders on the acquisition date stipulated in the Demand for Shares Cash Out, without requiring the individual consent of the Target Company's shareholders, in accordance with the procedures stipulated in the relevant laws and regulations. In this case, as consideration for one Target Company Share owned by each Selling Shareholder, the Tender Offeror plans to deliver cash in the same amount as the Tender Offer Price to each such Selling Shareholder. In addition, according to the Target Company Press Release, if the Target Company receives notification from the Tender Offeror of its intention to make the Demand for Shares Cash Out and the matters listed in each item of Article 179-2, paragraph 1 of the Companies Act, the Target Company plans to approve the Demand for Shares Cash Out at a meeting of the Target Company's board of directors. As of today, the acquisition date is scheduled for around late March 2026.

As provisions under the Companies Act for the purpose of protecting the rights of general shareholders in connection with the Demand for Shares Cash Out, it is stipulated that the Selling Shareholders may file a petition with the court for a determination of the sale and purchase price of the Target Company Shares they own, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. In addition, if the above petition is filed, the sale and purchase price of the Target Company Shares will ultimately be determined by the court.

In addition, according to the Target Company, if the Tender Offeror becomes a special controlling shareholder as defined in Article 179, paragraph 1 of the Companies Act as a result of the Tender Offeror owning 90% or more of the total voting rights of all shareholders of the Target Company upon the completion

of the Tender Offer, and if the acquisition of the Target Company Shares pertaining to the Demand for Shares Cash Out is expected to be completed by March 31, 2026, the Target Company plans to make a partial amendment to its articles of incorporation at an extraordinary general shareholders meeting to be held between the completion date of the acquisition and March 31, 2026 to delete the provision that the ordinary general shareholders meeting shall be convened in March of each year and to abolish the provision on the record date for voting rights at the ordinary general shareholders meeting, so that only the Tender Offeror will be the shareholder who can exercise rights at the Target Company's ordinary general shareholders meeting to be convened for the first time after the establishment of the Tender Offer (hereinafter the "Ordinary General Shareholders Meeting"). Therefore, even shareholders who are listed or recorded in the Target Company's shareholder registry as of December 31, 2025 may not be able to exercise rights at the Ordinary General Shareholders Meeting.

② Share Consolidation

If, after the establishment of the Tender Offer, the total number of voting rights owned by the Tender Offeror in the Target Company is less than 90% of the total number of voting rights of all shareholders of the Target Company, the Tender Offeror plans to request the Target Company to hold an extraordinary general shareholders meeting (the "Extraordinary General Shareholders Meeting") promptly after the completion of the settlement of the Tender Offer, which will include as agenda items the consolidation of the Target Company Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act and a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit subject to the effectiveness of the Share Consolidation. In addition, the Tender Offeror plans to vote in favor of each of the above agenda items at the Extraordinary General Shareholders Meeting. Note that as of today, the date of the Extraordinary General Shareholders Meeting is scheduled to be held around late March 2026.

If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date on which the Share Consolidation becomes effective, the Target Company's shareholders will own the number of Target Company Shares corresponding to the ratio of the Share Consolidation approved at the Extraordinary General Shareholders Meeting. If fractional shares less than one share arise in the number of shares due to the Share Consolidation, cash obtained by selling the Target Company Shares equivalent to the total number of such fractional shares (if there are fractional shares less than one share in the total number, such fractional shares will be rounded down; hereinafter the same) to the Target Company or the Tender Offeror, will be delivered to the Target Company's shareholders in which fractional shares have arisen, in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of such fractional shares, the Tender Offeror plans to request the Target Company to file a petition with the court for permission for voluntary sale after calculating the amount so that the amount of cash to be delivered to the Target Company's shareholders who did not tender in the Tender Offer (provided, however, that the Tender Offeror and the Target Company are excluded) as a result of such sale will be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by such shareholders. In addition, although the ratio of the Share Consolidation is undetermined as of today, the Tender Offeror plans to request the Target Company to determine the ratio so that the number of Target Company Shares owned by the Target Company's shareholders who did not tender in the Tender Offer (provided, however, that the Tender Offeror and the Target Company are excluded) will be fractional shares less than one share, so that only the Tender Offeror will own all of the Target Company Share(s) (provided, however, that Restricted Shares are included, and the Target Company Share(s) owned by the Tender Offeror and the treasury shares owned by the Target Company are excluded). Furthermore, the Target Company has indicated that if the Tender Offer is completed, it plans to respond to these requests from the Tender Offeror.

As provisions under the Companies Act for the purpose of protecting the rights of general shareholders in connection with the Share Consolidation, if fractional shares less than one share arise in the number of shares due to the Share Consolidation, the Target Company's shareholders (however, the Tender Offeror and the

Target Company are excluded) may demand that the Target Company purchase all of the portions that will be fractional shares less than one share among the shares they own at a fair price, and may file a petition with the court for a determination of the price of the Target Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As described above, in the Share Consolidation, the number of Target Company Shares owned by the Target Company's shareholders who did not tender in the Tender Offer (however, the Tender Offeror and the Target Company are excluded) is scheduled to be fractional shares less than one share, and therefore, the Target Company's shareholders who oppose the Share Consolidation however, the Tender Offeror and the Target Company are excluded) are scheduled to be able to file the above petition. In addition, if the above petition is filed, the purchase price of the Target Company Shares will ultimately be determined by the court.

The methods and timing of implementation of each of the procedures for ① Demand for Shares Cash Out and ② Share Consolidation above may change depending on the status of amendments to, enforcement of, and interpretations by authorities of relevant laws and regulations, etc. However, even in such case, a method of ultimately delivering cash will be adopted for the Target Company's shareholders who did not tender in the Tender Offer (provided, however, that the Tender Offeror and the Target Company are excluded), and the amount of cash to be delivered to each such shareholder in such case is scheduled to be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each such shareholder.

In addition, with respect to the Restricted Shares, the allotment agreement regarding the Restricted Shares (the "Allotment Agreement") provides that (a) if matters concerning share consolidation as stipulated in Article 180 of the Companies Act are approved at the Target Company's general shareholders meeting or matters concerning Demand for Shares Cash Out as stipulated in Article 179 of the Companies Act are approved at the Target Company's board of directors during the transfer restriction period (provided, however, that this is limited to cases where the effective date of the share consolidation as stipulated in Article 180, paragraph 2, item 2 of the Companies Act or the date on which the special controlling shareholder acquires the sold shares, etc. as stipulated in Article 179-2, paragraph 1, item 5 of the Companies Act (the "Squeeze-Out Effective Date") arrives before the expiration of the transfer restriction period), the transfer restrictions on the Restricted Shares in the number calculated based on the Allotment Agreement will be lifted at the time immediately preceding the business day preceding the Squeeze-Out Effective Date by a resolution of the Target Company's board of directors, and (b) in the case stipulated in (a) above, the Target Company will naturally acquire all of the Restricted Shares on which the transfer restrictions have not been lifted as of such date free of charge as of the business day preceding the Squeeze-Out Effective Date. Therefore, in the Squeeze-Out Procedures, the Restricted Shares on which the transfer restrictions have been lifted at the time immediately preceding the business day preceding the Squeeze-Out Effective Date will be subject to the Demand for Shares Cash Out or share consolidation in accordance with the provisions of (a) of the Allotment Agreement, and the Restricted Shares on which the transfer restrictions have not been lifted as of the business day preceding the Squeeze-Out Effective Date will be acquired by the Target Company free of charge in accordance with the provisions of (b) of the Allotment Agreement.

In addition, according to the Target Company, if the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the completion of the Tender Offer, and if the Extraordinary General Shareholders Meeting is expected to be held by March 31, 2026, the Target Company plans to make a partial amendment to its articles of incorporation at the Extraordinary General Shareholders Meeting to delete the provision that the ordinary general shareholders meeting shall be convened in March of each year, and subject to the completion of the Squeeze-Out Procedures, to abolish the provision on the record date for voting rights at the ordinary general shareholders meeting, so that only the Tender Offeror will be the shareholder who can exercise rights at the Ordinary General Shareholders Meeting. Therefore, even shareholders who are listed or recorded in the Target Company's shareholder registry as of December 31, 2025 may not be able to exercise rights at the Ordinary

General Shareholders Meeting.

The specific procedures in each of the above cases and the timing of their implementation, etc., will be determined after consultation with the Target Company, and the Target Company plans to promptly announce them as soon as they are determined. Note that the Tender Offer is in no way soliciting the approval of the Target Company's shareholders at the Extraordinary General Shareholders Meeting. In addition, with respect to the tax treatment of tendering in the Tender Offer or in each of the above procedures, we request that the Target Company's shareholders confirm with specialists such as tax accountants at their own responsibility.

(5) Prospect of and Reasons for Delisting

As of today, the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, but since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Target Company Shares may be delisted pursuant to the procedures prescribed by the Tokyo Stock Exchange in accordance with the Tokyo Stock Exchange's criteria for delisting. In addition, even if the Target Company Shares do not fall under such criteria at the time of the completion of the Tender Offer, if the Tender Offeror implements the Squeeze-out Procedures described in "(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)" after the Tender Offer is completed, the Target Company Shares will fall under such criteria and will be delisted pursuant to the prescribed procedures. After delisting, it will not be possible to deal in the Target Company Shares on the Prime Market of the Tokyo Stock Exchange.

(6) Matters Relating to Important Agreements Regarding the Tender Offer

Not applicable.

2. Overview of Tender Offer

(1) Overview of the Target Company

①	Name	Canon Electronics Inc.	
②	Address	1248 Shimokagemori, Chichibu-shi, Saitama	
③	Name and position of representative	Takeshi Hashimoto, President & CEO	
④	Details of business	Development, production, and sales of precision machines and instruments, electric and electronic machines and instruments, optical machines and instruments; information devices; software for computers and communications devices	
⑤	Capital	4,969 million yen (as of September 30, 2025)	
⑥	Date established	May 20, 1954	
⑦	Major shareholders and their shareholding ratios (as of June 30, 2025)	Canon Inc.	55.0%
		The Master Trust Bank of Japan, Ltd. (trust account)	7.0%
		Nomura Securities Co., Ltd.	2.0%
		Custody Bank of Japan, Ltd. (trust account)	1.6%
		JPMorgan Securities Japan Co., Ltd.	0.8%
		State Street Bank and Trust Company 505001 (standing proxy) Mizuho Bank, Ltd. Settlement & Clearing Services Department	0.7%
		Shares held by employees of Canon Electronics	0.7%
		UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (standing proxy) Citibank N.A., Tokyo Branch	0.6%
		State Street Bank and Trust Company 505223 (standing proxy) Mizuho Bank, Ltd. Settlement & Clearing Services Department	0.6%
		JPMorgan Chase Bank, N.A. 385781 (standing proxy) Mizuho Bank, Ltd. Settlement & Clearing Services Department	0.6%
⑧	Relationship between the Tender Offeror and the Target Company		
	Capital Relationship	As of today, the Tender Offeror owns 22,500,600 Target Company Shares (Shareholding ratio: 55.01%), and thus the Target Company is a consolidated subsidiary of the Tender Offeror.	
	Personnel Relationship	Of the 11 members of the board of directors of the Target Company, two are from the Tender Offeror. In addition, five employees of the Target Company have been seconded to the Tender Offeror and ten employees of the Tender Offeror have been seconded to the Target Company.	
	Business Relationship	The Tender Offeror Group and the Target Company Group have business relationships involving the purchase and sale of products, contract manufacturing, etc.	
	Status as a Related Party	As the Target Company is a consolidated subsidiary of the Tender Offeror, the Tender Offeror and the Target Company are mutually related parties.	

(Note) “⑦ Major Shareholders and shareholding ratios (as of June 30, 2025)” is based on “Status of Major Shareholder(s)” in the 87th semi-annual report submitted by the Target Company on August 1, 2025.

(2) Type of Share Certificates to be Purchased

Shares of common stock

(3) Schedule

① Schedule

Resolution by the board of directors	Friday, November 28, 2025
Date of Public Notice of Commencement of Tender Offer	Monday, December 1, 2025 The Tender Offeror will give public notice electronically and also publish notice thereof in <i>The Nikkei</i> . (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Filing date of the Tender Offer	Monday, December 1, 2025

② Tender Offer Period for the Initial Filing

From Monday, December 1, 2025, to Monday, January 19, 2026 (30 business days)

(Note) As per the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; hereinafter the “the Order”) Article 8, paragraph 1, and the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended) Article 1, paragraph 1, item 3, December 29 and 30, 2025, are holidays of administrative organs, and therefore they are not included in the calculation of the period of the Tender Offer (the “Tender Offer Period”), but application from shareholders applying for the Tender Offer via a tender offer agent (“Tendering Shareholders”) will also be accepted on December 29 and 30, 2025, although these dates are not included in the calculation of the Tender Offer Period.

③ Possibility of an Extension of the Tender Offer Period by Request of the Target Company

Not applicable.

(4) Tender Offer Price

3,650 yen per share of common stock

(5) Grounds for Computation of Tender Offer Price

① Basis of Computation

To determine the Tender Offer Price, the Tender Offeror engaged the financial advisor and third-party valuation agency Mizuho Securities, as a third-party valuation agency independent from both the Tender Offeror and Target Company, to calculate the share price of Target Company Shares, and obtained a share valuation report (the “Target Company Share Valuation Report (Mizuho Securities)”) on November 27, 2025.

Mizuho Securities is not a related party to either the Tender Offeror or Target Company, and does not have any significant material interests relating to the Transaction including the Tender Offer. Mizuho Bank, which is a group company of Mizuho Securities, in addition to being a shareholder of the Tender Offeror and the Target Company, performs actions such as financial transactions as part of its usual banking transactions for the Tender Offeror and the Target Company, and plans to loan capital relating to the Tender Offer to the Tender Offeror. Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust & Banking”), which is a group company of Mizuho Securities, in addition to being a shareholder of the Tender Offeror and the Target Company, reportedly performs actions such as financial transactions as part of its usual banking transactions for the Tender Offeror and the Target Company, but according to Mizuho Securities, in accordance with the applicable regulations in Article 36 of the Act and Cabinet Office Ordinance on Financial Instruments Business (Cabinet Office Ordinance No. 52 of 2007, as amended) Article 70-4, Mizuho Securities has constructed and implemented a system for the appropriate management of conflicts of interest including Chinese wall measures dividing Mizuho Securities from Mizuho Bank and Mizuho Trust & Banking, and performs calculations from a position that is independent of the position of Mizuho Bank as a shareholder and lender and of the position of Mizuho Trust & Banking as a shareholder and lender. The Tender Offeror selected

Mizuho Securities as an independent third-party valuation agency, in view of the facts that appropriate measures have been taken to prevent harm, such as Chinese wall measures dividing Mizuho Securities from Mizuho Bank and Mizuho Trust & Banking, that the Tender Offeror conducts business with Mizuho Securities under the same conditions as a general client, that the independence of Mizuho Securities as a third-party valuation agency is assured, and that Mizuho Securities has a track record as a third-party valuation agency for similar cases in the past.

The Tender Offeror has not obtained any written opinion from Mizuho Securities on the fairness of the Tender Offer Price (fairness opinion), since, after comprehensive deliberation on the elements listed in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” below, the Tender Offeror believes that sufficient consideration has been given to the interests of general shareholders of the Target Company.

After investigation of matters including the financial state of the Target Company and the trends in the market price of the Target Company Shares, Mizuho Securities considered that the value of the Target Company Shares should be evaluated from various perspectives, and as a result of investigating the calculation method to select from among multiple share price calculation methods, calculated the Target Company Share price using the market price analysis, the comparable company analysis and the discounted cash flow analysis (“DCF Analysis”). The ranges of the stock price per Target Company Share calculated by the above methods are as follows.

Market price analysis: 2,638 yen to 2,736 yen

Comparable company analysis: 2,774 yen to 3,265 yen

DCF Analysis: 2,717 yen to 4,044 yen

Under the market price analysis, using the business day before the date of public notice of the Tender Offer, November 27, 2025, as the valuation reference date, the value per share of the Target Company Shares was calculated to range from 2,638 yen to 2,736 yen based on the closing price on the valuation reference date (2,736 yen), the simple moving average closing prices over the one-month period up to the same date (2,664 yen), the simple moving average closing prices over the three-month period up to the same date (2,711 yen), and the simple moving average closing prices over the six-month period up to the same date (2,638 yen) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange.

Under the comparable company analysis, the range of 2,774 yen to 3,265 yen per Target Company Share was derived by comparison with the market share price of listed companies engaged in relatively similar business and financial indicators for these companies indicating characteristics such as profitability.

Under the DCF Analysis, the range of 2,717 yen to 4,044 yen per Target Company Share was derived by discounting the free cash flow that the Target Company is expected to generate from the fourth quarter of the December 2025 period onwards by the Tender Offeror to the present value at a certain discount rate, based on the business plans (from the December 2025 period to the December 2028 period) provided by the Target Company, and assuming elements such as performance trends up to the most recent date, the result of due diligence conducted by the Tender Offeror on the Target Company from late September 2025 to late October 2025 and publicly available information. In the business plans of the Target Company used as the basis for calculation by DCF Analysis, fiscal years in which a large increase or decrease in profit is expected are included. Specifically, in each period from the December 2025 period to the December 2028 period, significant increases or decreases in free cash flow compared to the previous period are anticipated, primarily due to increases or decreases in capital investment amounts aimed at expanding production areas and establishing new bases. In addition, the synergies expected to be realized through the execution of the Transaction are difficult to estimate specifically at this time, and therefore have not been factored into the above calculation.

The Tender Offeror finally fixed the Tender Offer Price at 3,650 yen by resolution of its board of directors at a meeting held today, comprehensively taking into consideration facts including the results of calculation

in the Target Company Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, and also the results of due diligence conducted from late September 2025 to late October 2025, trends in the market share price of the Target Company, whether the Target Company board of directors agreed to the Tender Offer, and the prospective applicants for the Tender Offer, and additionally the results of discussion and negotiation with the Target Company.

The Tender Offer Price of 3,650 yen represents premiums of respectively 33.41% on the closing price of 2,736 yen on the business day immediately preceding the date of public notice of the Tender Offer, November 27, 2025, 37.01% on the simple average closing price of 2,664 yen for the one-month period up to the same date, 34.64% on the simple average of the closing price of 2,711 yen for the three-month period up to the same date, and 38.36% on the simple average of the closing price of 2,638 yen for the six-month period up to the same date.

(Note) When Mizuho Securities derived the price of Target Company Shares, in principle, information such as the information provided by the Target Company and publicly available information was used unchanged, and the request for this calculation was made based on assumptions including the assumption that these materials and information are all accurate and complete and that there are no facts that have not been disclosed to Mizuho Securities which would have a major influence on the analysis or calculation of the Tender Offer Price, and the accuracy of the materials and data was not independently verified. In addition, it was assumed that the information relating to financial predictions about the Target Company was prepared reasonably by the management of the Target Company based on the best predictions and determinations available at the present, and that the management of the Tender Offeror had, after careful review of the contents of this information, approved its use for value estimation by Mizuho Securities. No independent assessment or valuation of the assets or liabilities (including unlisted assets and liabilities and other contingent liabilities) of the Target Company or its affiliates was performed, and no appraisal or valuation was requested from a third party. The calculation by Mizuho Securities reflects the above information as of November 27, 2025.

② Course of Computation

(Background Leading to the Determination of the Tender Offer Price)

Please refer to “① Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making” in “(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy” in “1. Purpose of the Purchase etc.” above.

(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)

In light of the facts that the Target Company is a consolidated subsidiary of the Tender Offeror as of today, that the Transaction, including the Tender Offer, constitutes material transactions, etc., with a controlling shareholder, and that the Transaction is a type of transaction in which structural conflicts of interest and information asymmetry issues typically exist, the Tender Offeror and the Target Company have each implemented the following measures to address these issues and ensure the fairness of the Tender Offer.

As stated in “(1) Overview of Tender Offer” in “1. Purpose of the Purchase etc.” above, as of today the Tender Offeror owns 22,500,600 shares of the Target Company (Shareholding ratio: 55.01%), and therefore the Tender Offeror believes that setting a minimum number of shares to be purchased in the Tender Offer corresponding to a so-called “majority of minority” would render the establishment of the Tender Offer unstable and could fail to serve the interests of the Target Company’s general shareholders who wish to tender into the Tender Offer. Accordingly, no minimum number of shares to be purchased corresponding to a so-called “majority of minority” has been set in the Tender Offer. However, because the following measures have been taken by the Tender Offeror and the Target Company as measures to ensure the fairness of the Tender Offer, the Tender Offeror and the Target Company believe that sufficient consideration has been given to the

interests of the Target Company's general shareholders.

The following statements of the measures taken by the Target Company are based on the explanations received from the Target Company.

(i) Acquisition of a Share Valuation Report by the Tender Offeror from an Independent Third-Party Valuation Agency

In determining the Tender Offer Price, the Tender Offeror requested that Mizuho Securities, a financial advisor, calculate the Target Company's share value as a third-party valuation agency independent from both the Tender Offeror and Target Company, and obtained the Target Company Share Valuation Report (Mizuho Securities) on November 27, 2025. For details, please refer to "① Basis of Computation" above.

(ii) Acquisition of a Share Valuation Report by Target Company from an Independent Third-Party Valuation Agency

(A) Name of the Valuation Agency and Relationship with the Target Company and the Tender Offeror

According to the Target Company Press Release, in order to ensure fairness of the decision-making by the Target Company's board of directors concerning the Tender Offer Price in expressing its opinion on the Tender Offer, the Target Company requested that Nomura, a financial adviser and third-party valuation agency independent of the Target Company and the Tender Offeror, calculate the Target Company's share value, and obtained the Target Company Share Valuation Report (Nomura) on November 27, 2025.

Nomura is not a related party of the Target Company or the Tender Offeror and has no material interest in the Transaction including the Tender Offer. In addition, the Special Committee approved the appointment of Nomura as the Target Company's financial advisor and third-party valuation agency at its first meeting after confirming that there is no problem with its independence and expertise. The Target Company did not obtain an opinion with regard to the fairness of the Tender Offer Price (a fairness opinion) from Nomura, as the Target Company and the Tender Offeror have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

Fees to be paid to Nomura in connection with the Transaction include contingency fees payable subject to the completion of the Transaction or other conditions. The Target Company determined, taking into account the normal business practices in similar transactions and other relevant factors, that the inclusion of the contingency fees subject to the completion of the Transaction or other conditions would not negate the independence of Nomura, and appointed Nomura as its financial advisor and third-party valuation agency under the above fee system.

(B) Outline of Calculation

As a result of its consideration of valuation methods to be adopted in the Tender Offer, and based on its assumption that the Target Company is a going concern and its belief that it would be appropriate to calculate the value of the Target Company Shares from multiple perspectives, Nomura calculated the value of the Target Company Shares by using the average market price method, given that the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and the DCF Analysis in order to reflect the future business activities in the valuation.

According to Nomura, the methods adopted to calculate the value of the Target Company Shares and the ranges of the value per share of the Target Company Shares calculated by these methods are as follows:

Average market price method	: From 2,638 yen to 2,736 yen
DCF Analysis	: From 2,572 yen to 4,345 yen

Under the average market price method, using November 27, 2025, as the valuation reference date, the value per share of the Target Company Shares was calculated to range from 2,638 yen to 2,736 yen based

on the closing price on the valuation reference date (2,736 yen), the simple average of the closing prices for the most recent five business days (2,680 yen), the simple average of the closing prices for the most recent one month (2,664 yen), the simple average of the closing prices for the most recent three months (2,711 yen), and the simple average of the closing prices for the most recent six months (2,638 yen) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange.

The financial forecast used by Nomura as the assumption for the calculation under the DCF Analysis has been prepared by the Target Company in light of the recent business performance and various measures for future growth in the component, electronic information device and other businesses, for the purpose of considering the Transaction, in which a period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2028 is used as the forecast period for which future is reasonably foreseeable. Nomura calculated the value per share of the Target Company Shares to range from 2,572 yen to 4,345 yen, after analyzing the share value by making certain financial adjustments, such as adding the value of cash and deposits held by the Target Company to the enterprise value calculated by discounting the free cash flow that the Target Company is expected to generate in and after the fourth quarter of the fiscal year ending December 31, 2025 to the present value at a certain discount rate, assuming various factors including the business plan for the period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2028 prepared by the Target Company (the “Business Plan”), investment plans and publicly disclosed information. The discount rate used was the weighted average cost of capital (WACC), ranging from 7.25% to 8.25%. For the calculation of the going-concern value, Nomura valued it at 37,095 million yen to 117,287 million yen using both the perpetual growth method and the multiple method. Under the perpetual growth method, a perpetual growth rate of 0.25% to 0.85% was applied, taking into account the long-term economic outlook surrounding the Target Company. Under the multiple method, Nomura used Depreciation and Amortization (“EBITDA”) multiple (“EBITDA Multiple”), commonly applied in M&A valuation practice, and adopted a range of 2.5x to 4.5x based on recent and historical EBITDA multiple levels of the Target Company.

The Business Plan was prepared by 8 officers and employees who are independent of the Tender Offeror (specifically, 2 Directors of the Target Company (Mr. Ken Hashimoto and Mr. Hiroyuki Okita) and 6 employees), and there is no indication that the Tender Offeror was involved in the preparation process. When the Target Company prepared the Business Plan, the Special Committee received an explanation of the details of the draft business plan, important preconditions and other relevant matters, and the Special Committee confirmed the reasonableness of the details, important preconditions, the background of the preparation and other relevant matters of the finalized Business Plan and approved the plan.

According to Nomura, the specific figures for the Target Company’s financial forecasts, which were used as the basis for the DCF Analysis calculation, are as follows, and it is noted that there are fiscal years in which significant fluctuations in profit and loss are expected. Specifically, for the fiscal year ending December 2026, a significant decrease in free cash flow is expected due to an increase in capital expenditures, while for the fiscal year ending December 2028, a significant increase in free cash flow is expected as a result of a decrease in capital expenditures. In addition, the synergy effects expected to be realized through the execution of the Transaction have not been factored into the following financial forecasts, as it was difficult to estimate them specifically at the time of calculation.

	(Millions of yen)			
	Fiscal year ending December 31, 2025 (three months)	Fiscal year ending December 31, 2026	Fiscal year ending December 31, 2027	Fiscal year ending December 31, 2028
Net sales	27,801	106,603	114,439	120,063
Operating profit	3,893	10,660	11,413	12,006

EBITDA	4,234	13,102	14,494	15,083
Free cash flows	4,511	2,633	3,309	6,396

(Note) In calculating the value of the Target Company Shares, Nomura assumed that the existing public information and all information provided by the Target Company, including the Business Plan, were accurate and complete, and did not independently verify the accuracy and completeness of such information. Nomura did not independently evaluate, appraise or assess the assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company or any of its affiliates, including any analysis or evaluation of their individual assets and liabilities, nor did it make any request to a third-party institution to perform any valuation for appraisal or assessment of such assets or liabilities. Nomura assumed that the management of the Tender Offeror excluding Mr. Akira Katsuyama reasonably reviewed or prepared information regarding the financial forecasts (including profit planning and other information) of the Target Company, based on the best and sincere estimates and judgments available at the time of the valuation. The calculation by Nomura reflected information and economic conditions obtained by Nomura by November 27, 2025. The sole purpose of the calculation by Nomura is to serve as a reference for the Target Company's board of directors in its consideration of the Target Company's share value.

(iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report

(A) Background to the Establishment etc.

According to the Target Company Press Release, as stated in “② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons” in “(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy” in “1. Purpose of the Purchase etc.” above, the Target Company, at the meeting of its board of directors held on September 17, 2025, after confirming that the outside directors of the Target Company to be nominated as Special Committee members have no interest in the Tender Offeror or the Target Company, have no significant interest in the success or failure of the Transaction that is different from that of the general shareholders, and are qualified to serve as Special Committee members, established a Special Committee consisting of three members, Mr. Toshikazu Togari (an independent outside director of the Target Company, Chairman and Representative Director of Zaikei Jutaku Kinyu Co., Ltd., Chairman of Nihon-Kango-Kasei-Shokai-Jigyō Association, and Outside Auditor of LDH JAPAN Inc.), Mr. Atsushi Maekawa (an independent outside director of the Target Company, President of MAEK Lab, Inc., Guest Professor at Osaka University, and Visiting Professor at the Shizuoka Institute of Science and Technology Research Institute) and Ms. Keiko Yamagami (an independent outside director of the Target Company, Visiting Attorney at Tokyo Seiwa Sogo Law Office, Outside Director (Audit and Supervisory Committee Member) of Denyo Co., Ltd., and Outside Director of GEOLIVE Group Corporation). There are five independent outside directors of the Target Company, but rather than having all independent outside directors serve as members, the Target Company decided to have a meeting body consisting of Mr. Toshikazu Togari, Mr. Atsushi Maekawa, and Ms. Keiko Yamagami as members to allow for flexible and efficient consideration and negotiation regarding the Transaction. Additionally, the Target Company selected these three individuals as members of the Special Committee because it believed that they would ensure the necessary and sufficient experience and knowledge regarding the consideration and negotiation of the Transaction from the perspectives of corporate management, finance, legal affairs and risk management, and global experience. The Special Committee members have not changed since its establishment and elected Mr. Toshikazu Togari as the chairperson of the Special Committee from among its members. The fee to be paid to each Special Committee member is a fixed fee payable regardless of the success or failure of the Transaction and does not include any contingency fee payable subject to the announcement or completion of the Transaction

or other conditions.

The Target Company's board of directors, at its meeting held on September 17, 2025, requested the Special Committee to consider (a) the legitimacy and reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the improvement of the corporate value of the Target Company), (b) the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price in the Transaction), (c) the fairness of the procedures for the Transaction, (d) whether the Transaction is considered fair to the general shareholders of the Target Company assuming (a) through (c) above and other matters, and (e) whether or not the Target Company's board of directors should express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer in light of (a) through (d) above (collectively, the "Matters for Consultation"). In addition, the Target Company resolved at the above meeting of the board of directors that (a) the Target Company's board of directors shall make its decisions regarding the Transaction with the highest degree of respect to the contents of the decisions of the Special Committee, and (b) if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Target Company's board of directors shall not support the Transaction under those terms and conditions, and further resolved that it will authorize the Special Committee (a) to appoint its financial advisors, third-party appraisers and legal advisors (the "Advisors"), or nominate or approve (including ex post facto approval) the Target Company's Advisors, (b) to be substantially involved in the negotiation process regarding the terms and conditions of the Transaction by confirming in advance the policy regarding the Target Company's negotiations regarding the terms and conditions of the Transaction, receiving timely reports on the status of such negotiations and providing its opinions, instructions and requests in critical situations, (c) to approve (including ex post facto approval) the Target Company's internal frameworks, (d) to request any officer or employee of the Target Company or the Target Company's Advisors involved in the Transaction to attend the Special Committee meetings and to provide explanations on necessary matters, and (e) to determine what measures to be implemented to ensure fairness.

(B) Details of the Consideration

The Special Committee held a total of 11 meetings totaling approximately 20 hours between September 25, 2025 and November 27, 2025. In addition, the Special Committee carefully discussed and examined Matters for Consultation by reporting and sharing information, conducting deliberations, and making decisions as necessary by email and telephone.

More specifically, after confirming that there were no issues with respect to the independence and expertise of Nomura, the Target Company's financial advisor and third-party valuation agency, and Shimada Hamba & Osajima, the Target Company's legal advisor, the Special Committee approved their appointment on September 25, 2025. The Special Committee further confirmed that it had no objection to receiving expert advice from these advisors as necessary.

Furthermore, the Special Committee approved the internal framework established by the Target Company to carry out examination, negotiation, and decision making concerning the Transaction (including the scope of officers and employees of the Target Company involved in the examination, negotiation, and decision making concerning the Transaction and their respective duties) independently from the Tender Offeror after confirming that there were no issues with respect to the independence and fairness of the internal framework.

After that, the Special Committee proceeded to examine the measures that should be taken to ensure procedural fairness of the Transaction based on the opinions obtained from Shimada Hamba & Osajima.

The Special Committee sent written questions to the Tender Offeror regarding the purpose and reasons for implementing the Transaction, expected advantages and disadvantages of the Transaction, management policies and governance after the Transaction, the structure and the implementation period of the Transaction, the procedure and the terms and conditions of the Transaction, etc., and held sessions for questions and answers and discussions on these matters after receiving written answers from the

Tender Offeror. The Special Committee also invited Mr. Takeshi Hashimoto (President & CEO of the Target Company) and Mr. Hiroyuki Okita (Director of the Target Company) to attend meetings of the Special Committee and heard their views on the significance of the Transaction, the schedule and method of the Transaction, management policies, governance, etc., of the Target Company after the Transaction, valuation of Target Company Shares, etc., as management of the Target Company, received any other relevant information from them, and asked questions and received answers on these matters.

In addition, the Special Committee approved the Business Plan including its material preconditions and the background of its formulation after confirming that they are reasonable. As stated in “(ii) Acquisition of a Share Valuation Report by Target Company from an Independent Third-Party Valuation Agency ” above, while Nomura determined the value of Target Company Shares based on the Business Plan, the Special Committee received from Nomura explanations on the valuation methods used for the valuation of Target Company Shares, reasons for adopting the valuation methods, valuation results under each valuation method, and material preconditions, held sessions for questions and answers, deliberations, and examination on these matters, and confirmed that they are reasonable.

The Special Committee also determined a policy for negotiation with the Tender Offeror after deliberations and examination of such a policy in consideration of, among other information, the opinions of Nomura and Shimada Hamba & Osajima. Each time the Target Company receives a price proposal from the Tender Offeror after and including the receipt of the first price proposal, which included a proposed Tender Offer Price of 2,930 yen per share, from the Tender Offeror on November 4, 2025, the Special Committee immediately received reports on the proposals, received explanations in advance on the policy for negotiation with the Tender Offeror and written answers, conducted deliberations and examination of them in consideration of, among other information, opinions of Nomura and Shimada Hamba & Osajima, and provided an opinion that the Target Company should demand that the Tender Offeror raise the Tender Offer Price. In this way, the Special Committee was substantially involved in the process of consultation and negotiation between the Target Company and the Tender Offeror concerning the Tender Offer Price. As a result, on November 25, 2025, the Target Company received from the Tender Offeror a proposal, which included a proposed Tender Offer Price of 3,650 yen per share. In total, the Target Company successfully received 5 price increases, which represents a 24.57% (rounded to the second decimal place) increase from the first price proposal.

The Special Committee has received explanations several times from Nomura and Shimada Hamba & Osajima on draft press releases and other disclosure materials on the Tender Offer to be disclosed or submitted by the Target Company and confirmed, after asking questions and receiving answers, that comprehensive information disclosure would be made.

(C) Details of the Decision

On the back of the developments mentioned above, the Special Committee, based on the legal advice received from Shimada Hamba & Osajima, the financial advice received from Nomura, and the Target Company Share Valuation Report (Nomura) submitted on November 27, 2025, conducted careful discussions and examination on the Matters for Consultation. As a result, on November 28, 2025, the Special Committee submitted the Report substantially to the following effect to the Target Company’s board of directors with the unanimous approval of its members.

(a) Contents of the Report

- I The Transaction contributes to the enhancement of the Target Company's corporate value, and its objective is recognized as being legitimate and reasonable.
- II The fairness and appropriateness of the transaction terms of the Transaction (including the Tender Offer Price in the Transaction) are recognized as being ensured.
- III The procedures related to the Transaction are recognized as being fair.
- IV The Transaction is recognized as being fair to the Target Company's general shareholders.

V It is appropriate for the Target Company Board of Directors to express an opinion in support of the Tender Offer and to recommend to the Target Company's shareholders to tender in the Tender Offer.

(b) Reason for the Report

(b)-1 Policy and Order of Consideration

(1) Policy of Consideration in Light of the Characteristics of the Transaction

The Transaction is conducted by the Tender Offeror, which is the parent company and controlling shareholder of the Target Company, for the purpose of making the Target Company a wholly-owned subsidiary, and as a result, the Target Company Shares are expected to be delisted. In other words, the Tender Offer in the Transaction is a tender offer by a controlling shareholder, and the Squeeze-Out Procedures in the Transaction are approvals for share consolidation or demand for shares cash out related to the controlling shareholder.

Accordingly, since the Transaction can be said to be a type of transaction that inherently involves structural conflicts of interest and information asymmetry issues, the Special Committee, from a position independent of the Tender Offeror, other related parties, and the Transaction, has decided to consider the Matters for Consultation while referring to the M&A Guidelines, with the aim of eliminating arbitrariness and the risk of conflicts of interest in the Target Company Board of Directors' decision-making process, ensuring its fairness, and securing the enhancement of the Target Company's corporate value and the interests of the Target Company's general shareholders.

(2) Order of Consideration in Light of the Significance of Each Matter For Consultation

The M&A Guidelines set forth the following two principles that should be respected in conducting M&A.

- First principle: enhance corporate value (Whether an M&A is desirable should be judged based on whether it enhances corporate value.)
- Second principle: ensure the interests of general shareholders through fair procedures (M&A should be conducted through fair procedures to ensure the interests that general shareholders should enjoy.)

These principles stand in the relationship that, premised on an M&A that satisfies the first principle and contributes to the enhancement of corporate value, when implementing it, the interests of general shareholders should be ensured by conducting it through fair procedures in accordance with the second principle. In addition, while these principles apply to M&A in general, in the acquisition of a subsidiary by a controlling shareholder, the importance of the second principle is considered to increase even more compared to general M&A (in accordance with M&A Guidelines 2.3).

The Matters for Consultation consist of five items, but Matter for Consultation ① is basically interpreted as seeking consideration of whether it satisfies the requirement for enhancement of corporate value, which is the first principle above. Matters for Consultation ② and ③ relate to the second principle above. Matter for Consultation ④ focuses on the content of the transaction terms and seeks consideration of whether fairness and appropriateness are recognized from the perspective of ensuring the interests of general shareholders, while Matter for Consultation ⑤ focuses on the procedures of the Transaction, including the formation process of the transaction terms, and seeks consideration of whether measures to ensure fairness, which are specific practical responses constituting fair procedures, have been appropriately taken in accordance with the specific circumstances of the Transaction.

Matter for Consultation ④ comprehensively considers the examinations related to Matters for Consultation ① through ③ and asks whether the Transaction is recognized as being fair to the Target Company's general shareholders. If the fairness of the Transaction to general shareholders is recognized, then for Matter for Consultation ⑤, it is considered appropriate for the board of directors to express an opinion in support of the Tender Offer and to recommend to the Target Company's shareholders to tender in the Tender Offer.

Therefore, in the following, Matters for Consultation ① through ③ will be considered in order in

(b)-2 through (b)-4 below, and then, based on those considerations, Matters for Consultation ④ and ⑤ will be considered in (b)-5 below.

(b)-2 Consideration of the Legitimacy and Reasonableness of the Objective of the Transaction (related to Matter for Consultation ①)

For Matter for Consultation ①, after examining the current recognition of the business environment and management issues surrounding the Target Company ((1) below), the synergies expected from the Transaction ((2) below), and the expected disadvantages ((3) below), whether the legitimacy and reasonableness of the objective of the Transaction are recognized will be considered based on them ((4) below).

(1) Current Recognition at the Target Company

According to the Target Company's Opinion Press Release and other materials for this consideration, as well as hearings, etc., the outline and business content of the Target Company (A below) and the business environment and management issues surrounding the Target Company (B below) are as follows.

A Outline and Business Content of the Target Company

The Target Company was founded in May 1954 as Chichibu Eikosha Co., Ltd. (changed its trade name to Canon Electronics Inc. in January 1964), and to change the par value of shares from 500 yen to 50 yen, it conducted an absorption merger with Sakura Sho-kai Co., Ltd. (established in May 1947 and changed its trade name to Canon Electronics Inc. in July 1979) as the formal surviving company in form, with the merger date of January 1, 1980, and continues to the present. The Target Company Shares were listed on the Second Section of the Tokyo Stock Exchange in August 1981, designated to the First Section of the Tokyo Stock Exchange in June 1998, and transitioned to the Prime Market of the Tokyo Stock Exchange in April 2022 due to the reorganization of the market segments of the Tokyo Stock Exchange.

The Target Company Group develops, produces, and sells precision machinery and equipment, electronic and electrical machinery and equipment, optical machinery and equipment, information equipment, and computer and communication equipment software, etc., and operates its business in the "Components," "Electronic Information Equipment," and "Other" segments. The Target Company Group belongs to the Tender Offeror Group, and mainly purchases parts from, manufactures for, and delivers products to the Tender Offeror and its production subsidiaries.

B Business Environment and Management Issues Surrounding the Target Company

The business environment surrounding the Target Company Group continues to be unpredictable, changing significantly due to growing interest in social issues including sustainability, responses to the new post-COVID society, and the maturation of the office equipment market related to core products such as copiers, printers, and document scanners. Under these circumstances, the Target Company Group is engaged in ① entry into and establishment in growth fields, ② promotion of human capital management, and ③ promotion of ESG management and sustainability initiatives.

The Special Committee considers that among these, ① entry into and establishment in growth fields and ② promotion of human capital management have a significant relationship with the synergies expected from the Transaction as described below, so the outline recognized from the materials for this consideration and hearings, etc., will be described below.

(A) Entry into and Establishment in Growth Fields

The Target Company Group is currently advancing entry into various growth fields. In the space-related field, based on the results of demonstration experiments conducted with micro-satellites launched into orbit through past research and development, the Target Company Group is steadily

shifting toward commercialization, such as by concluding a contract with the Ministry of Defense for the manufacture and testing of multi-orbit observation demonstration satellites. Furthermore, leveraging the Target Company Group's characteristic agility and technology, it is promoting sales expansion not only of medical field products like blood pressure monitors and sterilizers but also of environment-related equipment, dental milling machines, and others. In the agricultural field, the Target Company is conducting sales activities for its newly developed automated production equipment for plant factories. In the components field, the Target Company Group has expanded its business by taking over the motor business from a domestic group company of the Tender Offeror. In this way, the Target Company Group aims to establish numerous small businesses.

(B) Promotion of Human Capital Management

From the perspective of human capital management, the Target Company is promoting initiatives to maximize the value of its human capital. The Target Company is actively promoting the hiring of career personnel with diverse experiences, work histories, and skills. In addition, the Target Company aims to strengthen its human resource base for management by fostering business acumen in young employees from an early stage through methods such as developing education systems and workplace environments to maximize the characteristics and abilities of each individual and operating training programs for managers and executives.

Furthermore, the Target Company is conducting recruitment activities to ensure that the hiring ratio of women exceeds 30% each year, with the goal of increasing the ratio of female managers at or above the assistant manager level to 30% by 2030. Regarding the treatment and remuneration of employees, the Target Company operates a "role-based compensation system" in which these are determined based on roles and performance, as well as the difficulty and responsibility of the job, regardless of factors such as gender, educational background, or length of service. Furthermore, to create a workplace where employees can work more safely and healthily, the Target Company has established a labor safety and health management system and has obtained "ISO 45001" certification, an international standard for such systems, at all domestic business sites and two overseas factories. The Target Company has been recognized as a Health & Productivity Management Outstanding Organization under the Certified Health & Productivity Management Outstanding Organizations Recognition Program by the Ministry of Economy, Trade and Industry for five consecutive years, and is also promoting initiatives based on its "health-first" principle.

(2) Synergies Expected from the Transaction

A. Synergies Envisioned by the Tender Offeror

According to the Written Response, the Tender Offeror began considering the Transaction based on the recognition that comprehensively and actively utilizing the Tender Offeror Group's management resources is essential for maintaining the Target Company's competitive advantage and ensuring its sustainable growth, and that it is necessary to establish a system that allows for the rapid and flexible mutual utilization of the management resources of the Target Company Group and the Tender Offeror Group by delisting the Target Company Shares. According to the Tender Offer Registration Statement, the Written Response, and the results of the Interview with the Tender Offeror, the Tender Offeror envisions the following synergies from the Transaction:

(A) Vertical Integration of the Value Chain in the Space Business and Further Business Expansion

According to the Tender Offer Registration Statement, the Tender Offeror recognizes that the global space industry is an attractive industry that is expected to grow dramatically in the future, driven by technological innovation and accelerated private-sector leadership. In this context, the Tender Offeror recognizes that the Target Company Group and the Tender Offeror Group are a corporate group involved in many parts of the value chain in the space industry, such as optical technology, production and mass production technology, satellite launches, and satellite data/image data sales. Through the Transaction, the Tender Offeror intends to integrate the space business within

the Target Company Group and the Tender Offeror Group and achieve further business growth with a sense of speed.

In this regard, according to the Written Response and the results of the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- In the space business, private companies are rising significantly, particularly in the United States. To improve competitiveness in this field, growth accompanied by the expansion of business domains, such as multi-sensor satellites and vertical integration of business models, is becoming increasingly important. The Transaction is expected to lead to further growth of the Target Company's space business through conducting business investments as a united Target Company Group and Tender Offeror Group while leveraging the Tender Offeror Group's financial strength, and through strengthening collaboration between both groups.
- The space business involves developing overseas customers and has aspects of a public-private partnership. The Transaction is expected to lead to further growth of the Target Company's space business through utilizing the Tender Offeror Group's export control know-how, global customer network, and network with government agencies.

(B) Optimization of Asset Allocation and Cost Reduction within the Target Company Group and the Tender Offeror Group

According to the Tender Offer Registration Statement, the Tender Offeror expects to achieve improved productivity through the mutual utilization of domestic and overseas factories held by the Target Company Group and the Tender Offeror Group and the optimization of production allocation, as well as cost competitiveness synergies by leveraging the Tender Offeror Group's purchasing power and financing capabilities.

In this regard, according to the Written Response and the results of the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- Regarding the existing major business fields of the components business and electronic information equipment business, the Transaction is expected to lead to an increase in the Target Company's business opportunities, such as building mass production systems and expanding the product lineup of components, and to the further strengthening of the technological capabilities supporting the Target Company's strength in high quality and high productivity, through further promoting multi-faceted collaboration between the Target Company Group and the Tender Offeror Group, including sharing feedback on products from the Tender Offeror Group's customers, and effectively utilizing various management resources held by the Tender Offeror Group.

(C) Management Efficiency and Improved Corporate Governance for Enhanced Corporate Value

According to the Tender Offer Registration Statement, the Tender Offeror believes that the Transaction will resolve the risk of structural conflicts of interest between the Tender Offeror and the Target Company's general shareholders, enabling a more focused, long-term approach to measures aimed at enhancing corporate value.

In this regard, according to the Written Response and the results of the Interview with the Tender Offeror, the Tender Offeror believes as follows:

- Especially in the space business, where investment amounts are expected to swell in the short term in some phases, the Transaction is expected to make it easier to implement agile management.
- The Transaction is expected to lead to the promotion of human resource exchange between the Target Company Group and the Tender Offeror Group through agile human resource allocation and group-wide recruitment and training of personnel. In addition, the Transaction is expected to lead to the enhancement of the Target Company's corporate value by realizing the utilization of diverse human resources.

B. Synergies Envisioned by the Target Company

- According to the Target Company's Opinion Press Release, other Materials for Consideration, and the Interview, etc., the synergies of the Transaction envisioned by the Target Company are as follows:

(A) Business Expansion in Space-Related Fields

Since both the Target Company and the Tender Offeror are listed companies, the Target Company's collaboration with the Tender Offeror in satellite development has been limited from the perspective of considering management independence and the interests of general shareholders. However, the Target Company believes that by deepening collaboration with the Tender Offeror Group after the Transaction, it will be able to leverage the Tender Offeror Group's optical technology and R&D capabilities. Furthermore, if the Target Company can utilize the Tender Offeror Group's financial strength in the space-related field, where growth is expected across the industry, it will be possible to make strategic and agile investments that do not miss opportunities for market growth, thereby accelerating product quality improvement and R&D. In addition, in satellite manufacturing, the Target Company believes that by utilizing the Tender Offeror Group's production bases and mass production technology to secure large-volume orders from companies responsible for building satellite constellations, it will be possible to manufacture satellites with high price competitiveness, contributing to the acquisition of business opportunities and business expansion in the space-related field.

The Target Company also believes that utilizing the Tender Offeror Group's global customer network and network with government agencies will increase the probability of capturing business opportunities in space-related fields when aiming to expand business in these fields. Since business in space-related fields needs to be promoted through public-private partnership, the Target Company believes that it is necessary to strengthen collaboration with government agencies more than ever to grow the business in space-related fields, and it believes that it can utilize the relationships with government agencies and know-how that the Tender Offeror Group has cultivated through its activities as an executive of business organizations to date. Furthermore, in considering future business expansion into space-related fields overseas, the Target Company believes that utilizing the Tender Offeror Group's global sales network and customer network will increase the possibility of capturing market needs in the growth industry of space-related fields in a timely manner, contributing to the expansion of the Target Company's business.

(B) Strengthening Collaboration in the Components Business and Electronic Information Equipment Business

With regard to transactions where the Target Company Group was entrusted with manufacturing by the Tender Offeror Group in the components business and electronic information equipment business, the Target Company believes that it will be possible to further strengthen collaboration with the Tender Offeror Group after the Transaction, and by establishing a system where more information is shared with the Target Company Group, information such as product feedback from the Tender Offeror Group's customers can be utilized in the Target Company Group's product development, etc. Also, regarding transactions where the Target Company Group was entrusted only with manufacturing by the Tender Offeror Group, with the deepening of collaboration with the Tender Offeror Group, changes in transaction forms can be expected after the Transaction, such as the Target Company Group proactively taking on development and customer negotiations, which the Target Company believes will lead to the expansion of the Target Company Group's business domains.

Furthermore, even in independent transactions between the Target Company Group and customers other than the Tender Offeror Group, the Target Company believes that the benefits obtained through strengthening collaboration with the Tender Offeror Group can be utilized in aspects such as product

quality improvement and product development, contributing to the expansion of the Target Company Group's business and earnings.

(C) Improvement of Production Efficiency and Cost Reduction through Strengthening Collaboration of Production Bases and Utilization of Management Resources

The Target Company believes that through the Transaction, by mutually utilizing the management resources of the Target Company Group and the Tender Offeror Group more than ever before, without being bound by constraints such as concerns about conflicts of interest between the Tender Offeror and general shareholders or ensuring the independence of the Target Company, efficiency and optimization of the production system can be expected. Specifically, by promoting the mutual utilization of domestic and overseas production bases held by the Target Company Group and the Tender Offeror Group and further strengthening the production cooperation system, the Target Company believes that further improvement in production efficiency of the Target Company Group and the Tender Offeror Group and improvement in the utilization rate of the Target Company Group's production bases will be achieved, enabling the strengthening of cost advantages through these measures. In addition, regarding the procurement of production materials, auxiliary materials, and tools, the Target Company believes that cost reduction effects can be obtained through supply chain efficiency utilizing the Tender Offeror Group's purchasing power and logistics network through mutual utilization of production bases, joint purchasing, and logistics optimization.

(D) Strengthening of the Target Company Group's Organizational Capability through Expansion of Human Resource Exchange

The Target Company believes that while human resource exchange between the Target Company Group and the Tender Offeror Group has been limited to date based on the need to ensure the independence of the Target Company's management and consider conflicts of interest between the Tender Offeror and general shareholders since both the Target Company and the Tender Offeror are listed companies, further human resource exchange will be possible by the Target Company becoming a wholly-owned subsidiary of the Tender Offeror after the Transaction. For example, regarding business expansion overseas, the Target Company believes that there is a possibility of leading to the capture of further business opportunities through human resource exchange with the Tender Offeror Group and recruitment and training of personnel integrated with the Tender Offeror Group.

(3) Disadvantages Expected to Arise from the Transaction

According to the Target Company's Opinion Press Release, other reference materials, and the interviews, the Target Company recognizes that, as general disadvantages associated with delisting, it may lose access to capital markets for financing and may be adversely affected in terms of name recognition, creditworthiness, and its ability to attract talent, all of which it has enjoyed as a listed company. However, in light of the Target Company's current financial condition, it does not expect any need for capital raising through equity financing for the foreseeable future, and believes that it has built strong relationships of trust with a wide range of stakeholders, including employees and business partners, through its long history of business operations and social contributions. Furthermore, the Target Company considers that, given the high social credibility and name recognition enjoyed by the Tender Offeror, becoming a wholly owned subsidiary of the Tender Offeror would be unlikely to adversely affect the Target Company's social credibility or its recruitment activities compared with its current status as a listed company. Accordingly, the Target Company believes that the disadvantages of going private through the Transaction will be limited.

With respect to the potential impact of the Transaction on name recognition, creditworthiness, and ability to attract talent, all of which the Target Company has enjoyed as a listed company, according to the Tender Offer Registration Statement, other reference materials, and the interviews, the Tender Offeror

has stated that, regarding the Target Company's post-Transaction management structure (including the composition and number of directors as well as the number of executive officers), it intends, as a basic policy, to respect the Target Company's current management structure. Although it has not yet commenced any consideration with respect to whether changes to the officer structure or additional secondment of officers would be necessary, the Tender Offeror intends to determine the specific composition of officers and other aspects of the management structure through discussions with the Target Company going forward. In addition, the Tender Offeror has stated that it does not currently plan to change the Target Company's relationships with its business partners.

(4) Review by the Special Committee

A. Method of the Special Committee's Review

The Committee, while receiving necessary information from the Target Company and the Tender Offeror, conducted a multifaceted examination with respect to the purpose, legitimacy, and reasonableness of the Transaction. In doing so, the Committee examined the business environment surrounding the Target Company and the management issues it faces, as well as the impacts on the Target Company, including the synergies and disadvantages arising from the Transaction, based on the contents of the Business Plan Document and other materials reviewed in connection with this review, and the results of the interviews.

In the course of this review, the Special Committee examined from various perspectives the specificity and feasibility of the synergies expected by the Tender Offeror and the Target Company to arise from the Transaction; the necessity or benefit of the Transaction in achieving the enhancement of corporate value; the disadvantages arising from the Transaction; and the potential impacts on stakeholders, including employees of the Target Company and its business partners.

B. Evaluation of synergies expected from the Transaction

The Committee has found no unreasonable points regarding the Target Company's recognition of its business environment and management issues. In view of such recognition, the Committee can affirm the synergies expected by the Target Company and the Tender Offeror and has determined that the expectations that the execution of the Transaction will lead to the improvement of the Target Company's corporate value through the realization of synergies expected by the Target Company and the Tender Offeror are sufficiently reasonable.

First of all, regarding the management measures that the Target Company is working to implement, in terms of (1) B. (A) "Entry into and Establishment in Growth Fields" above, the space-related field is a particularly important field among the growth fields that the Target Company has entered. The Target Company believes that synergies will arise from the Transaction that will contribute to its business expansion, such as (I) accelerating product quality improvement and research and development and increasing price competitiveness by leveraging the Tender Offeror Group's optical technologies, research and development capability, financial strength, production bases, and mass production technologies and (II) capturing business opportunities by leveraging the Tender Offeror Group's global customer network and network with government agencies ((2) B. (A) above). The Committee can affirm such recognition of the Target Company.

In terms of (1) B. (B) "Promotion of Human Capital Management" above, the Target Company believes that the Transaction will enable further personnel exchange with the Tender Offeror Group. For example, in expanding business overseas, the Target Company believes that personnel exchange within the Tender Offeror Group and the integrated recruitment and development of human resources by the Tender Offeror Group and the Target Company Group could lead to capturing further business opportunities ((2) B. (D) above). The Committee can affirm such recognition of the Target Company.

Regarding the Components business and the Electronic Information Equipment business, which are major existing business fields, the Target Company believes that the Transaction will lead to further deepening of relationship in transactions with the Tender Offeror Group, and the resulting improvement

in product development capability and changes in transaction forms are expected to lead to further expansion of its business domains also in relationships with customers outside the Tender Offeror Group ((2) B. (B) above) and that the Transaction will enable the Target Company Group to improve its production efficiency and the utilization rate of its production bases ((2) B. (C) above). The Committee can affirm such recognition of the Target Company.

In addition, since the synergies expected by the Target Company are consistent with the synergies expected by the Tender Offeror, the Committee believes that the Target Company Group and the Tender Offeror Group will be able to collaborate smoothly by sharing synergies that they aim to achieve together.

C. Evaluation of demerits expected from the Transaction

While certain demerits to the Target Company may arise from the Transaction, the Target Company believes that demerits to the Target Company that may arise from the Tender Offeror's making the Target Company a wholly-owned subsidiary will be limited ((3) above). Since the Committee has found no unreasonable points regarding such recognition of the Target Company, the Committee has determined that the demerits that may arise from the Transaction is limited compared to the merit that the corporate value of the Target Company will be improved through the realization of synergies expected by the Target Company and the Tender Offeror.

(5) Summary

As stated above, the Transaction is reasonably expected to lead to the improvement of the Target Company's corporate value. In addition, the Committee believes that the Tender Offeror intends to carry out the Transaction for the legitimate purpose of enhancing the Target Company's corporate value as there are no circumstances that give rise to suspicion to the Tender Offeror's intention.

In summary, the Transaction is expected to contribute to the improvement of the Target Company's corporate value, and its purpose is legitimate and reasonable

(b)-3 Evaluation of the fairness and appropriateness of transaction terms and conditions (relating to the Matters for Consultation (b))

According to the M&A Guidelines, in considering the appropriateness of transaction terms and conditions, it is important (a) to ensure, in the course of consultation and negotiation with the acquirer regarding transaction terms and conditions, that reasonable efforts are made aiming that the M&A will be carried out under the most favorable transaction terms and conditions possible for general shareholders while enhancing corporate value and (b) to ascertain the reasonableness of the share valuation used as an important basis for determining the appropriateness of transaction terms and conditions and any underlying financial forecasts and conditions. In addition, (c) according to the M&A Guidelines, it is important to consider not only the level of consideration for acquisition, but also the appropriateness of the method of acquisition and the type of consideration for acquisition (M&A Guidelines 3.2.2).

Therefore, regarding Matters for Consultation (b), the Committee will examine the process of negotiation with the Tender Offeror from the perspective of (a) above ((1) below), the reasonableness of the Business Plan underlying the price calculation in the Share Valuation Report and the contents of the Share Valuation Report from the perspective of (b) above ((2) and (3) below), and the appropriateness of scheme selection in the Transaction from the perspective of (c) above ((4) below), and based on such examination, the Committee will consider whether the terms and conditions of the Transaction are fair and appropriate.

(1) Process of negotiation with the Tender Offeror

The Target Company have held negotiation and consultation on multiple occasions with the Tender Offeror regarding raising the Tender Offer Price. In conducting such negotiation and consultation, the Target Company ensured that it would obtain the prior approval of the Committee regarding the policies

and contents of negotiation and consultation in order to protect the interest of general shareholders. In the course of consideration regarding such negotiation and consultation, the Target Company and the Committee have received advice from Nomura, their financial advisor and third-party valuation agency, and Shimada Hamba & Osajima, their legal advisor, in a timely and appropriate manner.

Specifically, on November 4, 2025, the Target Company received a proposal from the Tender Offeror setting the Tender Offer Price at 2,930 yen, based on the premise that no year-end dividend would be paid by the Target Company, comprehensively taking into account various factors such as the results of the analysis of the Target Company's business and financial status based on materials such as financial information disclosed by the Target Company, the results of the analysis of the past share price trends of the Target Company Shares, and the outlook for tendering in the Tender Offer.

In response to the proposal from the Tender Offeror, on November 7, the Target Company and the Special Committee requested a significant increase in the Tender Offer Price, stating that the proposed price was significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected.

On November 11, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,100 yen. In response to the revised proposal from the Tender Offeror, on November 12, the Target Company requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected.

On November 14, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,250 yen. In response to the revised proposal from the Tender Offeror, on November 17, the Target Company requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected.

On November 19, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,370 yen. In response to the revised proposal from the Tender Offeror, on November 20, the Target Company requested again a significant increase in the Tender Offer Price, stating that the proposed price was still significantly below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected.

On November 21, the Target Company received a revised proposal from the Tender Offeror setting the Tender Offer Price at 3,500 yen. In response to the revised proposal from the Tender Offeror, on November 25, the Target Company requested again an increase in the Tender Offer Price, stating that the proposed price was below the premium level in cases similar to the Transaction and that the corporate value of the Target Company was not sufficiently reflected.

On November 25, the Target Company received a final proposal from the Tender Offeror setting the Tender Offer Price at 3,650 yen. On November 26, the Target Company responded to the effect that it will agree to the proposal of the Tender Offeror on the premise that its final decision on the Transaction is subject to the resolution of the meeting of its board of directors scheduled to be held on November 28, 2025, reaching an agreement that the Tender Offer Price will be 3,650 yen.

As stated above, the Target Company had requested the prior approval of the Committee regarding the policies and contents of negotiation and consultation, including the requests to the Tender Offeror mentioned above. Specifically, each time the Target Company received a proposal from the Tender Offeror, the Target Company promptly reported its contents, response policies that the Target Company is planning to adopt, etc., to the Committee to seek its advice and instructions and acted in accordance with them. As such, the negotiation and consultation mentioned above were conducted with substantial involvement of the Committee. In the course of such negotiation and consultation, the Target Company and the Committee also received expert advice from Nomura and Shimada Hamba & Osajima in a timely and appropriate manner and considered the proposals while sufficiently examining such advice.

In this way, the Target Company has held negotiation and consultation on multiple occasions with the Tender Offeror based on the opinion of the Committee while receiving expert advice. As a result, it

achieved a considerable increase in the final Tender Offer Price from the price initially proposed by the Tender Offeror.

Therefore, the Committee can conclude that reasonable efforts have been made to ensure that the Transaction will be executed under the most favorable terms and conditions possible for general shareholders while increasing corporate value.

(2) Reasonableness of the Details of the Business Plan

The Target Company has obtained the Target Company Share Valuation Report from Nomura, a third-party valuation agency independent from both the Target Company and the Tender Offeror. Because the Target Company Share Valuation Report was prepared on the assumption that the Business Plan forms its basis, the reasonableness of the details of the Business Plan will be considered.

According to the Business Plan Premise Document, the Business Plan Document, and the interviews, the Business Plan was prepared by the Target Company for the purpose of considering the Transaction. The Target Company set the period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2028 as the period for which future is reasonably foreseeable. The financial forecasts for this period are recognized to have been prepared by taking into account recent business performance and the various initiatives for future growth in the components and electronic information equipment businesses, as well as past growth rates. Therefore, the plan can be regarded as reasonable in content, neither optimistic nor conservative, and feasible. Furthermore, with respect to the increases or decreases in operating profit and free cash flow projected in the Business Plan, the Target Company confirmed through the interviews that these are based on capital investments and other factors that could reasonably be expected at the time the Business Plan was prepared.

In addition, the process by which the Business Plan was prepared confirms that, as described in (b)-4(2) below, the Business Plan was prepared by internal members of the Target Company who are independent from the Tender Offeror, and there are no circumstances suggesting that the Target Plan was influenced by the Tender Offeror's intentions or interests.

Consequently, the details of the Business Plan, which serve as the premise for the price calculations in the Target Company Share Valuation Report, are recognized as reasonable.

(3) Details of the Target Company Share Valuation Report

a. Selection of Valuation Method

At the Committee meetings held on October 2, 2025 (the 2nd meeting) and November 7, 2025 (the 7th meeting), the Committee received detailed explanations from Nomura regarding the process by which it considered the valuation methods for the Target Company Shares. In addition, at the Committee meetings held on November 12 (the 8th meeting), November 20 (the 9th meeting), and November 25 (the 10th meeting), the Committee received further explanations from Nomura in light of questions and requests raised by Committee members and the Tender Offer Price proposed by the Tender Offeror.

According to these explanations, Nomura, after considering valuation methods for the Tender Offer, adopted an approach based on the premise that the Target Company is a going concern and determined that it would be appropriate to evaluate the value of the Target Company Shares from multiple perspectives. Specifically, because the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, Nomura applied the average market price method, and in order to reflect the future state of the Target Company's business activities in the valuation, also applied the DCF Analysis, thereby calculating the value of the Target Company Shares using these methods.

The valuation methods adopted by Nomura are commonly used in valuations for transactions similar to the Transaction, and there is no basis to conclude that the selection of valuation methods by Nomura is unreasonable.

b. Summary of the Share Valuation Results

According to the Target Company Share Valuation Report, the methods adopted to calculate the value of

the Target Company Shares and the ranges of the value per share of the Target Company Shares calculated by these methods are as follows:

Average market price method	From 2,638 yen to 2,736 yen
DCF Analysis	From 2,572 yen to 4,345 yen

c. Reasonableness of Each Valuation Method

According to the Target Company Share Valuation Report, the outlines and bases of the valuation methods adopted to calculate the share value by Nomura are as follows:

(A) Average Market Price Method

Nomura, under the average market price method, and using November 27, 2025 as the valuation reference date, calculates the value per share of the Target Company Shares to range from 2,638 yen to 2,736 yen based on the closing price on the valuation reference date (2,736 yen), the simple average of the closing prices for the most recent five business days (2,680 yen), the simple average of the closing prices for the most recent one month (2,664 yen), the simple average of the closing prices for the most recent three months (2,711 yen), and the simple average of the closing prices for the most recent six months (2,638 yen) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange.

Referencing these prices in the average market price method is standard practice, and there is nothing unreasonable in the valuation method applied.

(B) DCF Analysis

Nomura calculated the value per share of the Target Company Shares to range from 2,572 yen to 4,345 yen, after analyzing the share value by making certain financial adjustments, such as adding the value of cash and deposits held by the Target Company to the enterprise value calculated by discounting the free cash flow that the Target Company is expected to generate in and after the fourth quarter of the fiscal year ending December 31, 2025 to the present value at a certain discount rate, assuming various factors including the business plan for the period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2028 prepared by the Target Company (the “Business Plan”), investment plans and publicly disclosed information. The discount rate used was the weighted average cost of capital (WACC), ranging from 7.25% to 8.25%. For the calculation of the going-concern value, Nomura valued it at 37,095 million yen to 117,287 million yen using both the perpetual growth method and the multiple method. Under the perpetual growth method, a perpetual growth rate of 0.25% to 0.25% was applied, taking into account the long-term economic outlook surrounding the Target Company. Under the multiple method, Nomura used Depreciation and Amortization multiple (“EBITDA Multiple”), commonly applied in M&A valuation practice, and adopted a range of 2.5x to 2.5x based on recent and historical EBITDA multiple levels of the Target Company.

No unreasonable points are found in the basis or content of the discount rate calculation by Nomura using the DCF method.

d. Premium Analysis

The Tender Offer Price represents a premium of 33.41% on 2,736 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on November 27, 2025, the business day immediately preceding the scheduled date of public notice of the Tender Offer (November 28, 2025); 37.01% on 2,664 yen, the simple average of the closing prices for the most recent one month; 34.46% on 2,711 yen, the simple average of the closing prices for the most recent three months; and 38.36% on 2,638 yen, the simple average of the closing prices for the most recent six months.

Reference Value	Share Price	Premium
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Closing price on the business day immediately preceding the date of public notice	2,736 yen	33.41%
Simple average of the closing prices for the most recent one month	2,664 yen	37.01%
Simple average of the closing prices for the most recent three months	2,711 yen	34.46%
Simple average of the closing prices for the most recent six months	2,638 yen	38.36%

According to the interviews, when compared to the premium levels in 44 cases of tender offers (the “Reference Cases”) that were given public notice on or after January 1, 2022 and completed the settlement of tender offers by November 27, 2025, for the purpose of allowing the parent company to acquire full ownership of a listed subsidiary—namely, the average premiums (38.65%, 41.06%, 40.30%, and 39.07%, respectively) and the medians (38.78%, 40.90%, 41.23%, and 36.70%, respectively) over (i) the closing price on the business day immediately preceding the date of public notice, and (ii) the simple average of the closing prices for the most recent one-month, three-month, and six-month periods prior to the public notice—the premium attached to the Tender Offer Price (33.41%, 37.01%, 34.64%, and 38.36% over the closing price on the business day immediately preceding the date of public notice, and over the simple average of the closing prices for the most recent one-month, three-month, and six-month periods, respectively) is not inferior to those in the Reference Cases, since there are 16, 16, 15, and 24 cases, respectively, in which the premium levels were lower than those of the Tender Offer Price.

Thus, the premium associated with the Tender Offer Price is recognized as reasonable when compared with the Reference Cases.

e. Level of the Tender Offer Price and Its Evaluation

In light of the contents of the Target Company Share Valuation Report, the Tender Offer Price exceeds the upper end of the per-share value range for the Target Company Shares calculated by Nomura using the average market price method, falls within the per-share value range calculated using the DCF Analysis, and the premium associated with the Tender Offer is recognized as reasonable when compared with the Reference Cases. Accordingly, when considered in view of the contents of the Target Company Share Valuation Report, the Tender Offer Price is regarded as being at a level that is reasonable in light of the corporate value of the Target Company and as not being at a level that would impair the fairness to the general shareholders

(4) Appropriateness of the Scheme

In the Transaction, the Tender Offer will be implemented, upon completion of which the Squeeze-Out Procedures will be implemented by means of the demand for shares cash out or the share consolidation so that the Tender Offeror will acquire all of the Target Company Shares.

A scheme like this is commonly employed when a controlled company is acquired by the controlling shareholder. In the Squeeze-Out Procedures, shareholders dissatisfied with the considerations may file a petition with the court for a determination of the sale and purchase price or, after demanding the purchase of their shares, file a petition for a determination of the price. Cash considerations are desirable for the sake of clarity for the general shareholders, certainty and stability of the value, and other aspects, which contribute to the protection of the interests of the general shareholders.

The scheme chosen for the Transaction, therefore, is devoid of any unreasonable elements.

(5) Summary of the Above

As discussed above, reasonable effort has been made in the Transaction to achieve the most favorable terms and conditions for the general shareholders to the extent possible while enhancing the corporate value (see (1) above); the Business Plan is reasonable as the basis for share valuation presented in the Share Valuation Report (see (2) above); the Tender Offer Price, in light of the Share Valuation Report, is appropriate as compared to the corporate value of the Target Company and does not compromise any fairness for the general shareholders (see (3) above); and the chosen scheme for the Transaction is devoid of any unreasonable elements (see (4) above).

Thus the terms and conditions of the Transaction are fair and appropriate in terms of protecting the interests of the general shareholders.

(b)-4 Consideration of the Fairness of the Procedures (related to the third item of the Matters for Consultation)

With respect to the third item of the Matters for Consultation, the focus of consideration is on whether the Transaction is implemented through fair procedures to protect the interests of the general shareholders.

Fair M&A Guidelines consider fairness ensuring measures to be practical measures that constitute such fair procedures, and, as regards the acquisition of a controlled company by the controlling shareholder, state that fairness ensuring measures are to be taken, according to specific circumstances such as the degree of structural conflicts of interest or informational asymmetry, the situation of the target company, and the overall transaction structure, in order to ensure fair transaction terms, drawing on the following perspectives (2.4, M&A Guidelines):

① Perspective 1: Securing conditions in the process of forming transaction terms and conditions that can be seen as equivalent to those among independent transaction parties

In the process of negotiating and determining the appropriateness of transaction terms and conditions and the pros and cons of mergers and acquisitions at Target Company, the conditions must be secured so that the mergers and acquisitions are conducted with reasonable effort in a manner that can be seen as practically equivalent to those conducted among independent parties. In other words, by addressing the issues of structural conflict of interest and information asymmetry, the transaction terms and conditions must be as beneficial as possible to general shareholders while enhancing corporate value.

② Perspective 2: Securing opportunities for general shareholders to make appropriate judgments based on adequate information

In the acquisition of a subsidiary company by a controlling shareholder, general shareholders must be provided with the necessary information in order to secure opportunities to make appropriate judgments on the appropriateness of transaction terms and conditions as such appropriate judgments based on adequate information by general shareholders, or informed judgment, cannot be taken for granted due to information asymmetry between the acquirer and general shareholders.

From the perspective described above, the review is conducted to acknowledge whether the Transaction addresses effective fairness assurance measures and follows fair procedures.

(1) Establishment of, and Deliberation, etc. at the Committee

A. Establishment of the Committee

Target Company received the proposal from the Tender Offeror on September 5, 2025. Consequently, based on the understanding that the Transaction would be classified as a significant transaction, etc. with the Tender Offeror who is the controlling shareholder, Target Company promptly established the Committee as per the resolution at the board of directors' meeting on September 17, 2025, from the perspective of securing fairness by eliminating arbitrariness and potential conflict of interest in decision-making process of Target Company's board of directors and by exercising due caution in Target Company's decision making. The Committee consists of three members: Mr. Toshikazu Togari (an independent outside director of the Target Company), Mr. Atsushi Maekawa (an independent outside director of the Target Company),

and Ms. Keiko Yamagami (an independent outside director of the Target Company). All Committee members are independent of the Target Company and Tender Offeror.

The members of the Committee have remained unchanged since its initial establishment. Mr. Togari is elected as the chairperson of the Committee through mutual election. The remuneration for the Committee members is a fixed payment that is independent of the Transaction's outcome, and does not include outcome-based compensation that is contingent upon the disclosure or completion of the Transaction.

B. Authorization Granted to the Committee, etc.

Target Company's board of directors has resolved that it ① will make decisions regarding the Transaction with the utmost respect for the Committee's judgment and ② will not consent to the Transaction under those terms if the Committee determines that the Transaction terms and conditions are not appropriate. Based on this, the Target Company's board of directors resolved to grant the Committee a) the authority to select financial advisors, third-party valuation agencies, or legal advisors of the Committee, or to designate or approve (including subsequent approval) the Target Company's advisors, b) the authority to be practically involved in the negotiation process regarding the Transaction terms and conditions by checking the negotiation by Target Company regarding the Transaction terms and conditions in advance, receiving reports in a timely manner, and expressing opinions, instructing, and requesting at critical stages, c) the authority to approve the internal organization of Target Company (including subsequent approvals), d) the authority to request the officers or employees of the Target Company related to Transaction, or Target Company's Advisors, etc. related to Transaction for attendance at the Committee to explain necessary matters, e) the authority to determine the fairness assurance measures to be taken, f) the authority to obtain confidential information, and g) other authorities that accompany the aforementioned authorities.

(2) Establishment of an Independent Framework for Consideration

In order to consider, negotiate, and make decisions regarding the Transaction from the standpoint that is independent of the Tender Offeror, internal deliberation members of the Target Company engaged in consideration regarding the Transaction, including preparing the Business Plan, as well as negotiations and discussions with the Tender Offeror. (As described in (b)-3 (1) above, Target Company obtained the Committee's approval in advance through the internal deliberation members, regarding the policy and the details of the discussion and negotiation. As described in (3) below, Target Company engaged in multiple negotiations and discussions with Tender Offeror regarding the Tender Offer Price, while receiving advice from independent external expert advisors. Based on this, it can be said that reasonable efforts have been taken to ensure that the Transaction terms and conditions are as beneficial as possible to general shareholders while enhancing corporate value.)

The internal deliberation members of Target Company consist solely of those who i) do not currently belong to the Tender Offeror Group, excluding the Target Company Group, and ii) are officers or employees of Target Company who have not belonged to the Tender Offeror Group excluding the Target Company Group in the past, except for Mr. Hashimoto (specifically eight members in total: Mr. Hashimoto and Mr. Okita, who are Directors of Target Company and six employees). The Committee has confirmed that there are no issues from the perspective of independence and fairness. As for Mr. Hashimoto, he was an employee of Tender Offeror in the past, but it has been over ten years since he transferred to Target Company. In addition, he is not at all involved in the Transaction from the Tender Offeror side, nor is such involvement possible. Therefore, it was determined that there is no potential conflict of interest with respect to the Transaction.

At the Target Company's board of directors' meetings regarding the Transaction, deliberations and resolutions are executed by ten Directors, excluding Mr. Akira Katsuyama, out of eleven Directors of the Target Company. Considering that Mr. Akira Katsuyama was an employee of Tender Offeror and it has been less than three years since he transferred to Target Company, he does not participate in the deliberation and resolution of such board of directors' meetings from the perspective of securing fairness and transparency and objectivity in decision-making regarding the Transaction by eliminating the effect of

conflict of interest with Target Company's general shareholders as much as possible.

As such, Target Company establishes an internal organization that allows consideration and negotiations, etc., regarding the Transaction independent of the Tender Offeror, and this organization has been approved by the Committee.

(3) Advice from Independent External Expert Advisors

Target Company selected Nomura as a financial advisor that is independent of the Target Company and the Tender Offeror. The Target Company and the Committee receive advice from Nomura from a financial perspective. According to the briefing, etc. and the deliberation material, Nomura is not classified as a related party of the Target Company or Tender Offeror, and does not have a significant interest in the Transaction, including the Tender Offer. The remuneration for Nomura includes outcome-based remuneration, where payments are contingent upon the completion of the Transaction, etc. However, the Committee has determined that Nomura's independence is not denied by the inclusion of an outcome-based remuneration where payments are contingent upon the completion of the Transaction, etc., in consideration of general business practices in similar types of transactions, etc. The Committee also confirmed that no issue has been acknowledged in Nomura's independence by receiving explanations from Nomura on information blocking measures regarding the Transaction.

Additionally, Target Company selected Shimada Hamba & Osajima as a legal advisor that is independent of the Target Company and the Tender Offeror. The Target Company and the Committee receive advice from Shimada Hamba & Osajima from a legal perspective. According to the briefing, etc. and the deliberation material, Shimada Hamba & Osajima is not classified as a related party of the Target Company or Tender Offeror, and does not have a significant interest in the Transaction, including the Tender Offer. The remuneration for Shimada Hamba & Osajima does not include outcome-based remuneration, where payments are contingent upon the completion of the Transaction, etc.

As such, Target Company and the Committee receive advice from external expert advisors with high expertise and independence from Target Company and Tender Offeror.

(4) Obtaining Share Price Computation Document from Independent Third-party Valuation Agency

According to the briefing, etc. and the deliberation material, Target Company selected Nomura as a third-party valuation agency that is independent of the Target Company and the Tender Offeror in order to ensure the fairness of the Tender Offer Price proposed by the Tender Offeror. Target Company obtained the Target Company Share Price Computation Document as a document regarding the share price of Target Company Shares. As described above in (3), Nomura is independent of Tender Offeror.

As such, Target Company obtains a share price computation document from an independent third-party valuation agency with expertise and uses it as a basis for judgment.

(5) Market Check

According to the Tender Offer Registration Statement, the Tender Offeror has set the Tender Offer Period at 30 business days, which is longer than the statutory minimum period prescribed by law of 20 business days by 10 business days. The Tender Offeror is considered to have set the Tender Offer Period longer than the statutory minimum period prescribed by law to ensure that the shareholders of the Target Company are provided with an opportunity to appropriately decide whether to tender their shares in the Tender Offer, and thereby ensure the appropriateness of the Tender Offer Price.

In addition, the Target Company and the Tender Offeror have not made any agreements, etc. that prohibit competing offerors and the Target Company from meeting or otherwise interacting with each other, including deal-protection provisions, to ensure a situation in which competing offers can be made.

In other words, the Transaction is conducted in an environment where other potential bidders can make competing offers, meaning that a so-called indirect market check is performed.

Regarding market checks, the M&A Guidelines point out that when the acquirer is already the controlling shareholder, the effectiveness of a market check as a measure to ensure fairness is generally limited, and in

many cases, its implementation is of little significance (M&A Guidelines 3.4.3.2).

However, even when the acquirer is a controlling shareholder, there are exceptional cases where a market check may function effectively, such as: (i) when the controlling shareholder's voting rights ratio is low; (ii) when a highly attractive counterproposal is made, making it possible that the controlling shareholder would agree to sell; or (iii) when the controlling shareholder initially acquires the subsidiary but subsequently plans to sell all or part of it (M&A Guidelines 3.4.3.2, footnote 66). In the Transaction, however, (i) the Tender Offeror already holds a majority of the voting rights in the Target Company, so it cannot be said that the controlling shareholder's voting rights ratio is low; (ii) both the Written Response and the interview with the Tender Offeror clearly indicate the strategic importance and necessity for the Tender Offeror to retain the Target Company as a subsidiary, so even if such competing offers were made, the likelihood of the Tender Offeror agreeing to sell the Target Company Shares is considered extremely low; and (iii) there is no plan in the Transaction for the Tender Offeror to sell the Target Company after acquisition.

Based on these points, the Special Committee has determined that, for this transaction, there are no exceptional circumstances that would warrant the implementation of an active market check, beyond an indirect market check.

(6) Majority of Minority

According to the Tender Offer Registration Statement, a minimum number of shares to be purchased, which corresponds to a so-called majority of minority condition, has not been set in the Tender Offer. This is because the Tender Offeror believes that setting such a minimum number in the Tender Offer would render the establishment of the Tender Offer unstable and could fail to serve the interests of general shareholders who wish to tender into the Tender Offer.

The M&A Guidelines also state that it is difficult to consider it desirable to always set a majority of minority condition. In addition, other measures to ensure fairness are implemented in the Transaction. In light of these, it is believed that the mere absence of a majority of minority condition does not mean that appropriate measures to ensure fairness are not taken.

(7) Extensive Information Disclosure to General Shareholders

In the Transaction, extensive information disclosure about ① the details of the consideration at the Committee and how the Committee is involved in the negotiation process regarding the terms and conditions of the Transaction with the Tender Offeror and ② whether or not the Transaction should be implemented, the appropriateness of the terms and conditions of the Transaction, the fairness of the procedures, and other matters is planned to provide information on the Committee through press releases issued by the Target Company to express opinions and the Tender Offer Registration Statement.

In addition, extensive information disclosure about ③ information on the Target Company Share Valuation Report that the Target Company has obtained, ④ information on the process that led to the Transaction and other matters, and ⑤ specific details of the interests in the Transaction of the Target Company's directors and other related parties as well as whether and how the relevant directors and other related parties were involved in establishing the terms and conditions of the Transaction is also planned.

This means that extensive information disclosure that contributes to the appropriate decision of general shareholders is planned in the Transaction.

(8) Elimination of Coerciveness

According to the Tender Offer Registration Statement, it is clearly stated that (a) the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, will request that the Target Company convene a general shareholders meeting at which proposals will be submitted to make the demand for shares cash out or to partially amend the Articles of Incorporation to abolish the provisions on share units on the condition that the share consolidation takes effect, depending on the number of Target Company Shares that have been acquired through the Tender Offer upon the completion of the Tender Offer, and will not

adopt any method that would deprive the shareholders of the Target Company (excluding the Target Company and the Tender Offeror) of the right to demand the purchase of shares or the right to petition the court for the determination of share price; and (b) when the demand for shares cash out or share consolidation is carried out, the amount of money to be delivered to each shareholder of the Target Company (excluding the Target Company and the Tender Offeror) as consideration will be determined so that it is equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by that shareholder. In this way, it can be said that the Tender Offeror has taken care to ensure that the shareholders of the Target Company (excluding the Target Company and the Tender Offeror) are provided with an opportunity to appropriately decide whether to tender their shares in the Tender Offer and that the Tender Offer will not be coercive.

(9) Summary

Summarizing what is stated in the above (1) through (8), for the Transaction, it is deemed that effective fairness ensuring measures are being taken from the perspective of ensuring circumstances equivalent to an arm's length transaction in the process of determining the terms and conditions, as well as the perspective of ensuring that general shareholders have the opportunity to make appropriate decisions based on sufficient information.

Therefore, procedures related to the Transaction are deemed fair.

(b)-5 Comprehensive Consideration (related to the Matters for Consultation ④ and ⑤)

As stated in (b)-2 above, it is considered that the Transaction will contribute to the enhancement of the Target Company's corporate value, and it is deemed that the purpose of the Transaction is justifiable and reasonable. In addition, as stated in (b)-3 above, it is deemed that the terms and conditions of the Transaction, including the Tender Offer Price are fair and appropriate, and as stated in (b)-4 above, appropriate fairness ensuring measures are being taken for the Transaction, which can be deemed as procedural fairness. Furthermore, there are no circumstances that would make the Transaction unfair to general shareholders.

Therefore, it is deemed that the Transaction is fair to the general shareholders of the Target Company, and accordingly, it is appropriate that the Target Company's board of directors express its opinion in support of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

(c) Definition

Notwithstanding other statements in this written opinion, as used in (a) and (b) above, the terms listed below have the meanings set forth below, respectively.

- The term "Target Company Group" means the corporate group consisting of the Target Company, and its consolidated subsidiaries and affiliates accounted for by the equity method.
- The term "Tender Offeror Group" means the corporate group consisting of the Tender Offeror, and its subsidiaries and affiliates (excluding the Target Company Group).
- The term "M&A Guidelines" means the "Fair M&A Guidelines" dated June 28, 2019 and prepared by the Ministry of Economy, Trade and Industry.
- The term "Committee" means the special committee established by a resolution of the board of directors adopted on September 17, 2025.
- The term "Proposal" means the proposal for the Transaction dated September 3, 2025 and received from the Tender Offeror by the Target Company.
- The term "Written Inquiry" means the written inquiry dated October 9, 2025 and submitted to the Tender Offeror by the Committee.
- The term "Written Answer" means the written answer dated October 20, 2025 and received from the Tender Offeror by the Committee.
- The term "Interviews, etc." means interviews conducted by the Committee in the course of consideration.

- The term “Tender Offeror Interviews” means interviews with Toshizo Tanaka, Executive Vice President & CFO and others of the Tender Offeror conducted at the sixth meeting of the Committee held on October 28, 2025, out of the Interviews, etc.
- The term “Consideration Material” means material used by the Committee for consideration.
- The term “Business Plan Premise Document” means the document titled “Canon Electronics concept of the business plan 2026-28” on September 25, 2025 as prepared by the Target Company.
- The term “Business Plan Document” means the document titled “Canon Electronics business plan” on October 2, 2025 as prepared by the Target Company.
- The term “Tender Offer Registration Statement” means a draft at the time of preparation of the Report of the tender offer registration statement to be submitted to the Kanto Local Finance Bureau by the Tender Offeror on December 1, 2025.
- The term “Target Company’s Opinion Press Release” means a draft at the time of preparation of the Report of the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Tender Offer for Target Company Shares by Canon Inc., the Controlling Shareholder of the Target Company” to be announced by the Target Company on November 28, 2025.
- The term “Target Company Share Valuation Report” means the shares price computation document dated November 27, 2025 as prepared by Nomura.
- The term “Target Company Internal Consideration Members” means the officers and employees of the Target Company who considered the Transaction (including preparation of the Business Plan), and consulted and negotiated with the Tender Offeror thereon.

(iv) Advice to the Target Company from an Independent Law Firm

According to the Target Company Press Release, as stated in “(iii) Establishment of Independent Special Committee at Target Company; Obtaining of Report” above, the Target Company appointed Shimada Hamba & Osajima as a legal advisor who is independent from the Tender Offeror and the Target Company and received legal advice, including advice on the measures to be taken to ensure the procedural fairness in the Transaction, various procedures for the Transaction, and the Target Company’s decision-making methods and processes concerning the Transaction.

Shimada Hamba & Osajima is not a related party to either the Tender Offeror or Target Company, and has no significant conflict of interest relating to Transaction including the Tender Offer. In addition, the compensation paid to Shimada Hamba & Osajima does not include any incentive fee contingent upon, for example, the completion of the Transaction.

(v) Establishment of an Independent Review Framework within the Target Company

According to the Target Company Press Release, as stated in “② Course of Events behind Decision-Making Leading to the Target Company’s Agreeing to the Tender Offer; Reasons” of “(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy” of “1. Purpose of the Purchase etc.” above, the Target Company established an internal framework to carry out examination, negotiation, and decision making concerning the Transaction independently from the Tender Offeror. More specifically, on September 5, 2025, in response to the proposal for the Transaction received from the Tender Offeror in writing, the Target Company established a framework to carry out examination of the Transaction (including the formulation of a business plan underlying the valuation of Target Company Shares) and consultation and negotiation with the Tender Offeror. The members involved in the examination are composed only of officers and employees of the Target Company who (a) do not currently belong to the Tender Offeror Group (excluding the Target Company Group) and (b) except for Mr. Takeshi Hashimoto, have not have not belonged to the Tender Offeror Group (excluding the Target Company Group) in the past (specifically, composed of a total of eight members: two directors of the Target Company (Mr. Takeshi Hashimoto, Mr. Hiroyuki Okita) and six employees), and this treatment is being continued. Although Mr. Takeshi Hashimoto held a position as an officer or employee of the Tender Offeror in the past, more than ten years have passed since his transfer to

the Target Company, and with respect to the Transaction, he has not been involved in any way on the Tender Offeror's side, nor is he in a position to be able to do so. Therefore, it was judged that there is no risk of conflict of interest regarding the Target Company's decision-making concerning the Transaction, and he participated in the deliberations and resolutions of the Target Company's board of directors regarding the Transaction, and also participated in discussions and negotiations with the Tender Offeror as a director of the Target Company. The internal framework established within the Target Company for the examination of the Transaction (including the scope of officers and employees of the Target Company involved in the examination, negotiations, and decision-making regarding the Transaction and their respective duties) has been approved by the Special Committee after confirming that there are no issues with respect to its independence and fairness.

(vi) Approval of All Directors Without Interests and Opinion of No Objection from All Auditors Without Interests in the Target Company

According to the Target Company Press Release, the Target Company's board of directors, based on the legal advice obtained from Shimada Hamba & Osajima regarding the decision-making processes and methods concerning the Transaction and other points to note, the financial advice obtained from Nomura, and the conclusions of the Target Company Share Valuation Report (Nomura), carefully discussed and examined whether the procedures of Transaction, including the Tender Offer, and the terms and conditions of the Transaction are reasonable while giving maximum deference to the conclusions of the Report submitted by the Special Committee. As a result, as stated in "② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons" of "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy" of "1. Purpose of the Purchase etc." above, the Target Company's board of directors has determined that synergies are expected to materialize through the Transaction, and the Transaction will contribute to the enhancement of the Target Company's corporate value, that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable in that they ensure that general shareholders of the Target Company can receive benefits that they should receive, and that the Tender Offer provides general shareholders of the Target Company with an opportunity to sell Target Company Shares at a price with a reasonable level of premium. Accordingly, at the meeting of the Target Company's board of directors held today, it resolved to express an opinion that it agrees to the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

At the meeting of Target Company's board of directors mentioned above, the resolution mentioned above was adopted unanimously by all ten directors who participated in the deliberations, excluding Mr. Akira Katsuyama, among the total of 11 directors of the Target Company. In addition, all three company auditors of the Target Company attended the meeting of Target Company's board of directors mentioned above, and all of them expressed an opinion that they have no objection to the above resolution. In view of the fact that three years have not passed since the transfer from the Tender Offeror to the Target Company for Mr. Akira Katsuyama, who is among the directors of the Target Company, he did not participate in any of the deliberations or resolutions of the Target Company's board of directors concerning the Transaction (including the meeting of the Target Company's board of directors held today mentioned above) and did not participate in any of the consultations and negotiations for the Transaction on the side of the Target Company, for the purpose of eliminating the effect of conflicts of interest with general shareholders of the Target Company as much as possible and ensuring the fairness, transparency, and objectivity in decision making concerning the Transaction. On the other hand, Mr. Takeshi Hashimoto, who held a position as an officer and an employee of the Tender Offeror in the past, participated in deliberations or resolutions of the Target Company's board of directors concerning the Transaction (including the meeting of the Target Company's board of directors held today mentioned above) and in consultations and negotiations with the Tender Offeror in the capacity of director of the Target Company, based on the judgment that there is no risk of conflicts of interest with regard to the Target Company's decision making concerning Transaction because more than 10 years have passed since his transfer to the Target Company and he has not been, and

is not in a position to be able to get, involved in any process of the Tender Offeror concerning the Transaction.

(vii) Absence of Deal-Protection Provisions

The Tender Offeror and the Target Company have not entered into any agreement whatsoever containing deal protection provisions that would prohibit the Target Company from contacting any purchase offeror other than the Tender Offeror (a “Person with a Competing Acquisition Proposal”) or otherwise restrict a Person with a Competing Acquisition Proposal from contacting the Target Company. By not obstructing opportunities for competing purchase offers, the Tender Offeror has taken care to ensure the fairness of the Tender Offer.

(viii) Measures to Ensure that the Target Company’s Shareholders Have an Opportunity to Make an Appropriate Decision as to whether to Tender into the Tender Offer

As clearly stated in “(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)” of “1. Purpose of the Purchase etc.” above, (a) the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, will request that the Target Company convene the Extraordinary General Shareholders Meeting at which proposals will be submitted to make the Demand for Shares Cash Out or to partially amend the Articles of Incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, depending on the number of Target Company Shares that have been acquired through the Tender Offer upon the completion of the Tender Offer. The Tender Offeror will not adopt any method that would deprive the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) of the right to demand the purchase of shares or the right to petition the court for the determination of share price; and (b) when the Demand for Shares Cash Out or the Share Consolidation is carried out, the amount of money to be delivered to each shareholder of the Target Company (excluding the Tender Offeror and the Target Company) as consideration will be determined so that it is equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by that shareholder. In this way, the Tender Offeror has taken care to ensure that the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) are provided with an opportunity to appropriately decide whether to tender their shares in the Tender Offer and that the Tender Offer will not be coercive.

In addition, while the statutory minimum period prescribed by law for purchases through a tender offer is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days. By setting a relatively long Tender Offer Period, the Tender Offeror has ensured that the shareholders of the Target Company are provided with an opportunity to make an appropriate decision regarding whether to tender their shares in the Tender Offer.

③ Relationship with the Valuation Agency

Mizuho Securities, financial advisor and third-party valuation agency of the Tender Offeror, is not a related party of the Tender Offeror or the Target Company and has no material interest in relation to the Tender Offer. Mizuho Bank, which is a group company of Mizuho Securities, in addition to being a shareholder of the Tender Offeror and the Target Company, performs actions such as financial transactions as part of its usual banking transactions for the Tender Offeror and the Target Company, and plans to loan capital relating to the Tender Offer to the Tender Offeror. Mizuho Trust & Banking, in addition to being a shareholder of the Tender Offeror and the Target Company, reportedly performs actions such as financial transactions as part of its usual banking transactions for the Tender Offeror and the Target Company, but according to Mizuho Securities, in accordance with the applicable regulations in Article 36 of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business, etc., Mizuho Securities has constructed and implemented a system for the appropriate management of conflicts of interest including Chinese wall measures dividing Mizuho Securities from Mizuho Bank and Mizuho Trust & Banking, and performs calculations from a position that is independent of the position of Mizuho Bank as a shareholder and lender and of the position of

Mizuho Trust & Banking as a shareholder and lender.

(6) Number of Share Certificates to Be Purchased

Class of share certificates	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common shares	18,402,179 shares	4,738,100 shares	— shares
Total	18,402,179 shares	4,738,100 shares	— shares

Notes: 1. If the total number of the Tendered Share Certificates is less than the minimum number of shares to be purchased (4,738,100 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates. If the total number of the Tendered Share Certificates meets or exceeds the minimum number of shares to be purchased (4,738,100 shares), the Tender Offeror will purchase all of the Tendered Share Certificates.

2. Since the maximum number of shares to be purchased is not set in the Tender Offer, the number of shares to be purchased indicates the maximum number of the Target Company Shares that the Tender Offeror may purchase through the Tender Offer (18,402,179 shares). This number (18,402,179 shares) represents the Base Number of Shares (40,902,779 shares) less the number of Target Company Shares held by the Tender Offeror as of today (22,500,600 shares).

3. Shares less than one unit will also be subject to purchase through the Tender Offer. If a right to demand the purchase of shares less than one unit is exercised by a shareholder of the Target Company in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the procedures prescribed by laws and regulations.

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

(7) Changes in the Share Certificate Shareholding Ratio after the Purchase

Number of voting rights pertaining to share certificates held by the Tender Offeror before purchase	225,006	(Share certificate shareholding ratio before purchase: 55.01%)
Number of voting rights pertaining to share certificates held by specially related parties before purchase	0	(Share certificate shareholding ratio before purchase: 0.00%)
Number of voting rights pertaining to share certificates held by the Tender Offeror after purchase	409,027	(Share certificate shareholding ratio after purchase: 100.00%)
Number of voting rights pertaining to share certificates held by specially related parties after purchase	0	(Share certificate shareholding ratio after purchase: 0.00%)
Number of voting rights held by all shareholders of the Target Company	407,824	

Notes: 1. The “number of voting rights pertaining to share certificates held by specially related parties before purchase” indicates the total number of the voting rights pertaining to share certificates held by each specially related party (excluding those who shall be excluded, pursuant to Article 3, paragraph (2), item (i) of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter, the “Ordinance”), from the category of specially related parties for the purpose of calculating the share certificate shareholding ratio under the items of Article 27-2, paragraph (1) of the Act). The “number of voting rights pertaining to share certificates held by specially related parties after purchase” is 0 because the share certificates held by specially related parties (excluding treasury shares held by the Target Company) will also be subject to purchase. The Tender Offeror will monitor the status of the share certificates of the Target Company held by the specially related parties after today and disclose corrected figures if necessary.

2. The “number of voting rights pertaining to share certificates held by the Tender Offeror after purchase” represents the sum of the number of voting rights pertaining to the shares to be purchased through the Tender Offer (18,402,179 shares) (184,021) as stated in “(6) Number of Share Certificates to Be Purchased” above, and the “number of voting rights pertaining to share certificates held by the Tender Offeror before purchase” (225,006).
3. The “number of voting rights held by all shareholders of the Target Company” represents the number of voting rights held by all shareholders of the Target Company as per the 87th Semi-Annual Report, which was filed by the Target Company on August 1, 2025 (with 100 shares comprising one share unit). It should be noted that, as shares less than one unit (excluding treasury shares held by the Target Company) will also be subject to the Tender Offer, the number of voting rights pertaining to the Base Number of Shares (40,902,779 shares) (409,027) is used as the denominator for the purpose of calculating the “ratio of the number of voting rights pertaining to the shares to be purchased to the number of voting rights held by all shareholders” and the “share certificate shareholding ratio after purchase.”
4. The “share certificate shareholding ratio before purchase” and the “share certificate shareholding ratio after purchase” are rounded to the second decimal place.

(8) Payment for Purchase: 67,167 million yen

Note: The “payment for purchase” is the amount obtained by multiplying the number of shares to be purchased through the Tender Offer (18,402,179 shares) by the Tender Offer Price (3,650 yen).

(9) Method of Settlement

① Name and Address of the Head Office of Securities Company or Banks Responsible for the Settlement of Purchase

Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo
Rakuten Securities, Inc. (sub-agent)	2-6-21 Minami-Aoyama, Minato-ku, Tokyo

② Settlement Commencement Date

January 26, 2026 (Monday)

③ Method of Settlement

(When tendering through Mizuho Securities Co., Ltd.)

A written notice of purchase through the Tender Offer will be sent to each Tendering Shareholder (or its standing proxy in the case of a shareholder residing outside Japan (including corporate shareholders; hereinafter, “Foreign Shareholder”)) without undue delay after the expiration of the Tender Offer Period. The purchase will be settled in cash. In accordance with the instructions of each Tendering Shareholder (or its standing proxy in the case of a Foreign Shareholder), the price for the purchased share certificates will be paid, on or without undue delay after the start date of settlement, by way of remittance from the tender offer agent to the place specified by each Tendering Shareholder (or its standing proxy in the case of a Foreign Shareholder) or funds transfer to the account of each Tendering Shareholder with the tender offer agent who accepted the Tendering Shareholder’s tender.

(When tendering through Rakuten Securities, Inc.)

A written notice of purchase through the Tender Offer will be sent to each Tendering Shareholder by electronic or magnetic means without undue delay after the expiration of the Tender Offer Period. The purchase will be settled in cash. The price for the purchased share certificates will be paid, on or without undue delay after the start date of settlement, by way of funds transfer from the sub-agent to the account of each Tendering Shareholder (with the sub-agent).

④ Method of Returning Share Certificates

(When tendering through Mizuho Securities Co., Ltd.)

If the Tender Offeror does not purchase any of the Tendered Share Certificates pursuant to the conditions set forth in “① Conditions Set Forth in Each Item of Article 27-13, paragraph (4) of the Act and the Details Thereof” or “② Conditions of Withdrawal of the Tender Offer and Details Thereof; Method of Disclosure of Withdrawal of the Tender Offer” of “(10) Other Conditions and Methods of Purchase” below, the tender offer agent will, on or promptly after the second business day after the last day of the Tender Offer Period (or the date of withdrawal of the Tender Offer if it is withdrawn), restore the share certificates that need to be returned to their original state at the time of tender.

(When tendering through Rakuten Securities, Inc.)

If the Tender Offeror does not purchase any of the Tendered Share Certificates pursuant to the conditions set forth in “① Conditions Set Forth in Each Item of Article 27-13, paragraph (4) of the Act and the Details Thereof” or “② Conditions of Withdrawal of the Tender Offer and Details Thereof; Method of Disclosure of Withdrawal of the Tender Offer” of “(10) Other Conditions and Methods of Purchase” below, the sub-agent will, on or promptly after the second business day after the last day of the Tender Offer Period (or the date of withdrawal of the Tender Offer if it is withdrawn), return the share certificates that should be returned.

(10) Other Conditions and Methods of Purchase

① Conditions Set Forth in Each Item of Article 27-13, paragraph (4) of the Act and the Details Thereof

If the total number of the Tendered Share Certificates is less than the minimum number of shares to be purchased (4,738,100 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates. If the total number of the Tendered Share Certificates meets or exceeds the minimum number of shares to be purchased (4,738,100 shares), the Tender Offeror will purchase all of the Tendered Share Certificates.

② Conditions of Withdrawal of the Tender Offer and Details Thereof; Method of Disclosure of Withdrawal of the Tender Offer

Upon the occurrence of any circumstance specified in Article 14, paragraph (1), item (i), sub-items (a) through (j) and (m) through (t) of the Order, Article 14, paragraph (1), item (iii), sub-items (a) through (h) and (j) of the Order, and Article 14, paragraph (2), items (iii) through (vi) of the Order, the Tender Offeror may withdraw or otherwise cancel the Tender Offer. In addition, if (i) the Target Company determines, through its organization that has the decision-making authority regarding its business operations, to distribute dividends with a record date prior to the commencement date of the settlement for the Tender Offer (except where the amount of money or other assets to be delivered to shareholders is expected to be less than the amount equivalent to 10% of the book value of the net assets on the balance sheet of the Target Company as of the end of its most recent fiscal year (11,290 million yen (Note))), or (ii) the Target Company determines, through its organization that has the decision-making authority regarding its business operations, to acquire treasury shares (except where the amount of money or other assets to be delivered in exchange for the acquisition of shares is expected to be less than the amount equivalent to 10% of the book value of the net assets on the balance sheet of the Target Company as of the end of its most recent fiscal year (11,290 million yen)), the Tender Offeror may also withdraw or otherwise cancel the Tender Offer, since the outflow of the Target Company's corporate assets to outside parties would significantly hinder the achievement of the purpose of the Tender Offer, and such case would therefore fall under the category of “facts equivalent to those set forth in sub-items (a) through (s)” prescribed in Article 14, paragraph (1), item (i), sub-item (t) of the Order. Moreover, the “facts equivalent to those set forth in sub-items (a) through (i)” prescribed in Article 14, paragraph (1), item (iii), sub-item (j) of the Order refers to cases where (i) it is discovered that there is a false statement about a material matter or an omission of a statement about a material matter that is required to be stated in any statutory disclosure documents submitted by the Target Company in the past, but the Tender Offeror was neither aware of such false statement, etc. nor could have become aware of such false statement,

etc. even with reasonable care, and (ii) the fact listed in sub-items (a) through (g) of the same item arises with respect to a material subsidiary of the Target Company.

If the Tender Offeror decides to withdraw or otherwise cancel the Tender Offer, the Tender Offeror will give public notice electronically and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the means prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.

(Note) If there is no change in the total number of issued shares and the number of treasury shares, the dividend per share will be 277 yen (specifically, such amount was calculated by dividing 11,290 million yen (calculated by rounding down to the nearest million yen), which is the amount equivalent to 10% of 112,906 million yen, the net assets in the non-consolidated financial results of the Target Company as of December 31, 2024 stated in the 86th Annual Securities Report filed by the Target Company on March 28, 2025, by the Base Number of Shares (40,902,779 shares), and by rounding up any fractions of less than one yen).

③ Conditions of Reduction of Purchase Price and Details Thereof; and Method of Disclosure of Reduction

If the Target Company conducts any act prescribed in Article 13, paragraph (1) of the Order during the Tender Offer Period, pursuant to the provisions of Article 27-6, paragraph (1), item (i) of the Act, the purchase price may be reduced in accordance with the standards prescribed in Article 19, paragraph (1) of the Ordinance.

If the Tender Offeror decides to reduce the purchase price, the Tender Offeror will give public notice electronically and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the means prescribed in Article 20 of the Ordinance and give public notice immediately thereafter. If the purchase price is reduced, the Tendered Share Certificates that were tendered before the date of such public notice will also be purchased at the reduced purchase price.

④ Matters Concerning Tendering Shareholders' Right of Cancellation of Contract

(When tendering through Mizuho Securities Co., Ltd.)

The Tendering Shareholders may cancel their contracts relating to the Tender Offer at any time during the Tender Offer Period. If the contract is to be cancelled, by no later than 3:00 p.m. on the last day of the Tender Offer Period, the relevant Tendering Shareholder is to deliver or send a document stating that the contract relating to the Tender Offer will be cancelled (the "Cancellation Documents") to the head office or a branch office in Japan of the Tender Offer Agent that received the application from such Tendering Shareholder. The cancellation of the contract will become effective upon the delivery of the Cancellation Documents to, or the arrival of the Cancellation Documents at, the Tender Offer Agent. Therefore, if the Cancellation Documents are to be sent, please note that the contract cannot be cancelled unless the Cancellation Documents reach the Tender Offer Agent no later than 3:00 p.m. on the last day of the Tender Offer Period.

Entity authorized to receive the Cancellation Documents:

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo
(and other domestic branch offices of Mizuho Securities Co., Ltd.)

(When tendering through Rakuten Securities, Inc.)

The Tendering Shareholders may cancel their contracts relating to the Tender Offer at any time during the Tender Offer Period. To cancel the contract, the Tendering Shareholders must log in to the website of the sub-agent (<https://www.rakuten-sec.co.jp/>) and complete the cancellation procedures on the "Tender Offer (TOB)" screen from the "Domestic Stocks" screen by no later than 3:30 p.m. on the last day of the Tender Offer Period.

Entity authorized to receive the notice of cancellation:

The Tender Offeror will not make any claim for damages against or demand the payment of a penalty by a Tendering Shareholder if the contract is cancelled by the Tendering Shareholder. In addition, the Tender Offeror will bear the costs of returning the Tendered Share Certificates. If cancellation is requested, the Tendered Share Certificates will be returned pursuant to the method described in “④ Method of Returning Share Certificates” in “(9) Method of Settlement” above, promptly after the completion of the procedures pertaining to the request for cancellation.

⑤ Method of Disclosure if the Terms and Conditions, etc. of the Tender Offer are Changed

The Tender Offeror may change the conditions, etc. of the Tender Offer during the Tender Offer Period, except for any change prohibited by Article 27-6, paragraph (1) of the Act or Article 13 of the Order. If the Tender Offeror intends to change any conditions, etc. of the Tender Offer, the Offeror will give public notice electronically detailing those changes and also publish notice thereof in the *Nihon Keizai Shimbun*. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the means prescribed in Article 20 of the Ordinance and give public notice immediately thereafter. If the conditions, etc. of the Tender Offer are changed, the Tendered Share Certificates that were tendered before the date of such public notice will also be purchased pursuant to the changed conditions, etc. of the Tender Offer.

⑥ Methods of Disclosure if an Amendment is Filed

If an amendment to the Tender Offer Registration Statement is filed with the Director-General of the Kanto Local Finance Bureau (excluding the case prescribed in the proviso of Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately announce, by the means prescribed in Article 20 of the Ordinance, the details set out in the amendment that relate to the contents of the public notice of the commencement of the Tender Offer. The Offeror will also immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to each of the Tendering Shareholders that has already received the Tender Offer Explanatory Statement. However, if the amendment is only minor in nature, the Tender Offeror will implement the amendment by preparing a document stating the reasons for the amendment, the matters that were amended and the amended contents, and by delivering that document to the Tendering Shareholders.

⑦ Methods of Disclosure of Results of the Tender Offer

The Offeror will publicly announce the results of the Tender Offer on the day immediately following the last day of the Tender Offer Period in accordance with the provisions of Article 9-4 of the Order and Article 30-2 of the Ordinance.

⑧ Other Information

The Tender Offer is not and will not be directly or indirectly made in or to the United States, nor will it be made by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, facsimile, e-mail, internet communication, telex, and telephone), or through any facilities of a securities exchange in the United States. No one may tender shares in the Tender Offer by any of the means or instruments above, through any of the facilities above, or from the United States.

In addition, the Tender Offer Registration Statement and other related tender offer documents shall not and may not be sent or delivered in, to, or from the United States by postal mail or any other means, and no such sending or delivery may be made. Any tender of shares in the Tender Offer that directly or indirectly violates any of the restrictions above will not be accepted.

Upon tendering shares in the Tender Offer, each of the Tendering Shareholders (or the standing proxy in the case of foreign shareholders) may be required to make the following representations and warranties to the Tender Offer Agent.

(i) The Tendering Shareholders are not located in the United States both at the time of tendering their shares in the Tender Offer and at the time of sending tender applications for the Tender Offer; (ii) The Tendering Shareholders have not, directly or indirectly, received or sent any information (including its copies) related to the Tender Offer to, in, or from the United States; (iii) The Tendering Shareholders have not used, directly or indirectly, in connection with the tender offer acceptance or the provision of their signatures to the tender applications and submission of the tender applications for the Tender Offer, the U.S. postal mail services or any other interstate or international commercial methods or means (including, but not limited to, facsimile, e-mail, Internet communications, telex and telephone) or any stock exchange facilities in the United States; (iv) The Tendering Shareholders are not acting as an agent, entrustee or delegate, without discretion, of another entity (except where such other entity provides the Tendering Shareholders with all instructions relating to the Tender Offer from outside the United States).

(11) Date of Public Notice of Commencement of Tender Offer

December 1, 2025 (Monday)

(12) Tender Offer Agent

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo

The Tender Offer Agent has appointed the following sub-agent to whom it has subcontracted a portion of its duties.

Rakuten Securities, Inc. (sub-agent) 2-6-21 Minami-Aoyama, Minato-ku, Tokyo

3. Policies after Tender Offer and Future Prospects

For the policies after the Tender Offer, please refer to “(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy,” “(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition),” and “(5) Prospect of and Reasons for Delisting” in “1. Purpose of the Purchase etc.” above.

4. Other Information

(1) Existence and Details of Agreements between the Tender Offeror and the Target Company or its Officers

① Support for the Tender Offer

According to the Target Company Press Release, the Target Company resolved at the meeting of its board of directors held today to express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For details of the decision-making process of the Target Company’s board of directors, please refer to the Target Company Press Release and “(vi) Approval of All Directors Without Interests and Opinion of No Objection from All Auditors Without Interests in the Target Company” in “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” above.

② Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy

Please refer to “(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy” in “1. Purpose of the Purchase etc.” above.

③ Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

Please refer to “(Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer)” in “② Course of Computation” in “(5) Grounds for Computation of Tender Offer Price” in “2. Overview of Tender Offer” above.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Accept the Tender Offer or Not

① Announcement of Summary of Consolidated Financial Results (Japanese GAAP) for the Third Quarter of the Fiscal Year Ending December 31, 2025 (Completion of Quarterly Review by Certified Public Accountants, etc.)

The Target Company announced its “Target Company’s Consolidated Financial Results for the Third Quarter” through the Tokyo Stock Exchange on October 29, 2025. The overview of the Target Company’s Consolidated Financial Results for the Third Quarter based on the announcement is as follows. Please note that the quarterly consolidated financial statements attached to the said summary have been voluntarily reviewed by certified public accountants and audit firms. The following outline of the announcement is an excerpt from the announcement made by the Target Company, and please refer to the announcement itself for details.

(i) Profit and Loss (consolidated)

Fiscal Period	Fiscal Year Ending December 2025 (Nine Months Ended September 30, 2025)
Net sales	77,199 million yen
Cost of sales	62,962 million yen
Selling, general and administrative expenses	7,129 million yen
Non-operating income	221 million yen
Non-operating expenses	1,081 million yen
Profit attributable to owners of parent	4,903 million yen

(ii) Per Share Information (consolidated)

Fiscal Period	Fiscal Year Ending December 2025 (Nine Months Ended September 30, 2025)
Net income per share for the quarter	119.88 yen
Amount of cash dividends per share	- yen

② Release of “Notice Concerning Dividend of Surplus (No Dividend)”

The Target Company resolved at the meeting of its board of directors held today not to pay a dividend of surplus with a record date of December 31, 2025 (year-end), subject to the completion of the Tender Offer. Please refer to the announcement itself for details.

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