

[Translation]
October 15, 2021

For Immediate Release
To whom it may concern

Mitsui & Co., Ltd.

**Notice Regarding Commencement of Tender Offer for Shares
of GOYO Foods Industry Co., Ltd. (Securities Code: 2230)**

Mitsui & Co., Ltd. (Head Office: Chiyoda-ku, Tokyo, President: Kenichi Hori; the "Company") has determined today that it will acquire common shares ("Target Shares") of GOYO Foods Industry Co., Ltd. (Securities code: 2230, Tokyo Stock Exchange, Inc. (the "TSE") TOKYO PRO Market; the "Target") through a tender offer (the "Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act").

1. Purpose of the purchase

(1) Overview of the Tender Offer

With respect to the issued Target Shares listed on the TSE TOKYO PRO Market, the Company has decided to implement the Tender Offer as part of a transaction (the "Transaction") to take the Target private, where the Company and Mr. Keisuke Masuda ("Mr. Masuda"), the former representative director and the second largest shareholder of the Target (as Mr. Masuda's term of office expired and he resigned from the position of director at the conclusion of the Target's 46th ordinary general shareholders meeting held on August 27, 2021, he is not a representative director of the Target as of today), will be the only shareholders of the Target, by acquiring all of the Target Shares except for the treasury shares held by the Target and the Target Shares held by Mr. Masuda as of today (234,047 shares, Shareholding Ratio (Note 1): 12.96%; the "Target Shares Held by Mr. Masuda"). The Company does not own any Target Shares as of today.

In addition, as of today, the Company has entered into a shareholders agreement with Mr. Masuda (the "Shareholders Agreement") which includes agreements that Mr. Masuda will not tender the Target Shares Held by Mr. Masuda in the Tender Offer and that Mr. Masuda will jointly exercise his voting rights with the Company regarding the Target Shares. For details of the Shareholders Agreement, please refer to "(II) Shareholders Agreement" under "(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer" below.

(Note 1) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place. The same applies hereinafter unless otherwise stated for the descriptions of the Shareholding Ratio.) to the number of Target Shares (1,806,432 shares) obtained by deducting the number of treasury shares held by the Target as of August 31, 2021 (740 shares), which is stated in the "Unconsolidated Financial Results for the First Quarter of Fiscal Year Ending May 2022 (Japanese GAAP)" (the "Quarterly Financial Results") filed by the Target today, from the total number of issued shares of the Target as of August 31, 2021 (1,807,172 shares), which is stated in the "Quarterly Securities Report for the First Quarter of the 47th Fiscal Year" (the "Quarterly Securities Report") published by the Target today.

In implementing the Tender Offer, as of today, the Company has entered into tender agreements (the "Tender Agreement(s)") with Innovation Engine Food Innovation Fund ("IE Fund"), which is the principal largest shareholder of the Target (number of shares held: 647,900 shares, Shareholding Ratio: 35.87%), FP Growth Support No. A Investment Limited Partnership ("FP"), which is the third largest shareholder of the Target (number of shares held: 150,000 shares, Shareholding Ratio: 8.30%), FP Step-up Support Investment Limited Partnership ("FP Step-up"), which is the fourth largest shareholder of the Target (number of shares held: 143,032 shares, Shareholding Ratio: 7.92%), and Innovation Engine Inc. (number of shares held: 4,000 shares, Shareholding Ratio: 0.22%; "IE"), respectively (IE Fund, FP, FP Step-up and IE shall be collectively referred to as the "Scheduled Tendering Shareholder(s)"). In each Tender Agreement, each Scheduled Tendering Shareholder agrees that the Scheduled Tendering Shareholder will tender all of the Target Shares they own in the Tender Offer (total number of shares held by the Scheduled Tendering Shareholders: 944,932 shares, total Shareholding Ratio: 52.31%). For details of the Tender Agreements, please refer to "(I) Tender Agreement" under "(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer" below.

In the Tender Offer, the Company has set the minimum number of tendered shares to be purchased (Note 2) at 970,300 shares (Shareholding Ratio: 53.71%), and if the total number of shares, etc. tendered in the Tender Offer (the "Tendered Shares, etc.") is less than 970,300 shares, the Company will purchase none of the Tendered Shares, etc. In addition, upon the successful completion of the Tender Offer, the Company intends to implement a series of procedures to ensure that the Company and Mr. Masuda will be the only shareholders of the Target, as described in "(4) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below. The minimum number of tendered shares to be purchased has been set so that the sum of the voting rights in the Target held by the Company and Mr. Masuda after the Tender Offer should be no less than two-thirds (2/3) of the total number of voting rights in the Target in order to ensure the adaptation of a procedure taking the Target private through a special resolution of the shareholders meeting of the Target. Meanwhile, in the Tender Offer, the Company intends to acquire all of the Target Shares except for the treasury shares held by the Target and the Target Shares Held by Mr. Masuda. Therefore, the Company does not set the maximum number of tendered shares to be purchased, and if the total number of the Tendered Shares, etc. is no less than the minimum number of tendered shares to be purchased (970,300 shares), the Company will purchase all of the Tendered Shares, etc.

(Note 2) The minimum number of tendered shares to be purchased (970,300 shares) has been set as the number of shares required to hold 9,703 voting rights by the Company alone. The number of 9,703 voting rights is obtained by deducting the number of voting rights pertaining to the Target Shares Held by Mr. Masuda (2,340 voting rights) from the number of voting rights (12,043 voting rights), which is two-thirds (2/3) (fractional number shall be rounded up) of the number of voting rights (18,064 voting rights) pertaining to the number of the Target Shares (1,806,432 shares) obtained by deducting the number of treasury shares held by the Target as of August 31, 2021 (740 shares), which is stated in the Quarterly Financial Results, from the total number of issued shares as of August 31, 2021 (1,807,172 shares), which is stated in the Quarterly Securities Report.

According to the "Statement of Opinions on the Tender Offer for the Shares of GOYO Foods Industry Co., Ltd. by Mitsui & Co., Ltd." (the "Target's Press Release") published today by the Target, the Target resolved at its board of directors meeting held today to express its opinion in favor of the Tender Offer, and to recommend that its shareholders tender their shares in the Tender Offer.

For details of the resolution of the board of directors meeting of the Target above, please refer to the Target's Press Release, as well as "(I) Background, purpose, and decision-making process of the decision to implement

the Tender Offer" under "(2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer," and "(V) Unanimous approval of all disinterested directors of the Target and opinion of all disinterested auditors that they have no objection" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest"

- (2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer

- (I) Background, purpose, and decision-making process of the decision to implement the Tender Offer

The background, purpose, and decision-making process of the decision to implement the Tender Offer are as follows. The descriptions regarding the Target in the following are based on the explanation received from and the information publicly announced by the Target.

The Company was incorporated under the trade name of Daiichi Bussan Kaisha, Ltd. in July 1947. In February 1959, the Company changed its trade name to the current Mitsui & Co., Ltd. (the Company listed its shares on the TSE in May 1949, on the Sapporo Securities Exchange, the Nagoya Stock Exchange, and the Osaka Securities Exchange (the "OSE") in November 1954, and on the Fukuoka Stock Exchange in February 1959. Due to the integration of the cash markets of the TSE and the OSE in July 2013, the Company is no longer listed on the OSE.) Utilizing the global operating locations, network and information resources as a general trading company, the Company and its 280 consolidated subsidiaries and 234 equity method affiliates (as of March 31, 2021) (the "Company Group"), multilaterally pursue business in the fields of Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products, Lifestyle, Innovation & Corporate Development. The Lifestyle segment of the Company consists of three (3) units, the Food Business Unit, the Retail Business Unit, and the Wellness Business Unit, and in such business fields as food resources, food products, fashion and textiles, retail services, healthcare, pharmaceuticals, and comprehensive services, by adapting to changes in consumption structure, industry structure, and lifestyle and meeting diverse needs in everyday living, including digital needs, provides value-added products and services. In particular, the Food Business Unit, with its strengths in product development and supply stability to meet diverse expectations, seeks to capture the opportunities of new fields brought on by changes in global value chain structure, increasing diversity, fluidity and sophistication of consumer activities, and the new domains deriving from technological evolution; and under its mission of "Enhancing the Global Food Landscape," the Food Business Unit is moving forward with reinforcement of the sustainable food supply system which can provide consumers with safe and secure food from all over the world in a stable and efficient manner and throughout the value chain from upstream (producers) to downstream (consumers) and with the building of new businesses that aim to supply food that supports consumers' health, reduce the environmental impact of food production and consumption, and utilize new technologies at food production sites. The Company is committed to expanding its operations to include high value-added products and enhancing manufacturing functions to continue to meet sophisticated consumer needs and to ensure food safety.

According to the Target, it was established in May 1975, when pizza started becoming popular at restaurants and cafes in Japan; at the time, and its primary business was the processing and sales of natural cheese, an ingredient for pizza served at restaurants. In 1980, to meet the demand among restaurants for "cakes made by a professional cheese company," the Target moved its headquarters and factory from Kamimuta, Hakata-

ku, Fukuoka City to Higashinaka 1 chome, Hakata-ku, Fukuoka City, and began producing cheesecakes. In 1983, in order to establish a mass production structure amid rising demand, the Target moved its headquarters and factory from Higashinaka 1 chome, Hakata-ku, Fukuoka City to Higashinaka 2 chome, Hakata-ku, Fukuoka City, and installed a production line for pizza dough. In 1995, a confectionary factory was added to address the growing demand for frozen desserts in the restaurant industry. Subsequently, by 2006, because of intensifying price competition, the Target withdrew from the natural cheese processing and pizza dough manufacturing businesses. Meanwhile, that same year, in response to the issue of food loss, frozen foods with a long shelf life began to attract attention, and seeing the growing market demand for frozen foods, and in line with the evolution of freezing technology, the Target made a complete shift in focus to the frozen dessert business. According to the Target, in 2008, 2013 and 2017, it entered its core product, "Baked Cheesecake," into the Monde Selection competition, known as the "Olympics of food products," and won a Monde Selection Gold Award each time. Moreover, in order to enhance product safety and improve the cost of sales ratio by reinforcing its health and quality management structure and increasing the efficiency of the production structure, the Target built a new HACCP (Note) compliant headquarters building and factory in Itoshima City, Fukuoka Prefecture, completing the work in February 2010. Taking advantage of this, the Target currently is cultivating new markets through its "Sweets Stock!" project, which promotes "sweets to stock up on" and is based on the concept of "less-wasteful, eco-friendly sweets that you can eat whenever and however much you want." According to the Target, it listed its shares on Tokyo AIM (currently the TSE TOKYO PRO Market) in May 2012.

(Note)HACCP is an acronym for "Hazard Analysis and Critical Control Point," and refers to a system for identifying and assessing important food safety hazards based on scientific evidence, and for intensively managing those hazards.

Following the listing, the Target broadened its sales scope to include restaurant chains and increased sales from 1,187 million yen in the Fiscal Year ended May 2013 to 1,639 million yen in the Fiscal Year ended May 2015; however, due to intense price competition in the market and the inability to sell at prices that would ensure a reasonable profit, the Target borrowed 550 million yen from financial institutions in March 2010 for its capital investments, and this was the main reason for its negative net worth in the fiscal year ended May 2010, and its equity ratio came to -9.71% even in the Fiscal year ended in May 2015, and the Target was unable to overcome the negative net worth. Moreover, an overseas project to provide recipes and sales rights in North America to CBC Inc., a company engaged in license sales and consulting business in the United States of America, was abandoned after the contract was signed, which had a negative impact to the Target that it continued to face harsh credit assessments by business partners and financial institutions. Further, as the expansion of the sales scope resulted in an urgent need to beef up production facilities, on August 12, 2015, for the purpose of making capital investments in aging manufacturing facilities at the head office plant and increasing the maximum annual supply capacity in terms of selling price by approximately 50%, from approximately 2 billion yen to approximately 3 billion yen, the Target received a combined pay-in of roughly 350 million yen from IE Fund and FP through a private placement of new shares, and increased its equity capital and capital reserves by 175,012 thousand yen each. As a result of such capital increase through the private placement, the Target's excess liabilities was resolved. Although in 2017, the Target expanded and updated its headquarters factory to boost capacity and was preparing to switch its listing to a different stock exchange, in early March 2020, when the expectation emerged that the covid-19 would have a serious impact on the food industry and the situation was such that the Target was unable to release its full-year earnings forecast, the Target decided to pause its examination to switch its listing to a different exchange and examined the possibility of rebuilding its management structure through a capital tie-up with another company.

At the same time, the Target believed that for future business expansion, it needed a capital tie-up for the digital transformation (DX) of its factory, the addition of production lines to produce individually packaged products for the convenience store market, and the automation of production lines for cost cutting, and thus, it searched for a capital tie-up partner. Starting in early May 2019, the Target was approached by two (2) candidate capital alliance partners through the intermediary of the financial institutions of the Target and funds such as IE Fund, which is a major shareholder of the Target. The Target was also approached directly by four (4) candidate capital alliance partners, includes the Company. Then, the Target held discussions concerning a capital tie-up with the six (6) candidate partners, including investment funds, food wholesalers and the Company. However, according to the Target, the Target did not receive a concrete proposal as to the transaction conditions, including its scheme and price, from two (2) companies among the above capital alliance partners. Between early November 2019 and early April 2021, the Target received specific proposals regarding the transaction scheme, price, and other transaction conditions from other three (3) companies except the Company. However, from these candidates, the Target was only able to receive proposals for capital alliances, including tender offers or third-party allotments, for amounts 100 yen or more below the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30, 2019, the trading day immediately preceding the date of such proposals. In early September 2021, through the Scheduled Tendering Shareholders, the Target again received a proposal for a capital alliance accompanied by a tender offer from one of the three (3) candidates that made specific proposals regarding the transaction scheme, price, and other transaction conditions from early November 2019 to early April 2021 as described above. However, according to the Target, the Target was unable to receive details of the conditions of the transaction including the price, and thus, the Target decided that the proposal for a capital alliance would not exceed the offer price per Target Share offered in this Tender Offer (the "Tender Offer Price"), which had been proposed by the Company to the Target on August 12, 2021. Then, as the Scheduled Tendering Shareholders indicated their intention to accept the Company's proposal made on September 16, 2021 as described below, discussions with any of the candidate partners other than the Company had no longer progressed.

Meanwhile, in late February 2020, the Company began talks with the Target on sales of Target products as well as an examination with the Target of the possibility of collaboration in OEM production etc., following an introduction of the Target by the Company's Kyushu office, which had been acquainted with the Target for some time. In the course of discussing the collaboration, the Company considered that it would be possible for the Company to expand its business into high value-added products targeted by the Company and strengthen its manufacturing functions by utilizing the Target's frozen cake manufacturing technology through the investigation in the Target and stabilization of the Target's management base and the utilization of the Company's global network. For that reason, on May 26, 2021, the Company proposed to the Target that they commence examination and discussions aimed at the Company investing in the Target, and the Company began discussions with Mr. Masuda, who was the representative director of the Target at that time. At the time of making this proposal, the Company only made an offer to start discussions for investment, and did not make any proposal based on going private or make any specific offer for investment ratio.

In early June 2021, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor, and initiated initial examination and discussions about the Transaction.

Afterwards, in the course of examining the specific investment ratio and business operation after the investment, the Company came to believe that taking the Target private would enable the Target to swiftly

implement measures that involve the risk of short-term deterioration in business performance and decline in share price, which would be difficult to achieve if the Target were to remain listed, and thus believed that taking the Target private and making it a consolidated subsidiary of the Company would contribute to improving the corporate value of the Target. Based on this consideration, in early June 2021, the Company made a proposal to the Target to start discussions of the investment scheme based on the assumption that the Target would go private. In addition, in late July, in the course of discussions with the Target and Mr. Masuda, the Company considered that the management know-how of the Target possessed by Mr. Masuda, who had been managing the Target as the representative director of the Target for about 20 years since August 2001, is indispensable for the business operation of the Target after the Transaction, and that it is necessary to continuously retain Mr. Masuda as a shareholder as well as a director of the Target so that the Target can realize a system in which the officers and employees of the Target can work together to execute the business under Mr. Masuda's leadership in the Target. Therefore, the Company explained the above idea to the Target and Mr. Masuda, and then made a proposal for the Transaction. The Company then confirmed that no significant impediments to the execution of the Transaction were found though due diligence carried out from late July 2021 to mid-August 2021 to assess the feasibility of the Transaction. Thus, on August 12, 2021, the Company submitted to the Target a proposal for the Transaction and initiatives going forward as described in (i) through (v) below. The Company also proposed to the Target that the Company was considering the Tender Offer Price to be 879 yen with reference to the closing price of the Target Shares (879 yen) on the TSE TOKYO PRO market as of December 30, 2019 and the past trading volume of the Target Shares, based on the consideration that the implementation of the Tender Offer at the same price would provide the Target's general shareholders with the opportunity to sell their shares through this Tender Offer since all the Target Shares were traded at 879 yen per share during the past seven months back from December 30, 2019, which was the preceding trading day of the Target Share, and the trading volume per day during the same period had been at a maximum of 200 shares (2 units) and it is considered that there were limited opportunities to sell the Target Shares; the Company proposed that the Company would like to begin an examination and discussions with the Target aimed at turning the Target into a consolidated subsidiary of the Company. In response to these proposals, the Target responded on August 13, 2021, stating that it would examine the proposals from the Company.

(i) Increasing production and sales

Consumer recognition of frozen sweets has been increasing recently in Japan, and due to a labor shortage in confectionary manufacturing industry and trend for food waste reduction, demand for frozen sweets is growing among convenience stores and other sales channels (which previously mainly sold chilled sweets) in introducing frozen sweets with long shelf lives of approximately one (1) year. The Target, by leveraging the Company Group's sales channels in addition to its own, will be able to cultivate new customers, thereby achieving increases in production and sales.

(ii) Active expansion to global market utilizing the Company's global network

In Asia-Pacific market where the frozen sweets market is expected to record an average annual growth rate of 11.49% (Note) between 2021 and 2026 for its westernization of eating habits, demand for Japanese-style high value-added frozen sweets, which offer quality similar to that of chilled sweets as well as longer shelf lives, of about one (1) year, is increasing. While the launch of the Regional Comprehensive Economic Partnership in East Asia is expected to lead to a gradual reduction or elimination of tariffs on frozen cake imports by other Asian countries and to enhance Japan's export

competitiveness, exports of frozen sweets are still in their infancy. As the Target reaches out to overseas customers using the Company's global network as well as its existing overseas business, the Company believes that the Target will be able to further accelerate its overseas expansion.

(Note) The figures are based on the findings of the "Asia-Pacific Frozen Cake Market Research Report 2020" published by Mordor Intelligence Pvt. Ltd., a market research company in India in June 2021.

(iii) Improving production efficiency through digital transformation (DX)

The Company understands that the Target is currently pursuing initiatives to make its manufacturing processes more transparent and more automated, and is thus endeavoring to improve productivity and achieve greater improvements of profitability. The Target will use the Company's big data to ascertain market trends and measure marketing efficiency, and will make its factory improve as smart factory, thereby the Company will achieve a strong partnership aimed at transforming the Target's business model and creating a new one, under which the Target's production efficiency will improve.

(iv) Improving employee satisfaction and strengthening personnel development

Through the sharing of the Company's personnel development platform and programs as well as personnel and technology exchanges, the Company will engage in continuous efforts to develop personnel who will enable the Target to win the global competition. Moreover, as a result of the Target's digital transformation (DX) through the measures set forth in "(iii) Improving production efficiency through digital transformation (DX)" above, the Company will increase workstyle options for the Target employees and provide a way to achieve an even more satisfying work-life balance, thereby the Company considers that it will be possible to improve the level of satisfaction of the employees of the Target.

(v) More stable management structure

The Company believes that the Company's plans to acquire a majority stake in the Target, make it a consolidated subsidiary and turn it private, and become a stable Target shareholder in the medium-to-long term will help make the Target's management structure more stable. The Target's expected management structure following the Transaction is as set forth in "(II) Management policy after Tender Offer" below.

In late August 2021, the Company appointed KPMG FAS Co., Ltd. ("KPMG") as its financial advisor and third-party valuator independent from the Company Group and the Target, and requested support for the preparation of a share valuation report and the realization of the Transaction.

Subsequently, as described in the "Notice of Changes in Representative Directors and Personnel Affairs of Directors" published by the Target as of August 27, 2021, the Target's management structure was changed, such as Mr. Masuda was not reappointed as a director of the Target, due to a revision motion by IE Fund at the 46th ordinary general shareholders meeting of the Target held on the same day. In response, on September 10, 2021, the Company once again explained to and discussed with the Target's new management members the content of the proposal submitted to the Target on August 12, 2021. On September 16, 2021, based on the results of discussions with the

Target held on September 10, 2021, the Company submitted a proposal to the Target adding specific and detailed explanations of the measures to the same extent as those described in (iii) through (v) above, which had been conceptual and abstract in the proposal dated August 12, 2021. On the same date, the Company received a response from the Target that the Target would examine the proposal.

Then, although Mr. Masuda was not reappointed as a director of the Target at the 46th ordinary general shareholders meeting of the Target held on August 27, 2021, the Company believed that the management know-how of the Target held by Mr. Masuda would be indispensable for the business operation of the Target after the Transaction, and that Mr. Masuda would be able to fully demonstrate his management know-how of the Target after the Transaction by continuing to hold the Target Shares and sharing the same interest with the Company in improving the corporate value of the Target as a shareholder of the Target. Therefore, in early September 2021, the Company made a proposal to Mr. Masuda to start discussions regarding the appointment of Mr. Masuda to the position of director of the Target after the completion of the Transaction, without his tendering all the Target Shares Held by Mr. Masuda in the Tender Offer, and in early September 2021, Mr. Masuda expressed his willingness to accept the proposal. Then, in late September 2021, the Company started discussions with Mr. Masuda regarding the Shareholders Agreement that provides the appointment of Mr. Masuda to the position of director of the Target after the completion of the Transaction, without his tendering all the Target Shares Held by Mr. Masuda in the Tender Offer, and today, the Company and Mr. Masuda executed the Shareholders Agreement that provides the above contents. For details of the Shareholders Agreement, please refer to "(II) Shareholders Agreement" under "(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer" below.

Moreover, in early September 2021, the Company had preliminary talks with the Scheduled Tendering Shareholders on selling the Target's shares at 879 yen per share in the Tender Offer. The Scheduled Tendering Shareholders examined the price, and in mid-September 2021, they expressed their intention to agree to the sale of the Target Shares at the said price. Then, the Company comprehensively considered factors including whether the board of directors of the Company should approve the Tender Offer and the prospects for the acceptance of the Tender Offer, and on September 16, 2021, the Company proposed to the Target again that the Company was considering the Tender Offer Price of 879 yen. On the same day, the Company received a response from the Target agreeing to the Tender Offer Price of 879 yen. Subsequently, as of today, the Company executed Tender Agreements where the Scheduled Tendering Shareholders agree that they will tender all of Target Shares they hold (944,932 shares) in the Tender Offer. While IE Fund had submitted a revision motion to the effect that it would not reappoint Mr. Masuda as a director of the Target at the 46th ordinary general shareholders meeting of the Target, in the subsequent discussions between the Company and IE Fund, IE Fund has not expressed any particular opinion, etc. to the Company by this date regarding the appointment of Mr. Masuda as a director of the Target after the Transaction.

In light of the outcome of such discussions and negotiations, the Company on this day decided, as part of the Transaction, to execute the Tender Agreements and the Shareholders Agreement and carry out the Tender Offer with the Tender Offer Price of 879 yen.

Meanwhile, after receiving the Company's proposal dated August 12, 2021 regarding the Transaction and the future initiatives described in (i) through (v) above, on August 13, 2021, the Target says it

replied to the Company that it would examine the proposal. Based on the proposal, the Target stated that the Target established a third party committee at its board of directors meeting held on August 23, 2021, as described in "(IV) Establishment of an independent third party committee and procurement of Written Report from the said committee" under "(3) Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the price of tender offer and measures to avoid conflicts of interest" below. Further, it is said that under the new management structure after the 46th ordinary general shareholders meeting of the Target, based on the proposal dated September 16, 2021 received from the Company, the board of directors again decided at an extraordinary board of directors meeting held on the same date to consult with the committee on the proposal by the Company to proceed with specific discussions on the proposal. On the same date, the Target also replied to the Company that it would continue to examine the proposal.

According to the Target, frozen sweets, a business segment of the Target, is expected to see a further increase in demand due to changing consumer attitudes about food waste and new retailers entries by convenience stores and other diverse businesses, and in light of this situation, the Target understands that in order to develop and expand its businesses further going forward without only maintaining the continuation of existing business, it is important to actively make capital investments to ramp up its domestic capacity and expand product range and provide supply capacity for meeting growing demand in the market. Moreover, for business development going forward, the Target believes that it is also essential to expand its businesses and earnings, including overseas business expansion such as the ongoing local production and sales of products based on the Target's recipes by Srifa Frozen Foods Co., Ltd. in Thailand, and as it engages in overseas business development, it will be essential to strengthen its capital relationship with the Company and utilize the Company's overseas network and other management resources, both tangible and intangible; thus the Target believes that becoming a consolidated subsidiary of the Company is a beneficial option for itself.

Moreover, the Company has announced its intentions to continue contributing to the expansion of the Target's businesses and earnings, including domestic and overseas business development, under the Target's management policy even after the Tender Offer. Given this announcement, the Target says it concluded today that becoming a consolidated subsidiary of the Company following successful completion of the Tender Offer will enable it to plan business and earnings expansion, including domestic and overseas business development, with the Company's cooperation. The Target has also determined that the management stability of the Target will be enhanced by the Company acquiring more than a majority of the Target Shares through the Transaction and making the Target a consolidated subsidiary and a private company, and becoming a stable shareholder of the Target over the medium to long term. In addition, the Target considered on the same date that the Target's management know-how possessed by Mr. Masuda will be indispensable for the Target's business operations after the Transaction considering that Mr. Masuda had been managing the Target as its representative director for about 20 years since August 2001, and determined that, compared with the case where the Target becomes a wholly-owned subsidiary of the Company, becoming a consolidated subsidiary of the Company while retaining Mr. Masuda as a shareholder and a director of the Target, even without the appointment of Mr. Masuda to the position of representative director, will make it possible for the Target to realize a system where its officers and employees can work together to execute the business under the leadership of Mr. Masuda in the Target.

The Target also determined that the Tender Offer would improve its corporate value because it can

utilize (i) the Company Group's domestic sales channels and overseas network for its expansion into the retail market, including convenience stores, export overseas, or expansion of business partners by providing the Target's recipes and specifications, and (ii) the data on market trends and marketing owned by the Company when the Target expand its product line and provide supply capacity to meet further market demand or implement capital investment to improve productivity by converting to smart factories.

Further, as described in "(II) Procurement of share valuation report from an independent third-party valuator retained by the Target" in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest," the Target retained Tokyo Financial Advisers, Co., Ltd. ("Tokyo Financial Advisers"), to serve as a third-party valuator independent from the Company Group and the Target, to calculate the share value of the Target Shares, and obtained a share valuation report dated October 14, 2021 (the "Target's Valuation Report"). Then, the Target has determined that the conditions of the Tender Offer including the Tender Offer Price (879 yen) are fair considering the following reasons that: the Tender Offer Price exceeds the price range based on the comparable company method and the DCF method, respectively, in the Target's Valuation Report as described in "(II) Procurement of share valuation report from an independent third-party valuator retained by the Target" in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest" below, and the Tender Offer Price is the amount exceeding the price ranges based on the comparable company method and the DCF method, and therefore, even if the price is the same as the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30, 2019, which was the preceding trading day of the Target Shares, it is considered that the Target's corporate value is fairly evaluated; in light of the trading volume of the Target on the TSE TOKYO PRO Market in the past, it is considered that the implementation of the Tender Offer at the same price will provide the Target's general shareholders with the opportunity to sell their shares through this Tender Offer since all the Target Shares were traded at 879 yen per share during the past seven months back from December 30, 2019, which was the preceding trading day of the Target Share, and the trading volume per day during the same period has been at a maximum of 200 shares (2 units) and it is considered that there were limited opportunities to sell the Target Shares; the Scheduled Tendering Shareholders are so-called investment funds and they have accepted the Tender Offer Price and other conditions of the Tender Offer, and have agreed these conditions in the Tender Agreement with the Company; the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30, 2019, which was the last trading day of the Target Shares, was the price for only one trading case one year and nine months ago and may not necessarily represent a fair price for the Target Shares, and therefore the market price method is not adopted in the Target's Valuation Report; and the determination was made after sincere deliberation and consideration by the Target's directors who have duty of care for the common interests of the Target's shareholders.

For these reasons, at its board of directors meeting held on this day, the Target announced its endorsement of the Tender Offer and resolved to recommend that Target shareholders tender their shares in the Tender Offer.

For the method of resolution at the board of directors meeting of the Target mentioned above, please refer to "(V) Unanimous approval of all disinterested directors of the Target and opinion of all disinterested auditors that they have no objections" under "(3) Measures to ensure the fairness of the

Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest."

(II) Management policy after the Tender Offer

As of today, the Target's board of directors consists of five (5) directors and its board of auditors consists of four (4) members. The Company and the Target plan that the Company newly nominate directors and auditors of the Target for the purpose of building a better business structure for efficient implementation of each measure stated in "(I) Background, purpose, and decision-making process of the decision to implement the Tender Offer" above. Specifically, the Company and the Target plan that, after the completion of the Transaction: (i) the number of directors of the Target will be no less than four (4), the Company is entitled to nominate no less than three (3) directors, and in addition to the three (3) or more directors nominated by the Company, it is expected that Mr. Masuda will be appointed as a representative director of the Target pursuant to the Shareholders Agreement; and (ii) the number of auditors of the Target will be no more than four (4), and the Company is entitled to nominate no less than one (1) auditor. For the overview of the Shareholders Agreement, please refer to "(II) The Shareholders Agreement" under "(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer" below.

Further, the Company and the Target aim to separate management and execution by, among the directors of the Target as of today, appointing the full-time directors to its executive officers, and plan to transfer the business execution powers to the executive officers and build a structure that the Target's employee may work with responsibility for the Target's business and pride even after the Transaction. The Company and the Target will manage the business by fully utilizing the characteristics and strength of the Target's business, strengthen the Target's business, aim to create a system that can realize maximum synergy effects with the Company, and strive to further enhance the corporate value.

(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest

As of today, the Company does not own the Target Shares, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not expected that all or part of the management of the Target will contribute directly or indirectly to the Company, and the Transaction does not fall under the Management Buy-out Transaction defined in "Fair M&A Guidelines" published by the Ministry of Economy, Trade and Industry in June, 2019. Nevertheless, in consideration of the fact that the Tender Offer is conducted by the Company as part of the Transaction for the purpose of making the Target a consolidated subsidiary and a private company, the Company and the Target implemented measures mainly in (I) to (VI) below in order to eliminate the arbitrary in the decision-making process of the board of directors of the Target and to ensure the fairness and transparency of the process. Among the descriptions below, the descriptions regarding the Target are based on explanation received from and the information published by the Target.

Because due consideration is given to the interests of the minority shareholders of the Target through the measures described in (I) to (VI) below and the independence of the Scheduled Tendering Shareholders from the Company is high, and if the minimum of the so-called "Majority of Minority" is set, the establishment of the Tender Offer would be rather destabilized, which in turn might impair the opportunity for general shareholders to sell their shares through the Tender Offer, the minimum number of shares to be purchases is set as 970,300

(Shareholding Ratio: 53.71%) in this Tender Offer.

(I) Procurement of share valuation report from an independent third-party valuator retained by the Company

In order to ensure fairness of the Tender Offer Price, the Company retained KPMG, to serve as a third-party valuator independent from the Company Group and the Target to calculate the share value of the Target Shares when the Company determined the Tender Offer Price.

KPMG does not fall under a related party to the Company Group or the Target and has no material interest in the Tender Offer.

For details of the share valuation report concerning the share value of the Target Shares procured by the Company from KPMG (the "Company's Valuation Report"), see "(I) Basis for valuation" and "(II) Background of valuation" under "(4) Grounds for valuation of the price of purchase, etc." under "2. Outline of purchase, etc." below.

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

According to the Target's Press Release, the Target, in expressing its opinion concerning the Tender Offer, retained Tokyo Financial Advisers as its third-party valuator independent from the Company Group and the Target to calculate the share value of the Target Shares and procured the Target's Valuation Report on October 14, 2021. Tokyo Financial Advisers is not a related party of the Company Group or the Target and has no material interests in the Transaction or related parties to the Transaction.

Tokyo Financial Advisers was informed of and was explained the current status of the Target's business and its medium-term management plan (the "Business Plan") covering the three-year period from May 2022 to May 2024 at the request of the Target. Based on such disclosed information, Tokyo Financial Advisers calculated the share value of the Target Shares. The Target has not obtained an opinion concerning fairness of the Tender Offer Price (fairness opinion) from Tokyo Financial Advisers.

Tokyo Financial Advisers considered multiple calculation methods to apply in calculating the share value of the Target Shares. On the assumption that the Target is a going concern, and that multifaceted valuation of the Target Shares is appropriate, Tokyo Financial Advisers decided to apply: the comparable company analysis method given that there are multiple listed companies that are similar to the Target and the availability of an analogy of the share value thereof by comparison with companies that are similar to the Target and based on this belief, Morozoff Limited, Meito Sangyo Co., Ltd., and FUJIYA Co., Ltd., Morinaga & Co., Ltd. that are listed companies considered to conduct similar types of business were selected; and the DCF Method to reflect the future business activities in the valuation, in calculating the per share value of the Target Shares.

The share price range per share of the Target Shares as calculated by each of the above is as follows.

Comparable company analysis method: 292 yen to 796 yen

DCF Method: 704 yen to 860 yen

Pursuant to the comparable company analysis method, the share value of the Target Shares was calculated by comparing the net income per share and net assets per share of similar companies with those of the Target

based on the share price and business value of the listed companies similar to the Target (similar companies). The share value range per share of the Target Shares was calculated to be 298 yen to 814 yen.

Pursuant to the DCF Method, free cash flow was calculated based on the Business Plan, and the share value of the Target Shares was analyzed by applying discount using Weighted Average Cost of Capital ("WACC") (8.389% is applied) calculated by Tokyo Financial Advisers. The share value range per share of the Target's Share was calculated to be 704 yen to 860 yen.

Target's financial forecast based on the Business Plan that Tokyo Financial Advisers used as the basis for calculation pursuant to the DCF Method are as follows. Since the Target is of the opinion that for the period ending May 2025 and beyond business plan shall be formulated based on changes in the external environment and the results of cost reduction, the Business Plan covers the three-year period from May 2022 to May 2024. The financial forecast based on the Business Plan does not project significant increase or decrease in profits. Also, because the synergistic effects that could be expected by executing the Transaction that may impact on incomes were difficult to estimate as this time, such was not taken into account in the Business Plan.

(Unit: Thousand yen)

	May 2022	May 2023	May 2024
Net sales	2,372,000	2,578,000	2,784,000
Operating income	172,339	216,346	274,546
EBITDA	289,958	336,115	398,815
Free Cash Flow	243,122	218,332	248,605

(Note) In calculating the share value of the Target Shares, Tokyo Financial Advisers assumes that the financial projections included in the Business Plan are reasonably prepared based on the best estimate by the Target and has no obligation to verify the reasonableness of the Business Plan. In addition, Tokyo Financial Advisers did not independently evaluate or assess assets, liabilities, and other financial information of the Target. The calculation of Tokyo Financial Advisers is said to reflect the above information through October 14, 2021.

(III) Advice procured by the Target from an independent law firm

According to the Target's Press Release, in order to ensure transparency and reasonableness in the decision-making process by the Target's board of directors concerning the Tender Offer, on September 15, 2021, the Target retained Iwaida Partners as its legal advisor independent of the Company Group and the Target. The Target is receiving necessary legal advice from the firm concerning the decision-making process by the Target's board of directors concerning the Transaction, and other matters that must be noted. Iwaida Partners is not a related party to the Company Group or the Target and has no material interests in the Transaction or in the related parties to the Transaction.

(IV) Establishment of independent third party committee and procurement of Written Report from the said committee

According to the Target's Press Release, by resolution of its board of directors on August 23, 2021, before the consideration and resolution of the Transaction, including the Tender Offer and the Squeeze-out Procedure (defined below in "(4) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition") , at the Target's meeting of the board of directors, the Target

established the third party committee (the "Committee") independent from the Company Group and the Target to exclude arbitrariness of the Target's decision-making concerning the Transaction, and to examine the appropriateness of the Transaction, and the existence of disadvantages to minority shareholders. The Committee includes outside expert and initially Mr. Takashi Maeda (then an outside director of the Target, the representative director TRYAND Co., Ltd.), Mr. Yoshikazu Ohno (an outside auditor of the Target), Mr. Tomoyuki Ikeda (an outside auditor of the Target, the representative of Sunrise Group Samurai, a social insurance and labor professional corporation), and Mr. Masataka Ueda (a certified tax accountant, Masataka Ueda Tax Accountant Office) were appointed as members at the resolution of the board of directors on August 23, 2021, and Mr. Masataka Ueda resigned for personal reason on August 26, 2021 and on September 14, 2021, Mr. Michinari Hashimoto (an attorney, Josui Law Firm) was additionally appointed at the resolution of the board of directors, and Mr. Michinari Hashimoto's appointment was approved at the fourth meeting of the Committee held on September 16, 2021. It should be noted that Mr. Takashi Maeda's term as a director had expired at the conclusion of the 46th ordinary general meeting of shareholders of the Target on August 27, 2021 and he resigned as a director, therefore currently Mr. Maeda is not an outside director of the Target. Mr. Yoshikazu Ohno has been appointed as the chairman of the Committee by mutual election of the Committee.

Based on the resolution of the board of directors, the Target requested that the Committee provide advice on the following matters: (i) whether the purpose of the Transaction is justifiable; (ii) whether the terms of the Transaction (including the Tender Offer Price) is fair; (iii) whether due consideration was given to protecting the interests of the Target's shareholders through fair procedures of the Transaction; and (iv) whether the Target's conclusion of the Transaction is disadvantageous to the minority shareholders of the Target (the matters referred to in (i) to (iv); the "Items for Advice"); and submit a written on the Items for Advice.

The Committee held a total of 9 meetings from August 26, 2021 until October 14, 2021, and has carefully reviewed and discussed the Items for Advice. Specifically, for the review, the Committee collected and reviewed the draft of the disclosure documents relating to the Tender Offer, documents such as the Business Plan, the Target's Valuation Report, review materials submitted by the Company and by the Target and other necessary information and materials, as well as conducted interviews and surveys, etc. through meetings with the director of the Target, Tokyo Financial Advisers and the Iwaida Partners. The Committee received explanation concerning the contents of the Transaction, the background of the Transaction, the significance and the purpose of the Transaction, the effect on the corporate value of the Target, the independence of the third-party valuator, the reasonableness of the Tender Offer Price valuation method, the appropriateness of the assumptions of the analysis, whether there was unreasonable disturbance from the interested party, the situation of the Company and the Target, the reasonableness of the process/review process that led to the decision making by the Company and the Target, the appropriateness of disclosure, and other matters related to the Transaction, and held a question and answer session on the foregoing, and gathered and examined the necessary information and materials. In addition, the Committee received explanation on the Business Plan from the directors of the Target, and held a question and answer session, and received explanation from Tokyo Financial Advisers on the Target's Valuation Report, and conducted an interview survey on the assumptions, etc. for the calculation of the valuation.

The Committee confirmed that financial advisor retained by the Target, Tokyo Financial Advisers, and the legal advisor retained by the Target, Iwaida Partners, were both professionally qualified and independent, and both would be approved as the Target's financial advisor and legal advisor.

In light of the above, the Committee held discussions with Tokyo Financial Advisers and Iwaida Partners and discussed and reviewed the Items for Advice. After carefully discussing and reviewing the Items for Advice, by unanimous decision, the Committee submitted its written report (the "Written Report") substantially as described below on the Items for Advice to the Target's board of directors on October 14 2021.

(i) Report contents

- (a) The purpose of the Transaction is justified.
- (b) The term of the Transaction (including the Tender Offer Price) is fair.
- (c) Due consideration was given to protect the interests of the Target's shareholders through fair procedures of the Transaction.
- (d) Conclusion of the Transaction including the Tender Offer and the consolidation process of the Target by the Company following the Tender Offer, is not disadvantageous to the Target's minority shareholders.

(ii) Reason for report

- (a) Whether the purpose of the Transaction is justified

The Committee received explanation from the Target regarding the purpose of the Transaction and the specific details of the Target's corporate value that is expected to improve by the Transaction the contents described in "(2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer" "(I) Background, purpose, and decision-making process of the decision to implement the Tender Offer" and confirmed the specific contents of the explanation and conducted detailed deliberations. As a result, there are no particularly unreasonable points with regard to the reason or purpose for which the Target intends to implement the Transaction, considering that Mr. Masuda has been managing the Target as the representative director of the Target for around 20 years since August 2001, Mr. Masuda's know-how to manage the Target is recognized to be important to operate the Target's business after the Transaction, and it is expected that the Target will strengthen the business base and increase corporate value over the long term by implementing the Transaction. Therefore, the purpose of the Transaction is considered to be justifiable.

- (b) Whether the term of the Transaction (including the Tender Offer Price) is fair

There are no unreasonable matters regarding the facts, calculation methods and calculation processes assumed by Tokyo Financial Advisers in the Target's Valuation Report. The Tender Offer Price (879 yen) for the Target Shares exceeds the price range based on the comparable company analysis method and the price range based on the DCF method, respectively, in the Target's Valuation Report and it is evaluated that price is the amount exceeding the price range based on the comparable company analysis method and the price range based on the DCF method. Therefore, even if the price is the same as the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30, 2019, which was the preceding trading day of the Target Shares, it is considered that the Target's corporate value is fairly evaluated.

In addition, in light of the trading volume of the Target on the TSE TOKYO PRO Market in the past, it is considered that the implementation of the Tender Offer at the same price will provide the Target's general shareholders with the opportunity to sell their shares through this Tender Offer since all the

Target Shares were traded at 879 yen per share during the past seven months back from December 30, 2019, which was the preceding trading day of the Target Share, and the trading volume per day during the same period has been at a maximum of 200 shares (2 units) and it is considered that there were limited opportunities to sell the Target Shares.

The Transaction is to be concluded by executing the Tender Agreements as of today between the Company and each of the Prospective Tendering Shareholder who is the shareholder of the Target and is a so-called investment fund will tender all of the Target Shares owned by each Prospective Tendering Shareholder for the Tender Offer. The fact that the Prospective Tendering Shareholder who is an investment fund that is generally considered to pursue economic rationality accepts the Tender Offer Price and other terms and conditions pertaining to the Tender Offer and intends to tender its shares for the Tender Offer can be regarded as a ground to support the economic rationality of the Tender Offer Price.

In addition, the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30, 2019, which was the last trading day of the Target Shares, was the price for only one trading case one year and nine months ago and may not necessarily represent a fair price for the Target Shares, and therefore the market price method is not adopted in the Target's Valuation Report

On August 12, 2021, the Company proposed to the Target that the Tender Offer Price to be 879 yen. The board of directors of the Target repeatedly discussed and reviewed the fairness and justifiability of the Tender Offer Price based on the draft of the Target's Valuation Report or the results of the interim report, and considering that the Prospective Tendering Shareholders accepted the Tender Offer Price and other terms and conditions regarding the Tender Offer and agree to the Tender Agreement with the Company, the board of directors of the Target intends to adopt a resolution to approve the Tender Offer. Therefore, the Tender Offer Price is deemed to have been decided upon after serious consideration and review by the directors who have the obligation of due care of a prudent manager for the purpose of achieving the common interest of shareholders.

Judging from the above, the Tender Offer Price is considered to be a fair price with a certain reasonableness, with considerable premium over the proper price of the Target Shares.

(c) Whether due consideration was given to protect the interests of the Target's shareholders through fair procedures of the Transaction

In order to exclude the arbitrariness of the decision-making process at the board of directors of the Target and to ensure fairness and transparency in the Transactions, mainly the following measures are implemented or are scheduled to be implemented. Therefore, it is considered that due consideration is given to the interests of shareholders through fair procedures of the Transactions.

- Establishment of the Committee and investigation and examination

Prior to deliberating and resolving the pros and cons of the Transaction, at the meeting of the board of directors of the Target, the Committee consisting of members independent from the Target and the Company Group in order to exclude arbitrariness of the Target's decision-making concerning the Transaction, and to examine the appropriateness of the Transaction, and the existence of disadvantages to minority shareholders. The Committee was commissioned to provide advice on the Items for Advice, and implemented the appropriate investigations and

examinations regarding the purpose and terms of the Transaction. Such measures are regarded to ensure the fairness of the Transaction and may serve as a basis for the transparency and rationality of the decision-making of the Transaction.

- Procurement of share valuation report from an independent third-party valuator retained by the Target

The Target obtained the Target's Valuation Report from Tokyo Financial Advisers, a third-party valuator independent from the Target and the Company Group. Such measures are to ensure the fairness of the procedures for the Transaction and may serve as a basis for the transparency and rationality of the decision-making of the Transaction.

- Advice procured by the Target from an independent law firm

In order to ensure transparency and reasonableness in the decision-making process by the Target's board of directors concerning the Tender Offer, on September 15, 2021, the Target retained Iwaida Partners as its legal advisor independent of the Target and the Company Group. The Target is receiving necessary legal advice from the firm concerning the decision-making method and process by the Target's board of directors concerning the Transaction, and other matters that must be noted. Such measures may serve as a basis for the transparency and rationality of the decision-making of the Transaction in that the Target closely discusses and examines the procedures regarding the Transaction from a legal perspective.

- Unanimous approval of all disinterested directors of the Target and the opinion of all disinterested auditors that they have no objection

The Target represents that in considering whether or not the Target will implement the Transaction, it will be adopted by unanimous approval of all directors of the Target who do not have interest in the Transaction and will obtain the opinion of all disinterested auditors that they have no objection. Such measures may serve as a basis for the transparency and rationality of the decision-making of the Transaction in that they ensure the transparency and rationality of the decision-making of the Transaction.

- Securing objective situation to ensure the fairness of the Tender Offer Price

The Company set the purchase period for the Tender Offer (the "Tender Offer Period") at 32 business days, instead of 20 business days which is the statutory minimum period. Since the Company set the Tender Offer Period at a relatively long time, the Target's shareholders are provided with the appropriate time and opportunity to make judgments on the Tender Offer and by ensuring opportunities for a third party other than the Company to make a competitive tender offer, etc. the fairness of the Tender Offer is ensured. In addition, no agreement exist that restrict the Target from contacting competitive potential purchasers that unreasonably restricts tender offer, etc. by anyone other than the Company. In addition to setting the Tender Offer Period mentioned above, by ensuring the opportunity to make a competitive tender offer the fairness of the Tender Offer is ensured. Such action may be a factor reducing the forcefulness of the Tender Offer.

- Prices in the consolidation process following the Tender Offer

At the Transaction, it is planned that the Target's shareholders who did not tender in the Tender Offer are ensured to receive the equivalent price that shall be obtained in case such shareholders

tendered in the Tender Offer as the consideration of the squeeze-out. Such measures may be a factor that reduces the forcefulness of the Tender Offer.

- Ensuring relief for dissenting shareholders

As a remedy for shareholders who are dissatisfied with the consideration, etc. in the Transaction, a shareholder of the Target may file a request for purchase of the Target Shares held by the shareholder of the Target or may file with the court to determine the acquisition price pursuant to the provisions of the Companies Act and other relevant laws and regulations. Such measures may be a factor that reduces the forcefulness of the Tender Offer.

- Appropriate disclosure

The main facts and measures pointed out in the Written Report are that they are properly described in the statement of opinions and other materials disclosed by the Target in relation to the Transaction, and appropriate explanations are provided to the Target's shareholders. Such extensive disclosure will alleviate the asymmetry of information, ensure appropriate judgment opportunities for the Target's shareholders, and this may be an element that reduces the forcefulness of the Tender Offer.

- (d) Whether conclusion of the Transaction is unilaterally disadvantageous to the Target's minority shareholders

As described in (a) to (c) above, the justness of the purpose of the Transaction and the fairness of the terms and conditions of the Transaction (including the Tender Offer Price) are recognized, due consideration is given to protect the interests of the Target's shareholders through fair procedures of the Transaction and fairness of the procedure is recognized, and in addition, there is no circumstance where the Transaction is deemed to be disadvantageous to the Target's minority shareholders. Therefore, it is recognized that the Transaction including the Tender Offer and the consolidation process of the Target by the Company following the Tender Offer, is not disadvantageous to the Target's minority shareholders.

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

According to the Target's Press Release, based on the Target's Valuation Report received from Tokyo Financial Advisers, and the legal advice received from Iwaida Partners, and giving full respect to the Written Report, the Target carefully reviewed the terms of the Transaction. As a result, the Target's board of directors determined that (i) it is expected that the Tender Offer will improve its corporate value because it can utilize (a) the Company Group's domestic sales channels and overseas network for its expansion into the retail market, including convenience stores, export overseas, or expansion of business partners by providing the Target's recipes and specifications, and (b) the data on market trends and marketing owned by the Company when the Target expand its product line and provide supply capacity to meet further market demand or implement capital investment to improve productivity by converting to smart factories, and that (ii) the conditions of the Tender Offer including the Tender Offer Price are fair considering the following reasons that: the Tender Offer Price for the Target Shares exceeds the price range based on the comparable company analysis method and the price range based on the DCF method, respectively, in the Target's Valuation Report and it is evaluated that price is the amount exceeding the price range based on the comparable company analysis method and the price range based on the DCF method, and therefore, even if the price is the same as the closing price (879 yen) of the Target Shares on the TSE TOKYO PRO Market as of December 30,

2019, which was the preceding trading day of the Target Shares, it is considered that the Target's corporate value is fairly evaluated; in light of the trading volume of the Target on the TSE TOKYO PRO Market in the past, the implementation of the Tender Offer at the same price will provide the Target's general shareholders with the opportunity to sell their shares through this Tender Offer since all the Target Shares were traded at 879 yen per share during the past seven months back from December 30, 2019, which was the preceding trading day of the Target Share, and the trading volume per day during the same period has been at a maximum of 200 shares (2 units) and it is considered that there were limited opportunities to sell the Target Shares; the Scheduled Tendering Shareholders are so-called investment funds and they have accepted the Tender Offer Price and other conditions of the Tender Offer, and have agreed these conditions in the Tender Agreement with the Company; and the determination was made after sincere deliberation and consideration by the Target's directors who have duty of care for the common interests of the Target's shareholders. For these reasons above, the Target's board of directors determined that the Tender Offer is appropriate, and the Tender Offer provides a reasonable opportunity for the Target's shareholders to sell their shares, and at the Target's board of directors meeting held today, all of five (5) directors of the Target that participated in the discussion and resolution expressed their consent to the Tender Offer and resolved to recommend the Target's shareholders to tender in the Tender Offer. At the board of directors meeting described above, four (4) auditors of the Target participated and all of the auditors who participated stated an opinion that they have no objection to the above resolution.

The above resolution of the Target's board of directors was made on the assumption that the Target Shares will be delisted by the implementation of the Tender Offer and a series of subsequent procedures.

(VI) Securing objective situation to ensure the fairness of the Tender Offer Price by the Company

The Company set the Tender Offer Period at thirty two (32) business days, instead of twenty (20) business days which is the statutory minimum period. Since the Company set the Tender Offer Period at a relatively long time, the Company intends to ensure the fairness of the Tender Offer by providing the Target's shareholders with the appropriate time and opportunity to make appropriate judgments on the Tender Offer and by ensuring opportunities for a third party other than the Company to make a competitive tender offer, etc. In addition, no agreement exist that restrict the Target from contacting competitive potential purchasers that unreasonably restricts tender offer, etc. by anyone other than the Company. In addition to setting the Tender Offer Period mentioned above, the Company takes into account the fairness of the Tender Offer by ensuring the opportunity to make a competitive tender offer.

(4) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")

As stated above in "(1) Overview of the Tender Offer", the Company intends to make the Target's shareholders to be only the Company and Mr. Masuda, and in the event all of the Target Shares (excluding the treasury shares owned by the Target) except for the Target Shares Held by Mr. Masuda cannot be acquired in the Tender Offer, the Company is scheduled to implement a procedure for consolidation of shares (the "Squeeze-out Procedure") after the Tender Offer is completed with the aim of making the Company and Mr. Masuda as the only shareholders of the Target as follows.

After the completion of the Tender Offer, the Company intends to request the Target to include in the items for resolution to effect the consolidation of the Target Shares in accordance with Article 180 of the Companies Act

(the "Share Consolidation"), on condition that the Share Consolidation takes effect, partial amendment of the articles of incorporation to abolish the provision concerning unit shares and application for delisting at the extraordinary shareholders' meeting to be held around early February 2022 (the "Extraordinary Shareholders' Meeting"). The Target intend to agree to these requests by the Company if the Tender Offer is concluded. The Company and Mr. Masuda intend to vote in favor of both of the above proposals at the Extraordinary Shareholders' Meeting. In the Tender Offer, the Company set the minimum number of shares to be purchased at 970,300 (Shareholding Ratio 53.71%). Since the total number of voting rights held by the Company and Mr. Masuda will be two-thirds (2/3) or more of the total number of voting rights of the Target after the Tender Offer is concluded, each of the above-mentioned proposals is expected to be approved.

After the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, as of the date on which the Share Consolidation becomes effective, the Target's shareholders will own the Target Shares in the number corresponding to the ratio of the Share Consolidation that was approved at the Extraordinary Shareholders' Meeting. If any fraction of a share less than one share results from the Share Consolidation, the shareholder with such fraction of a share will be paid a sum payable to such shareholder by selling to the Target or to the Company the Target Shares equivalent to the total number of such fractional shares (fractional shares resulting from aggregating those fractional shares shall be discarded, hereinafter same applies) in accordance with the procedures stipulated in Article 235 and 234 (2) to (5) of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Shares equivalent to such total number of fractional shares, the Company is scheduled to set the price in such a way as to make sure that, as a result of selling these shares, the amount of money to be paid to each shareholder of the Target who did not tender in the Tender Offer (excluding the Target, the Company and Mr. Masuda) shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the Target Shares owned by such shareholder, and request the Target to file with the court to obtain permission for voluntary sale. The ratio of consolidation of the Target Shares is undecided as of today, however, the Company will request the Target's shareholders to decide such ratio in a way that the number of the Target Shares held by the shareholders who did not tender in the Tender Offer (excluding the Target, the Company and Mr. Masuda) will be less than one share so that the Company and Mr. Masuda will hold all of the issued shares of the Target Shares (excluding the treasury shares owned by the Target) (Note 1). The Target plans to agree to these requests by the Company when the Tender Offer is concluded.

(Note 1) In the event that, as a result of the Tender Offer, there are shareholders (excluding the Company and Mr. Masuda) who own the same number of Target Shares as the number of the Target Shares Held by Mr. Masuda, or such shareholders are expected to occur at the time of the conclusion of the Share Consolidation, through the Squeeze-out Procedure, in order to prevent such shareholders from remaining as shareholders of the Target after the Transaction, the ratio of the consolidation shall be such that the number of Target Shares owned by Mr. Masuda who hold the same or less number of the Target Shares than such other shareholders will also be a fraction of less than one Share. In such a scenario, as a result of the Share Consolidation, the Company will be the only shareholder of the Target, and Mr. Masuda will receive money as consideration for the fractions owned by him without remaining as a shareholder of the Target, but the Company and the Target will implement procedures to adjust the shareholder composition of the Target, such as after the Transaction Mr. Masuda re-invests with the whole or part of the received money (excluding taxes and public dues and reasonable expenses) in the Target after the Squeeze-out Procedure. Although there are no matters currently determined with regard to the specific details of the procedures to be followed when adjusting the above-mentioned shareholder composition of the Target and the specific ownership ratio of the Company and Mr. Masuda after such adjustment, Mr. Masuda's Shareholding Ratio is expected to

be the same as or equivalent to his current Shareholding Ratio of 12.96%.

As the provisions of the Companies Act that protect the rights of the minority shareholders in connection with the above procedures, it is stipulated that, when a share consolidation is implemented and fractional shares in the number of shares arise as a result of the Share Consolidation, the shareholders of the Target may request the Target to purchase all fractional shares of the Target that they own at a fair price and that they may file with the court to determine the price of the Target Shares pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations. If such filing is made with the court, the purchase price will ultimately be determined by the court.

Depending on the status of revision, enforcement, and interpretation by authorities of the relevant laws and regulations, the implementation method and timing of the above-mentioned procedures may change. Provided, however, that the method of finally providing money to each shareholder of the Target who did not tender in the Tender Offer (excluding the Target, the Company, and Mr. Masuda) will be adopted, and the amount of money to be paid to such shareholder will be calculated so that the Tender Offer Price multiplied by the number of Target Shares held by such shareholder will be the same as the price of the Tender Offer Price.

This Tender Offer is not a solicitation for the Target's shareholders to vote in favor of the proposal at the Extraordinary Shareholders' Meeting. The Target's shareholders are also requested to confirm with professionals, such as tax accountants, at their responsibility concerning tax treatment for tendering in the Tender Offer or in each of the other procedures above.

(5) Possibility and reasons for delisting

Upon the consummation of the Tender Offer, the Company plans to squeeze out all shareholders of the Target Shares except for the Company and Mr. Masuda in accordance with the applicable laws and regulations and the procedures described in "(4) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" above. In such case, the Target Shares will be delisted through the prescribed procedures. Specifically, with respect to share certificates, etc. listed on TSE TOKYO PRO Market an application for delisting may be made after a special resolution of the general shareholders' meeting pursuant to Article 143 of the Special Regulations of the Securities Listing Regulations concerning Specified Listed Securities and Article 130 of the Enforcement Rules for the Special Regulations of the Securities Listing Regulations concerning Specified Listed Securities (the "Enforcement Rules for the Special Regulations"). The Company plans to make special resolutions with respect to the Share Consolidation and the application for delisting at the Extraordinary Shareholders' Meeting around early February 2022 and make the Target Shares private around late February 2022 by applying for delisting around early February 2022. In the event of delisting of the Target Shares, the Target Shares may not be traded on the TSE TOKYO PRO Market.

(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer

(I) Tender Agreement

As described in "(1) Overview of the Tender Offer" above, in relation to the implementation of the Tender Offer, the Company has entered into the Tender Agreement with each of the Scheduled Tendering Shareholders under which IE Fund agrees to tender all the owned Target Shares (number of shares held:

647,900 shares, Shareholding Ratio: 35.87%), FP agrees to tender all the owned Target Shares (number of shares held: 150,000 shares, Shareholding Ratio: 8.30%), FP Step-up agrees to tender all the owned Target Shares (number of shares held: 143,032 shares, Shareholding Ratio: 7.92%), IE agrees to tender all the owned Target Shares (number of shares held: 4,000 shares, Shareholding Ratio: 0.22%) (number of shares held in total: 944,932 shares, Shareholding Ratio: 52.31%) in the Tender Offer. While IE Fund had submitted a revision motion to the effect that it would not reappoint Mr. Masuda as a director of the Target at the 46th ordinary general shareholders meeting of the Target, in the subsequent discussions between the Company and IE Fund, IE Fund has not expressed any particular opinion, etc. to the Company by this date regarding the appointment of Mr. Masuda as a director of the Target after the Transaction. Under the Tender Agreement, in the event that the Tender Offer commences, the Scheduled Tendering Shareholders shall tender in the Tender Offer and shall not withdraw such tender.

In addition, under the Tender Agreement, the following are stipulated as conditions precedence for the Scheduled Tendering Shareholders to tender in the Tender Offer: (a) the Tender Offer commenced and has not been withdrawn; (b) the representations and warranties of the Company (Note 1) are true and accurate in material respects; (c) the Company does not materially breach the obligations (Note 2) set forth in the Tender Agreement; (d) the board of directors of the Target does not make any resolution to the effect that the Target opposes the Tender Offer, and the Target does not announce any opinion against the Tender Offer; (e) there exist no pending petitions, actions or procedures to demand restricting or prohibiting such tender or the Tender Offer in any judicial or administrative authorities or other competent authorities, and there exist no laws and regulations or orders, measures or judgements made by judicial or administrative authorities or other competent authorities that restrict or prohibit the tender or the Tender Offer; and (f) there exist no undisclosed insider information with respect to the Target. It is stipulated that all or part of such conditions precedent may be waived at the discretion of the Scheduled Tendering Shareholders, provided, however, that the Scheduled Tendering Shareholders are not restricted to tender in the Tender Offer at their discretion waiving such conditions precedent.

(Note 1) Under the Tender Agreement, the follows are stipulated as the Company's representations and warranties:(i) lawfulness and validity of incorporation and existence; (ii) holding of the legal capacity necessary to execute and perform the Tender Agreement and implementation of the necessary procedures; (iii) validity and enforceability of the Tender Agreement; (iv) obtaining of the necessary permits in relation to the execution and performance of the Tender Agreement by the Company; (v) no violation against the laws and regulations by the execution and performance of the Tender Agreement; and (vi) no relationship with anti-social forces or violent demands, etc.

(Note 2) The Tender Agreement provides the confidentiality obligation and non-assignment of rights and obligations as the obligations which the Company and the Scheduled Tendering Shareholders, respectively, shall comply with or perform.

(II) Shareholders Agreement

As described in "(1) Overview of the Tender Offer" above, the Company entered into the Shareholders Agreement with Mr. Masuda as of today, including the following:

- (i) Mr. Masuda not to tender the Target Shares Held by Mr. Masuda in the Tender Offer and even if a tender offer with respect to the Target Shares by a third party commences prior to or during the Tender Offer Period, not to tender the Target Shares Held by Mr. Masuda in such tender offer;
- (ii) Mr. Masuda to exercises his voting right with respect to the Target Shares Held by Mr. Masuda in

favor of (a) agenda with respect to the application for delisting of the Target Shares, (b) agenda with respect to appointment and removal of directors and statutory auditors of the Target, (c) agenda with respect to the Share Consolidation, (d) agenda with respect to abolishment of the shareholder registry administrator of the Target, and (e) agendas with respect to necessary matters ancillary to (a) to (d) above (including changes of the articles of incorporation), to be discussed at the Extraordinary Shareholders' Meeting to be requested by the Company to the Target upon the consummation of the Transaction;

(iii) After the consummation of the Transaction, in the Extraordinary Shareholders' Meeting set forth in (ii) above, the number of directors of the Target to be four (4) or more, of which three (3) or more directors shall be appointed by the Company, and Mr. Masuda to assume a director of the Target in addition to the director appointed by the Company; and

(iv) the Company to have the right to demand Mr. Masuda to sell all of the Target Shares Held by Mr. Masuda to the Company or a third party designated by the Company in the event that following the consummation of the Transaction, (a) three (3) years after the execution of the Shareholders Agreement has elapsed and the Company determines that holding the Target Shares Held By Mr. Masuda by the Company or a third party designated by the Company is beneficial to the Target, (b) Mr. Masuda loses the position of a director of the Target, (c) Mr. Masuda is dead or (d) Mr. Masuda conducts any acts that the Company determine damage the enterprise value of the Target. The price per share of the Target Shares subject to such demand shall be the Tender Offer Price (provided, however, that in the event of consolidation of shares, share split, etc., adjustment will be made in accordance with the ratio of such consolidation or split).

(Note) In addition to (i) to (iv) above, it is agreed in the Shareholders Agreement that (v) the representations and warranties of the Company and Mr. Masuda, (vi) the liability of non-performance of the agreement by the Company and Mr. Masuda, (vii) termination of the agreement, (viii) confidentiality, and (ix) miscellaneous including non-assignment of rights.

2. Outline of purchase, etc.

(1) Outline of the Target

(i) Name	GOYO Foods Industry Co., Ltd.	
(ii) Location	819-2, Taku, Itoshima-shi, Fukuoka	
(iii) Name and Title of Representative	Shogo Sakihara, Representative Director and President	
(iv) Description of Businesses	Manufacture of frozen western confectionery	
(v) Amount of Stated Capital	100 million yen	
(vi) Date of Incorporation	May 27, 1975	
(vii) Major Shareholders and Shareholders Ratio (As of May 31, 2021)	Innovation Engine Food Innovation Fund	35.86%
	Keisuke Masuda	12.95%
	FP Development Support A Investment Limited Partnership	8.30%
	FP Step-up Support Investment Limited Partnership	7.91%
	NCB Kyushu Vitalization Investment Limited Partnership	4.98%
	Marubishi Holdings Co., Ltd.	4.31%
	HC V Investment Partnership	2.43%
	Kazuhito Kamikido	1.54%

	Tazuko Masuda	1.52%
	Shinya Fujinaga	1.34%
(viii) Relationship between the Company and the Target		
Capital relationship	Not applicable.	
Personal relationship	Not applicable.	
Business relationship	The Target has dealings with respect to sales of products of frozen cakes with Mitsui Foods Co., Ltd. a subsidiary of the Company.	
Status as Related Parties	Not applicable.	

(2) Schedule, etc.

(I) Schedule

Decision Date on Implementation of the Tender Offer	October 15, 2021 (Friday)
Scheduled Date of Public Notice concerning the Commencement of the Tender Offer	October 18, 2021 (Monday) Electronic public notices will be made and a statement to that effect will be published in the Nihon Keizai Shimbun. (Electronic Public Notice Address: https://disclosure.edinet-fsa.go.jp/)
Scheduled Date of Submission of the Tender Offer Notification	October 18, 2021 (Monday)

(II) Tender offer period as of the submission date of the Tender Offer notification

From October 18, 2021 (Monday) through December 2, 2021 (Thursday) (32 business days)

(III) Possibility of extension of the above period upon request by the Target

Not applicable.

(3) Price of tender offer

879 yen per share of common stock

(4) Grounds for valuation of price of tender offer

(I) Basis for valuation

In determining the Tender Offer Price, the Company requested KPMG, a financial advisor, to evaluate the value of the Target Shares as a third-party valuation institution independent from the Company Group and the Target in order to ensure the fairness of the Tender Offer Price. KPMG does not fall under a Related Party to the Company Group or the Target and has no material interest in relation to the Tender Offer.

After considering the valuation methods to be used in appraising the value of the Target Shares from different valuation methods, KPMG evaluated the value of the Target Shares using (i) the DCF method to reflect the future status of business activities in the valuation and (ii) the comparable peer company method because analysis of share value by comparing with peer listed companies is available. The Company has obtained the Company's Valuation Report from KPMG on October 14, 2021. The Company has not obtained an

opinion on the fairness of the Tender Offer Price (a fairness opinion) from KPMG.

The ranges of value per share of the Target Shares evaluated based on each of the methods above are as follows.

DCF method	816 yen to 1,133 yen
Comparable peer company method	789 yen to 914 yen

In the DCF method, the range of the value per share of the Target Shares was evaluated to be 816 yen to 1,133 yen by evaluating the value of the Target Shares by discounting the free cash flows to be generated by the Target in the future from June 2021 to the present value at a certain discount rate taking into consideration several factors, including the Company's estimation of the Target's revenue and investment plan in the Business Plans and public information. The Business Plans underlying the DCF method do not include any fiscal year in which a significant increase or decrease in profit is expected.

In the comparable peer company method, the range of the value per share of the Target Shares was evaluated to be 789 yen to 914 yen by evaluating the value of the Target Shares by using multiple of EBITDA to the enterprise value selecting FUJIYA Co., Ltd., Morozoff Limited., Meito Sangyo Co., Ltd., Kanro Inc., Kotobuki Sprits Co., Ltd., Nichiryō Baking Co., Ltd. and COMO Co., Ltd. as a listed company the business, etc. of which seems to be similar to the Target's business.

In addition, market price method is not adopted because no transaction of the Target Shares has not been completed after the transaction was completed on December 30, 2019, even though the Target Shares has been listed on the TSE TOKYO PRO Market.

Taking into consideration the closing prices of the Target Shares on the TSE TOKYO PRO Market on October 14, 2021, the preceding business day of the announcement of the Tender Offer, and December 30, 2019, the preceding trading day of the announcement of the Tender Offer (879 yen), the trading prices completed during six (6) months before such date (879 yen), whether or not the board of directors of the Target is able to support the Tender Offer, and the prospective number of the Target Shares to be tendered in the Tender Offer, the Company determined that the Tender Offer Price is 879 yen as of today based on the discussion and negotiation with the Scheduled Tendering Shareholders and the Target, and the price of 879 yen per share of the Target Shares that is in the ranges of the value per share of the Target Shares evaluated by each method in the Company's Valuation Report obtained from KPMG.

(II) Background of valuation

As described in "(2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer" in "1 Purpose of the purchase," in late February 2020, the Company began talks with the Target on sales of Target products as well as an examination with the Target of the possibility of collaboration in OEM production etc., following an introduction of the Target by the Company's Kyushu Office, which had been acquainted with the Target for some time. In the course of discussing the collaboration, the Company considered that it would be possible for the Company to expand its business into high value-added products targeted by the Company and strengthen its manufacturing functions by utilizing the Target's frozen cake manufacturing technology through the investigation in the Target and stabilization of the Target's management base and the utilization of the Company's global network. For that reason, on May 26, 2021, the Company proposed to the Target

that they commence examination and discussions aimed at the Company investing in the Target, and the Company began discussions with Mr. Masuda, who was the representative director of the Target at that time. At the time of making this proposal, the Company only made an offer to start discussions for investment, and did not make any proposal based on going private or make any specific offer for investment ratio. In early June 2021, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor, and initiated initial examination and discussions about the Transaction. Afterwards, in the course of examining the specific investment ratio and business operation after the investment, the Company came to believe that taking the Target private would enable the Target to swiftly implement measures that involve the risk of short-term deterioration in business performance and decline in share price, which would be difficult to achieve if the Target were to remain listed, and thus, believed that taking the Target private and making it a consolidated subsidiary of the Company would contribute to improving the corporate value of the Target. Based on this consideration, in early June 2021, the Company made a proposal to the Target to start discussions of the investment scheme based on the assumption that the Target would go private. In addition, in late July, in the course of discussions with the Target and Mr. Masuda, the Company considered that the management know-how of the Target possessed by Mr. Masuda, who had been managing the Target as the representative director of the Target for about 20 years since August 2001, is indispensable for the business operation of the Target after the Transaction, and that it is necessary to continuously retain Mr. Masuda as a shareholder as well as a director of the Target so that the Target can realize a system in which the officers and employees of the Target can work together to execute the business under Mr. Masuda's leadership in the Target. Therefore, the Company explained the above idea to the Target and Mr. Masuda, and then made a proposal for the Transaction. The Company then confirmed that no significant impediments to the execution of the Transaction were found through due diligence carried out from late July 2021 to mid-August 2021 to assess the feasibility of the Transaction. Thus, on August 12, 2021, the Company submitted to the Target a proposal for the Transaction and initiatives going forward as described in "(1) Background, purpose, and decision-making process of the decision to implement the Tender Offer" in "(2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer" of "1. Purpose of the purchase." above. The Company also proposed to the Target that the Company was considering the Tender Offer Price to be 879 yen with reference to the closing price of the Target Shares (879 yen) on the TSE TOKYO PRO market as of December 30, 2019 and the past trading volume of the Target Shares, based on the consideration that the implementation of the Tender Offer at the same price would provide the Target's general shareholders with the opportunity to sell their shares through this Tender Offer since all the Target Shares were traded at 879 yen per share during the past seven months back from December 30, 2019, which was the preceding trading day of the Target Share, and the trading volume per day during the same period had been at a maximum of 200 shares (2 units) and it is considered that there were limited opportunities to sell the Target Shares; the Company proposed that the Company would like to begin an examination and discussions with the Target aimed at turning the Target into a consolidated subsidiary of the Company. In response to these proposals, the Target responded on August 13.

Moreover, in late August 2021, the Company appointed KPMG as its financial advisor and third-party valuator independent from the Company Group and the Target, and requested support for the preparation of a share valuation report and the realization of the Transaction.

Subsequently, as described in the "Notice of Changes in Representative Directors and Personnel Affairs of Directors" announced by the Target as of August 27, 2021, the Target's management structure was changed, such as Mr. Masuda was not reappointed as a director of the Target, due to a revision motion by IE Fund at

the 46th ordinary general shareholders meeting of the Target held on the same day. In response, on September 10, 2021, the Company once again explained to and discussed with the Target's new management members the content of the proposal submitted to the Target on August 12, 2021. On September 16, 2021, based on the results of discussions with the Target held on September 10, 2021, the Company submitted a proposal to the Target adding specific and detailed explanations of the measures to the same extent as those described in (iii) through (v) under "(I) Background, purpose, and decision-making process of the decision to implement the Tender Offer" in "(2) Background, purpose, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer" of "1. Purpose of the purchase" above, which had been conceptual and abstract in the proposal dated August 12, 2021. On the same date, the Company received a response from the Target that the Target would examine the proposal. Then, although Mr. Masuda was not reappointed as a director of the Target at the 46th ordinary general shareholders meeting of the Target held on August 27, 2021, the Company believed that the management know-how of the Target held by Mr. Masuda would be indispensable for the business operation of the Target after the Transaction, and that Mr. Masuda would be able to fully demonstrate his management know-how of the Target after the Transaction by continuing to hold the Target Shares and sharing the same interest with the Company in improving the corporate value of the Target as a shareholder of the Target. Therefore, in early September 2021, the Company made a proposal to Mr. Masuda to start discussions regarding the appointment of Mr. Masuda to the position of director of the Target after the completion of the Transaction, without his tendering all of the Target Shares Held by Mr. Masuda in the Tender Offer, and in early September 2021, Mr. Masuda expressed his willingness to accept the proposal. In late September 2021, the Company started discussions with Mr. Masuda regarding the Shareholders Agreement that provides the appointment of Mr. Masuda to the position of director of the Target after the completion of the Transaction, without his tendering all the Target Shares Held by Mr. Masuda in the Tender Offer, and today, the Company and Mr. Masuda executed the Shareholders Agreement that provides the above contents. For details of the Shareholders Agreement, please refer to "(II) Shareholders Agreement" under "(6) Matters concerning material agreements between the Company and the shareholders of the Target with respect to tender in the Tender Offer" of "1. Purpose of the purchase" above.

On the other hand, in order to ensure transparency and rationality in the decision-making process, etc. of the board of directors of the Target with respect to the Tender Offer, the Target has retained Tokyo Financial Advisers as a third-party valuation institution independent from the Company Group and the Target, and Iwaida Partners as a legal advisor, respectively. The Target carefully considered the terms and conditions of the Transaction based on the Target's Valuation Report obtained from Tokyo Financial Advisers and the legal advice from Iwaida Partners.

As described in "(IV) Establishment of independent third party committee and procurement of Written Reports from the said committee" in "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest" in "1. Purpose of the purchase" above, the Target stated that the Target established a third party committee in the board of directors held on August 23, 2021, taking into consideration the written proposal as of August 12, 2021 received from the Company with respect to the Transaction and the future activities. Further, it is said that under the new management structure after the 46th ordinary general shareholders meeting of the Target, based on the proposal dated September 16, 2021 received from the Company, the board of directors again decided at an extraordinary board of directors meeting held on the same date to consult with the committee on the proposal by the Company to proceed with specific discussions on the proposal.

According to the Target, frozen sweets, a business segment of the Target, is expected to see a further increase in demand due to changing consumer attitudes about food waste and new retailers entries by convenience stores and other diverse businesses, and in light of this situation, the Target understands that in order to develop and expand its businesses further going forward without only maintaining the continuation of existing business, it is important to actively make capital investments to ramp up its domestic capacity and expand product range and provide supply capacity for meeting growing demand in the market. Moreover, for business development going forward, the Target believes that it is also essential to expand its businesses and earnings, including overseas business expansion such as the ongoing local production and sales of products based on the Target's recipes by Srifa Frozen Foods Co., Ltd. in Thailand, and as it engages in overseas business development, it will be essential to strengthen its capital relationship with the Company and utilize the Company's overseas network and other management resources, both tangible and intangible; thus the Target believes that becoming a consolidated subsidiary of the Company is a beneficial option for itself.

Moreover, the Company has announced its intentions to continue contributing to the expansion of the Target's businesses and earnings, including domestic and overseas business development, under the Target's management policy even after the Tender Offer. Given this announcement, the Target says it concluded today that becoming a consolidated subsidiary of the Company following successful completion of the Tender Offer will enable it to plan business and earnings expansion, including domestic and overseas business development, with the Company's cooperation. The Target has also determined that the management stability of the Target will be enhanced by the Company acquiring more than a majority of the Target Shares through the Transaction and making the Target a consolidated subsidiary and a private company, and becoming a stable shareholder of the Target over the medium to long term. In addition, the Target considered on the same date that the Target's management know-how possessed by Mr. Masuda will be indispensable for the Target's business operations after the Transaction considering that Mr. Masuda had been managing the Target as its representative director for about 20 years since August 2001, and determined that, compared with the case where the Target becomes a wholly-owned subsidiary of the Company, becoming a consolidated subsidiary of the Company while retaining Mr. Masuda as a shareholder and a director of the Target, even without the appointment of Mr. Masuda to the position of representative director, will make it possible for the Target to realize a system where its officers and employees can work together to execute the business under the leadership of Mr. Masuda in the Target.

Further, in early September 2021, the Company had preliminary talks with the Scheduled Tendering Shareholders on selling the Target's shares at 879 yen per share in the Tender Offer. The Scheduled Tendering Shareholders examined the price, and in mid-September 2021, the Scheduled Tendering Shareholders expressed their intention to agree to the sale of the Target Shares at the said price. Then, the Company comprehensively considered factors including whether the board of directors of the Company should approve the Tender Offer and the prospects for the acceptance of the Tender Offer, and on September 16, 2021, the Company proposed to the Target again that the Company was considering the Tender Offer Price of 879 yen. On the same day, the Company received a response from the Target agreeing to the Tender Offer Price of 879 yen. Subsequently, as of today, the Company executed the Tender Agreements where the Scheduled Tendering Shareholders agree that they will tender all of Target Shares they hold (944,932 shares) in the Tender Offer. While IE Fund had submitted a revision motion to the effect that it would not reappoint Mr. Masuda as a director of the Target at the 46th ordinary general shareholders meeting of the Target, in the subsequent discussions between the Company and IE Fund, IE Fund has not expressed any particular opinion, etc. to the Company by this date regarding the appointment of Mr. Masuda as a director

of the Target after the Transaction. In light of such discussion and negotiation, as of today, the Company determined the implementation of the Tender Offer including the execution of the Tender Agreement and due to the above circumstances as part of the Transaction, and the Company determined the Tender Offer Price at 879 yen.

(a) Name of the third party from whom opinions were heard in the process of valuation

In determining the Tender Offer Price, the Company requested KPMG, a financial advisor, to evaluate the value of the Target Shares as a third-party valuation institution independent from the Company Group and the Target in order to ensure the fairness of the Tender Offer Price. KPMG does not fall under a Related Party to the Company Group or the Target and has no material interest in relation to the Tender Offer. In addition, the Company has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from KPMG.

(b) Summary of the opinion

KPMG evaluated the value of the Target Shares by using the DCF method and the comparable peer company method. The ranges of the value per share of the Target Shares evaluated based on each of the methods are as follows.

DCF method 816 yen to 1,133 yen

Comparable peer company method 789 yen to 914 yen

(c) Background of the determination of the price of the Tender Offer based on the opinion

As the result of the due diligence that the Company had conducted to the Target from late July to the middle of August 2021, the Company confirmed that there were no matters to materially obstruct the implementation of the Transaction. Accordingly, the Company informed the Target on August 12, 2021 that the Company was considering the Tender Offer Price of 879 yen, and offered to the Scheduled Tendering Shareholders tendering the Target Shares in the Tender Offer at 879 yen per share in early September 2021. In the middle of September 2021, the Scheduled Tendering Shareholders expressed their intention that they would like to accept the sale of the Target Shares at such price. Therefore, taking into considering comprehensively factors including whether or not the board of directors of the Target will be able to support the Tender Offer, and the prospects for the acceptance of the Tender Offer, the Company informed the Target again on September 16, 2021 that the Company was considering the Tender Offer Price of 879 yen. Given that the Company received the responses that the Target has been unable to receive any proposal of capital alliance that exceeds 879 yen per share from prospective partner of the capital alliance other than the Company after such date, and that the Target agreed upon the Tender Offer Price of 879 yen based on the discussion and negotiation with the Scheduled Tendering Shareholders, the Company determined that the Tender Offer Price is 879 yen per share as of today.

(III) Relationship with calculating organizations

KPMG, the Company's financial advisor and a third-party valuation institution, does not fall under a Related Party to the Company Group or the Target and has no material interest in relation to the transaction including the Tender Offer.

(5) The number of shares to be purchased

Type of shares	Number of tendered shares to be purchased	Minimum number of tendered shares to be purchased	Maximum number of shares to be purchased
Common Stock	1,572,385 shares	970,300 shares	— shares
Total	1,572,385 shares	970,300 shares	— shares

(Note 1) If the total number of the Tendered Shares, etc. is less than the minimum number of tendered shares to be purchased in the Tender Offer (970,300 shares), the Company will purchase none of the Tendered Shares, etc. If the total number of the Tendered Shares, etc. is no less than the minimum number of tendered shares to be purchased in the Tender Offer, the Company will purchase all the Tendered Shares, etc. The minimum number of shares to be purchased (970,300 shares) is set such that the Company alone will hold the number of voting rights (9,703) obtained by deducting the number of voting rights pertaining to the Target Shares Held by Mr. Masuda (2,340) from the number of voting rights (12,043) which is the product (fractional number shall be rounded up) of multiplying two-thirds (2/3) with the total number of voting rights (18,064) pertaining to the number of the shares (1,806,432 shares) equal to the total number of shares issued by the Target as of August 31, 2021 (1,807,172 shares) reported in the Quarterly Securities Report less the number of treasury shares held by the Target as of August 31, 2021 (740 shares) reported in the Quarterly Financial Results.

(Note 2) Shares less than one unit are also subject to the Tender Offer. If a shareholder exercises the right to claim for purchase of shares less than one unit pursuant to the Companies Act, the Target may purchase its shares during the Tender Offer Period in accordance with statutory procedures.

(Note 3) The treasury shares owned by the Target are not scheduled to be acquired through the Tender Offer.

(6) Change in shareholding ratio after the Tender Offer

Number of voting rights pertaining to the shares held by the Company before the Tender Offer	0	(Shareholding Ratio before the Tender Offer 0.00%)
Number of voting rights pertaining to the shares held by special related parties before the Tender Offer	2,340	(Shareholding Ratio before the Tender Offer 12.95%)
Number of voting rights pertaining to the shares held by the Company after the Tender Offer	15,723	(Shareholding Ratio after the Tender Offer 87.04%)
Number of voting rights pertaining to the shares held by special related parties after the Tender Offer	2,340	(Shareholding Ratio after the Tender Offer 12.95%)
Number of voting rights of all shareholders of the Target	18,044	

(Note 1) "Number of voting rights pertaining to the shares held by special related parties before the Tender Offer" refers to the total number of voting rights pertaining to the shares, etc. held by each special related party (excluding parties that shall be excluded from special related parties pursuant to Article 3, Paragraph 2, Item (i) of the Cabinet Office Ordinance in 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; the "Cabinet Office Ordinance") for the purpose of calculating the holding ratio of shares, etc. set out in each item of Article 27-2, Paragraph 1 of the Act). The Company will confirm from this day forward the Target Shares, etc. held by special related parties and disclose an amendment where necessary.

(Note 2) "Number of voting rights of all shareholders of the Target" refers to the number of voting rights of all shareholders as of May 31, 2021 as reported in the Quarterly Securities Report (the number of shares per unit shall be 100). However, because shares less than one unit are also subject to purchase in the Tender Offer, "Shareholding Ratio before the Tender Offer" and "Shareholding Ratio after the Tender Offer" are calculated based on the denomination of the number of voting rights (18,064) pertaining to the number of shares (1,806,432 shares) obtained by deducting the number of treasury shares (740 shares) held by the Target as of August 31, 2021 as reported in the Quarterly Financial Results from the total number of issued shares (1,807,172 shares) of the Target as of August 31, 2021 as reported in the Quarterly Securities Report.

(Note 3) "Shareholding Ratio before the Tender Offer" and "Shareholding Ratio after the Tender Offer" are indicated by rounding to the second decimal place.

(7) Aggregate tender offer price 1,382,126,415 yen

(Note) The aggregate tender offer price is the amount obtained by multiplying the number of shares scheduled to be purchased in the Tender Offer (1,572,385 shares) by the Tender Offer Price (879 yen).

(8) Method of settlement

(I) Name and location of head office of the financial instruments business operator or bank, etc. in charge of settlement of the Tender Offer

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

(II) Commencement date of settlement

December 9, 2021 (Thursday)

(III) Method of settlement

A written notice concerning purchase, etc. through the Tender Offer shall be sent by post to the address or location of the tendering shareholders (or its standing proxy in the case of non-resident shareholders) without delay after completion of the Tender Offer Period. The notice shall be given electronically or tenders made through online trading (<https://trade.smbcnikko.co.jp/>) ("Nikko Easy Trade").

The purchase shall be made in cash. The sales proceeds for the purchased shares, etc. shall be remitted from the tender offer agent to the location designated by the tendering shareholders (or their standing proxy in the case of non-resident shareholders) without delay after the commencement date of settlement as instructed by the tendering shareholders (or their standing proxy in the case of non-resident shareholders).

(IV) Method of returning the shares, etc.

If all of the Tendered Shares, etc. are not purchased pursuant to the conditions set out in "(I) Conditions in each item of Article 27-13, Paragraph 4 of the Act and contents thereof" or "(II) Conditions for withdrawal, etc. of the Tender Offer contents thereof and method of disclosing the withdrawal, etc." in "(9) Other conditions and method of the Tender Offer", the tender offer agent will reinstate the shares, etc. that must be returned to the state when tender was made (i.e., the date when execution of the tender order for the Tender Offer was canceled) in the tendering shareholders' accounts held by the tender offer agent on the second business day after the last day of the Tender Offer Period (if the Tender Offer is withdrawn, etc. on the day it is withdrawn, etc.).

(9) Other conditions and method of the Tender Offer

(I) Conditions in each item of Article 27-13, Paragraph 4 of the Act and contents thereof

If the total number of the Tendered Shares, etc. is less than the minimum number of tendered shares to be purchased in the Tender Offer (970,300 shares), the Company will purchase none of the Tendered Shares, etc. If the total number of the Tendered Shares, etc. is no less than the minimum number of tendered shares to be purchased in the Tender Offer (970,300 shares), the Company will purchase all of the Tendered Shares, etc.

(II) Conditions for withdrawal, etc. of the Tender Offer contents thereof and method of disclosing the withdrawal, etc.

Upon the occurrence of any items provided in Article 14, Paragraph 1, Item (i) (a) to (j) and (m) to (s), Items (iii) (a) to (h) and (j) and Article 14, Paragraph 2, Items (iii) to (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order"), the Tender Offer may be withdrawn, etc. In the Tender Offer, "the facts equivalent to those set forth in (a) to (i)" stipulated in Article 14, Paragraph 1, Item (iii) (j) of the Order means discovery of a false statement concerning a material item or an omission of a statement concerning a material item that is required to be stated in the statutory disclosure documents submitted by the Target in the past.

If the Company withdraws, etc. the Tender Offer, it shall give a public notice electronically and publish a notice to that effect in the Nihon Keizai Shimbun. If it is difficult to make a public notice by the last day of the Tender Offer Period, the Company shall make an announcement by the method prescribed in Article 20 of the Cabinet Office Ordinance, and give public notice immediately thereafter.

(III) Conditions for reducing the price of the Tender Offer, contents thereof and method of disclosing the reduction.

If the Target conducts any act prescribed in Article 13, Paragraph 1 of the Order during the Tender Offer Period, then pursuant to the provisions of Article 27-6, Paragraph 1, Item (i) of the Act, the Company may reduce the price of tender offer in accordance with the standards prescribed in Article 19, Paragraph 1 of the Cabinet Office Ordinance. If the Company decides to reduce the purchase price, it shall give a public notice electronically and publish a notice to that effect in the Nihon Keizai Shimbun. If it is difficult to make a public notice by the last day of the Tender Offer Period, the Company shall make an announcement by

the method prescribed in Article 20 of the Cabinet Office Ordinance, and give public notice immediately thereafter. If the price of tender offer is reduced, the Tendered Shares, etc. that were tendered on or before the date of the relevant public notice shall also be purchased at the reduced price of tender offer.

(IV) Matters concerning the tendering shareholders' rights to cancel agreements

The tendering shareholders may cancel the agreement concerning the Tender Offer at any time during the Tender Offer Period. If a tendering shareholder intends to cancel agreement, the relevant tendering shareholder is required to deliver or send a written notice that he/she will cancel the agreement concerning the Tender Offer (the "Cancellation Notice") to the party designated below no later than 15:30 on the last day of the Tender Offer Period. (Please note that the business hours vary for each sales office. Please confirm in advance the business hours of the relevant sales office.). If the Cancellation Notice is set by post, it must reach the party designated below no later than 15:30 on the last day of the Tender Offer Period (Please note that the business hours vary for each sales office. Please confirm in advance the business hours of the relevant sales office.). When cancelling the agreement for a tender made through Nikko Easy Trade, please complete the cancellation procedures by no later than 15:30 on the last day of the Tender Offer Period by logging into Nikko Easy Trade and following the procedures shown on the screen.

The designated party that is authorized to receive the Cancellation Notice
SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
(and its other sales offices in Japan)

The Company will not seek compensatory damages or penalties from the tendering shareholders or cancelling the agreement. The Company will also bear the cost for returning the Tendered Shares, etc. In the case of cancelling the agreement, the Tendered Shares, etc. shall be returned promptly after completion of procedures pertaining to the cancellation application in accordance with "(IV) Method of return the shares, etc." in "(8) Method of settlement" above.

(V) Method of disclosure if the terms, etc. for purchase are changed

The Company may change the terms for purchase during the Tender Offer Period, excluding the changes prohibited by Article 27-6, Paragraph 1 of the Act and Article 13 of the Order. If the Company decides to change the terms for purchase, it shall give a public notice electronically on the contents of the change and publish a notice to that effect in the Nihon Keizai Shimbun. If it is difficult to make a public notice by the last day of the Tender Offer Period, the Company shall make an announcement by the method prescribed in Article 20 of the Cabinet Office Ordinance, and give public notice immediately thereafter. If the terms for purchase are changed, the Tendered Shares, etc. that were tendered on or before the date of the relevant public notice shall also be purchased at the terms of purchase after the change.

(VI) Method of disclosure if amended tender offer registration statement is submitted

If the Company submitted an amended tender offer registration statement to the Director of the Kanto Local Finance Bureau (excluding a submission pursuant to the proviso of Article 27-8, Paragraph 11 of the Act), it shall immediately announce the contents stated in the amended tender offer registration statement that relate to the contents stated in the public notice by the method prescribed in Article 20 of the Cabinet Office Ordinance. The Company must also immediately amend the tender offer explanatory statement and deliver

the amended tender offer explanatory statement to the tendering shareholders who have already received the tender offer explanatory statement. However, if the amendment is minor, the Company shall instead prepare a document stating the reasons for the amendment, the items that were amended, and the contents after the amendment, and deliver that document to the tendering shareholders.

(VII) Method of disclosing the results of the Tender Offer

The Company will announce the results of the Tender Offer on the day immediately after the last day of the Tender Offer Period by the method prescribed in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance.

(VIII) Others

The Tender Offer is not, and will not be, directly or indirectly, in or to the U.S., or by using the U.S. Postal Service or any other means or instruments of interstate or foreign commerce (including, but not limited to telephone, telex, facsimile, e-mail, and internet communication), or through any facilities of a securities exchange in the U.S. No one may tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, the tender offer registration statement or other related documents are not, and may not be, sent or delivered by the postal service or any other means in to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breached any of the restrictions above will not be accepted.

Each person who tenders shares in the Tender Offer (or the standing proxy in the case of non-resident shareholders) is required to represent and warrant the following: (i) the person is not located in the U.S. at the time of tendering shares or sending the tender offer acceptance form; (ii) the person did not receive or send any information regarding the Tender Offer or any document regarding the purchase within, to or from the U.S.; (iii) the person did not use, directly or indirectly, the U.S. Postal Service or any other means or instruments of interstate or foreign commerce (including but not limited to telephone, telex, facsimile, e-mail and internet communication) or facilities of a securities exchange in the U.S. with respect to the purchase or to signing or delivering the tender offer acceptance form; and (iv) the person is not acting as an attorney, a trustee or a mandatary without discretion for any other person (except for the case where the latter provides all instructions for the purchase outside the U.S.).

(10) Date of public notice of commencement of the Tender Offer

October 18, 2021 (Monday)

(11) Tender offer agent

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

3. Policies after the Tender Offer and perspectives

(1) Policies after the Tender Offer

Regarding the policies after the Tender Offer, please refer to "(2) Background, purposes, and decision-making process of the decision to implement the Tender Offer, and the management policy after the Tender Offer," "(4) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" and "(5) Possibility and reasons for delisting" under "1. Purposes of the purchase" above:

(2) Perspectives

This transaction is not expected to have any significant impact on the Company's consolidated financial results of the fiscal year ending March 2022.

4. Others

(1) Agreements between the Company and the Target or its directors and officers, and the details thereof

(I) Endorsement of the Tender Offer

According to the Target's Press Release, it was resolved at the Target's board of directors' meeting held today that the Target expressed its opinion in favor of the Tender Offer and would recommend the shareholders of the Target to tender in the Tender Offer. For the details, please refer to "(V) Unanimous approval of all disinterested directors of the Target and the opinion of all disinterested auditors that they have no objection" under "(3) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the price of tender offer and measures to avoid conflicts of interest" under "1. Purposes of the purchase," above.

(II) Agreements between the Company and directors and officers of the Target

Not applicable.

(2) Other information considered to be necessary for investors to determine whether to tender their shares in the Tender Offer

Not applicable.

END

For inquires on this matter: Mitsui & Co., Ltd.
Investor Relations Division TEL: +81-3-3285-7657
Corporate Communications Division TEL: +81-80-5912-0321

This announcement contains forward-looking statements. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui's latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

This announcement is published in order to publicly announce specific facts stated above, and does not constitute a solicitation of investments or any similar act inside or outside of Japan, regarding the shares, bonds or other securities issued by us.

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This Press Release shall neither be, nor constitute a part of, an offer or solicitation to sell, or solicitation of an offer to purchase any securities, and neither this Press Release (or a part of Press Release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this Press Release may not be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]

This information may contain expressions concerning future prospects for business of the Company and other companies, including "expect," "anticipate," "intend," "plan," "strongly believe," and "project." These expressions are based on the business prospects of the Company at present, and are subject to change depending on the future circumstances. In respect of this information, the Company assures no obligation to update these expressions concerning future prospects to reflect actual performance and other circumstances, and changes in the terms.

[U.S. Regulations]

The Tender Offer is not and will not be made, directly or indirectly, in or to the U.S., or by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including but not limited to telephone, telex, facsimile, e-mail, and internet communication), or through any facilities of a securities exchange in the U.S. No one can tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S. facilities within the U.S. The Tender Offer may not be tendered using the above methods and means, through the above facilities, or from within the U.S. Furthermore, the press release concerning the Tender Offer or other related documents are not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted. Solicitation to purchase securities or other equivalents is not conducted to residents in the U.S. or within the U.S., and those sent to the Company by residents in the U.S. or from the U.S. will not be accepted.

[Other Countries]

The announcement, issuance, or distribution of this Press Release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issuance, or distribution of this Press Release shall not be interpreted as an offer to purchase or solicitation of an offer to sell shares concerning the Tender Offer, but simply as a distribution of information.