[Translation]

November 15, 2021

To whom it may concern:


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| Company Name: | Mitsui & Co., Ltd. |
| Name of Representative: | Kenichi Hori<br>President and Chief Executive Officer<br>(Securities code: 8031) |
| Contact: | Masaya Inamuro<br>General Manager of Investor Relations Division |
| Phone: | +81-3-3285-7657 |

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| Company Name: | MBK Wellness Holdings & CO., LTD. |
| Name of Representative: | Yoshitaka Oshiba<br>Representative Director |
| Contact: | Same as above |


# Notice Regarding Commencement of Tender Offer for Shares of Human Associates Holdings, Inc. (Securities Code: 6575)

MBK Wellness Holdings & CO., LTD. (the "Offeror"), which is a wholly-owned subsidiary of Mitsui & Co., Ltd. ("Mitsui & Co.," and together with the Offeror, the "Offeror Parties") has decided today that it will acquire shares of the common stock of Human Associates Holdings, Inc. (the "Target") (listed on the Mothers Market of Tokyo Stock Exchange, Inc. (the "TSE") under securities code 6575; the "Target's Stock") and the Stock Acquisition Rights of the Target (the term "Stock Acquisition Rights" and the names of specific series thereof are defined in "(3) Price of tender offer" under "3. Summary of Tender Offer" below; hereinafter the same) 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. Summary of MBK Wellness Holdings & CO., LTD.

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| ( i ) | Name | MBK Wellness Holdings & CO., LTD. |
| (ii) | Location | 2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo |
| (iii) | Name and title of | Yoshitaka Oshiba, Representative Director |

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| | representative | |
| (iv) | Description of business | Businesses including controlling and managing the business activities of companies through the ownership of shares or equities in such companies |
| (v) | Amount of share capital | 5 million yen (as of November 15, 2021) |

2. Purposes of the Purchase

(1) Outline of the Tender Offer

The Offeror is a wholly-owned subsidiary of Mitsui & Co., Ltd. ("Mitsui & Co.") in which Mitsui & Co. owns all of the issued shares. The Offeror is a joint stock company (*kabushiki kaisha*) established on October 15, 2021 for the primary purpose of acquiring and holding, through the Tender Offer, the Target's Stock listed on the Mothers Market of the TSE (the "TSE Mothers Market") and the Stock Acquisition Rights, and positioning itself as the intermediary holding company for Mitsui & Co.'s wellness businesses (Note 1) in Japan after the Tender Offer. As of today, neither of the Offeror Parties holds any share of the Target's Stock or any Stock Acquisition Right.

(Note 1) The "wellness business" comprises (i) the healthcare sector, which includes hospitals and clinics, dialysis and other healthcare-related ancillary service businesses, and pharmaceutical manufacturing, sales and development support businesses; (ii) the wellness sector, which includes the medical device business and diagnostic business, digital health and preventive care related business, and drug and healthcare data services; and (iii) the hospitality sector, which includes platform creation business, contract food services, and uniform rental, facility management, staffing, education, and human capital businesses.

The Offeror has decided to implement the Tender Offer as part of the series of transactions (the "Transaction") to make the Target a wholly-owned subsidiary of the Offeror by acquiring all of the Target's Stock (including the shares of the Target's Stock to be issued upon exercise of the Stock Acquisition Rights, but excluding the treasury shares owned by the Target) and all of the Stock Acquisition Rights. Please note that the purchase price for the Stock Acquisition Rights in the Tender Offer (the "Stock Acquisition Right Purchase Price") is set at 1 yen per Stock Acquisition Right because the Stock Acquisition Rights were issued as stock options to the directors and employees of the Target or the Target's subsidiaries, and it is a condition for the exercise of the Stock Acquisition Rights that the person exercising such rights must hold such a position at the time of exercise of the Stock Acquisition Rights, making it impossible for the Offeror to exercise the Stock Acquisition Rights even if the Offeror acquires any. Thus, it is not envisaged that the holder of the Stock Acquisition Rights (the "Stock Acquisition Right Holder") tender the Stock Acquisition Rights rather than the Target's Stock to be issued upon exercise of the Stock Acquisition Rights.

In implementing the Tender Offer, as of November 15, 2021, the Offeror entered into a tender agreement for the Tender Offer with each of (i) Daiwa PI Partners Co. Ltd., the largest shareholder of the Target ("Daiwa PI") (number of shares held: 1,076,400 shares; Shareholding Ratio (Note 2): 31.24%), (ii) Mr. Akihiko Watanabe, the second largest shareholder of the Target, and the representative director and president of the Target ("Mr. Watanabe") (number of shares held: 462,460 shares (including 16,460 shares of the Target's Stock underlying the 8,230 Stock Acquisition Rights owned by Mr. Watanabe; Shareholding Ratio: 13.42%), and (iii) Mr. Tadayasu Nishida, the fifth largest shareholder of the Target, and the representative director and president of CICOM BRAINS Inc., a wholly-owned subsidiary of the Target ("Mr. Nishida," and together with Daiwa PI and Mr. Watanabe, the "Accepting Shareholders") (number of shares held: 160,896 shares (including 10,000 shares of the Target's Stock underlying the 10,000 Stock Acquisition Rights owned by Mr. Nishida); Shareholding Ratio: 4.67%) (hereinafter, the tender agreement executed by the Offeror with Daiwa PI is referred to as the "Tender Agreement (Daiwa PI)," that executed with each of Mr. Watanabe and Mr. Nishida is individually or collectively referred to as the "Tender Agreement (Individual Shareholder)," and the Tender Agreement (Daiwa PI) and the Tender Agreement (Individual Shareholder) are collectively referred to as the "Tender Agreement"), wherein the Accepting Shareholders agreed to tender all of their shares of the Target's Stock (including the shares of the Target's Stock issued upon exercise of the Stock Acquisition Rights) (total number of shares held: 1,699,756 shares (including 26,460 shares of the Target's Stock underlying the 18,230 Stock Acquisition Rights owned by Mr. Watanabe and Mr. Nishida); Shareholding Ratio: 49.33%) in the Tender Offer. For details of the Tender Offer Agreement, see "(3) Material agreements regarding the Tender Offer" below.

(Note 2) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) to the number of shares of the Target's Stock obtained by the following formula (3,445,876 shares) (the "Total Number of Shares Adjusted for Dilutive Shares"):

$$X + Y - Z$$

X: The total number of issued shares as of November 15, 2021 as stated in the "Quarterly Securities Report for the Second Quarter of the 33rd Term" filed by the Target on November 15, 2021 (the "2Q Securities Report") (3,255,237 shares)

(according to the Target, this figure does not include the number of shares of the Target's Stock issued upon the exercise of the Stock Acquisition Rights during the period from November 1, 2021 to the date of filing of the 2Q Securities Report.)

Y: The number of shares (190,756 shares) underlying the Stock Acquisition Rights outstanding as of October 31, 2021 (127,878 rights) (according to the Target, comprising 26,960 First Stock Acquisition Rights (number of underlying shares: 53,920 shares), 16,118 Second Stock Acquisition Rights (number of underlying shares: 32,236 shares), 1,200 Third Stock Acquisition Rights (number of underlying shares: 2,400 shares), 18,600 Fourth Stock Acquisition Rights (number of underlying shares: 37,200 shares), and 65,000 Fifth Stock Acquisition Rights (number of underlying shares: 65,000 shares)) (*X+Y= 3,445,993 shares)

Z: The number of treasury shares owned by the Target as of November 15, 2021 (117 shares)

The Offeror has set the minimum number of tendered shares to be purchased in the Tender Offer at 2,297,400 shares (Shareholding Ratio: 66.67%), and if the total number of shares tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of tendered shares to be purchased in the Tender Offer, the Offeror will purchase none of the Tendered Shares. Meanwhile, with the intention of making the Target a wholly-owned subsidiary of the Offeror, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and if the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased in the Tender Offer, the Offeror will purchase all of the Tendered Shares. The minimum number of tendered shares to be purchased in the Tender Offer (2,297,400 shares) is the number of shares (2,297,400 shares) equivalent to the number of voting rights (22,974) obtained by multiplying the number of voting rights (34,458) pertaining to the Total Number of Shares Adjusted for Dilutive Shares (3,445,876 shares) by 0.6667, which is a decimal greater than two-thirds (2/3), and rounding up the fraction less than one of the calculation result.

As the purpose of the Tender Offer is for the Offeror to be the sole shareholder of the Target, such minimum number of tendered shares to be purchased in the Tender Offer was set to enable the Offeror to adopt alone a special resolution of the shareholders meeting as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), thereby fulfilling alone the requirement for the implementation of the share consolidation procedures required to make the Target a wholly-owned subsidiary as described in "(II) Share consolidation" under "(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below. Since, as stated above, it is not envisaged that Stock

Acquisition Right Holder will tender the Stock Acquisition Rights in the Tender Offer, if the Offeror acquires such number of shares of the Target's Stock as is not less than the minimum number of tendered shares to be purchased through the Tender Offer, the Offeror will hold two-thirds (2/3) or more of the total number of voting rights of all shareholders of the Target after the Tender Offer.

The Offeror plans to obtain, following the launch of the Tender Offer, a loan of up to 3.5 billion yen from Mitsui & Co., the wholly-owning parent company of the Offeror, and plans to apply the loan proceeds to the purchase fund for the Tender Offer and ancillary costs. The drawdown of the loan is not subject to any condition precedent, but the specific terms of the loan, including the due date for repayment and the interest rate, are to be determined in consultation with Mitsui & Co.

If the Offeror fails to acquire all shares of the Target's Stock (including the shares of the Target's Stock delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares owned by the Target) and the Stock Acquisition Rights in the Tender Offer, the Offeror will implement, after the successful completion of the Tender Offer, the Squeeze-out Procedure (as defined in "(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below) to make the Target its wholly-owned subsidiary.

According to the "Notice Regarding Statement of Opinion in Favor of the Tender Offer for the Company's Stock by MBK Wellness Holdings & CO., LTD., and Recommendation for Tender" published by the Target on November 15, 2021 (the "Target's Press Release"), the Target resolved at its board of directors' meeting held on November 15, 2021 to express its opinion to support the Tender Offer for the Target's Stock and the Stock Acquisition Rights by the Offeror and to recommend that its shareholders tender their shares in the Tender Offer, while leaving it up to the Stock Acquisition Right Holders to decide whether or not to tender their Stock Acquisition Rights in the Tender Offer because the Stock Acquisition Right Purchase Price is scheduled to be 1 yen per Stock Acquisition Right. For details of the process of decision-making by the Target, see the Target's Press Release as well as "(I) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" under "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer and management policy after the Tender Offer" and "(V) Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Target" under "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below.

(2) Background and purposes of the Tender Offer and decision-making process leading to the

implementation of the Tender Offer, and management policy after the Tender Offer

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

(A) Outline of Mitsui & Co. and the Target

Mitsui & Co., the parent company of the Offeror, was incorporated under the trade name of Daiichi Bussan Kaisha, Ltd. in July 1947. In February 1959, it changed its trade name to the current Mitsui & Co., Ltd. Utilizing its 130 operating locations across 63 countries and regions (as of October 1, 2021), networks and information resources as a general trading company, Mitsui & Co. and its 279 subsidiaries and 234 equity accounted investees (as of September 30, 2021) multilaterally pursue businesses in the seven operating segments, namely, Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products, Lifestyle, and Innovation & Corporate Development. Furthermore, Mitsui & Co. seeks to create multifaceted value across the entire company in areas where its comprehensive strengths can be leveraged, and has increased its focus on "Strategic Focus" which was determined to be the business areas where it can leverage its combined values based on the platform of its existing businesses in which its strengths lie. In the three-year "Medium-term Management Plan 2023" starting from the fiscal year ended March 2021 (published on May 1, 2020), Mitsui & Co. designated Healthcare/Nutrition (Note 1) as one of the Strategic Focus areas, aiming to build a wellness business cluster by taking the following major measures: strengthening and expanding the core hospital and clinic business; building a healthcare data business; and establishing well-being businesses consisting mainly of services for presymptomatic care, preventive care, and out-of-hospital testing and diagnostics.

(Note 1) "Healthcare/Nutrition" is a business area where Mitsui & Co. aims to create multifaceted value through integration of medical care and food, including hospitals and ancillary businesses, healthcare data businesses, integrated facility management, nutritional guidance, and care of presymptomatic people (those who are not ill, but not in good health), and where Mitsui & Co. believes can create multifaceted value using its existing businesses as a platform.

According to the Target's Press Release, in March 1990, the Target was established with the trade name of Waei Kabushiki Kaisha, and in September 1996, it changed its trade name to the current Human Associates Co., Ltd., and started a search-type recruitment business (the business in which in response to job offers from client companies, the Target finds and places the most suitable candidates, using its networks). Later in February 2000, the Target established Human Frontier, Inc., a mental healthcare company, and in November 2000, A-HUMAN Net Inc., a registered-type recruitment company (currently known as A-HUMAN Inc.). In July 2009, the Target spun off Human Associates Co., Ltd. through company split, and changed its name to HA Group Co., Ltd. (the current Target), making it a holding company. In September 2011, the Target established AIMS International Japan Limited, which is in partnership with AIMS International, a global search firm. In November 2016, the Target acquired shares in Optia Partners K.K. (which was merged into A-HUMAN Inc. in November 2020). In April 2018, the Target's stock was listed on the TSE Mothers Market. In May 2019, after listing, the Target acquired shares in CICOM BRAINS Inc., a human resources development company whose main service is group training for major firms. As of today, the Target's group comprises four consolidated subsidiaries, one non-consolidated subsidiary accounted for by the equity method, and one non-consolidated subsidiary not accounted for by the equity method.

The Target states that with its mission of "raising the value of human resources, revitalizing organizations, and creating the happiness of workers and the future of society," and under its new group philosophy that "human power makes the future," and with the vision to be "the world's most considerate consulting group valuing the happiness of workers," it is oriented towards providing clients, in particular corporate HR departments, with solutions on "how to increase corporate value by actively investing in human capital" and "how to achieve well-being by promoting health management," and engages in the following three businesses: (i) the Employee Assistance Program business (the "EAP business" (Note 2)), which supports corporate employees to work with a healthier mind and body, (ii) the "human resources development business" (Note 3), which provides highly individualized learning programs that lead to improved business performance of client companies, and (iii) the "recruitment business" (Note 4), which provides career changers with opportunities to become more successful and supports corporations in placing right people in the right jobs.

(Note 2) The Target states that the "EAP business" contributes to corporate health management and productivity improvement by helping employees of contracted companies to work vigorously through counseling, support for employees on leave or returning to work, stress checks, group analysis, workplace environment improvement, and training. The Target states that its group provides mental health measures comprising primary prevention (prevention of occurrence of mental health problems), secondary prevention (early detection and early response), and tertiary prevention (return to the workplace and prevention of recurrence) on a nationwide level.

(Note 3) The Target states that in the "human resources development business," its group offers group training that utilizes its consulting function to plan and develop programs based on an appropriate understanding of the needs of each company, e-learning and video contents that support autonomous learning, and assessment services that objectively identify human resources and organizational issues and suggest improvements.

(Note 4) The Target states that its "recruitment business," which is operated by AIMS International Japan Limited and A-HUMAN Inc., subsidiaries of the Target, is strong in the placement of higher-level managers, such as directors, department heads and section heads, as well as people who can be regarded as professionals with a high level of expertise, by hiring as consultants people who are considered to have a high level of expertise, including that on the industry and job characteristics of the companies offering vacancies. The Target states that these subsidiaries provide direct career consultation to job seekers for the job openings acquired by leveraging such characteristics while pursuing synergies by conducting a broad range of human resources search based not only upon the information on job seekers obtained by each of these subsidiaries but also upon the information on job seekers acquired by each of the these subsidiaries by utilizing their consultants' personal networks, the registration websites operated by themselves, and databases of other companies' career-change websites. The Target also claims that these subsidiaries provide companies seeking workers with recruitment services that match the needs of both job seekers and such companies based on a thorough understanding of their personnel strategies and needs for human resources.

(B) Background to, and the purpose of the consideration of the Tender Offer

Mitsui & Co. is developing the wellness business in the Healthcare/Nutrition business domain, which it has designated as a Strategic Focus in its "Medium-term Management Plan 2023," based on the concept of "creating a better tomorrow where people smile and live healthy, enriched lives." The Wellness Business Unit of Mitsui & Co.'s Lifestyle Segment aims to "become the No.1 provider in Japan of complex solutions for the realization of the collaborative health program (Note 5), with the disease prevention business and health management business as its core." HOKENDOHJINSHA Inc. ("Hokendohjinsha"), which was made a subsidiary of Mitsui & Co. in April 2020 to realize this vision, is promoting DX of its existing businesses and expansion of the data platform. Hokendohjinsha is a company which is considered to have contributed to the nation's health since its establishment in 1948 through the publication of the best-selling "*Katei no Igaku* (Home Medicine Encyclopedia)" with approximately 3.3 million copies in total, as well as the provision of medical information and EAP business. In recent years, Hokendohjinsha has expanded its EAP business as well, providing 24-hour call center services for mental and physical concerns as well as stress check services.

(Note 5) "Collaborative health program" is an initiative to improve employees' labor productivity, and to effectively and efficiently implement disease prevention and health promotion for employees and their family members enrolled in health insurance societies through active cooperation between insurers (such as health insurance societies) and employers (specifically corporate HR departments) under a clear division of their roles and a favorable workplace environment.

After making Hokendohjinsha a subsidiary in April 2020, with the two main objectives of expanding the solution menu and broadening the customer base in the wellness business, Mitsui & Co. conducted, with an eye on the four selection criteria, namely, (a) the complementarity in terms of the solution menu, (b) the complementarity in terms of the customer base, (c) the affinity with the mission of Mitsui & Co.'s wellness business, "creating a better tomorrow where people smile and live healthy, enriched lives," and (d) the robustness of the organization, an investigation of approximately 70 candidate companies that may meet these four criteria to select a potential partner for a capital and business alliance in the domestic wellness business. In the process of narrowing down the final candidates to five companies, including the Target, in late 2021, Mitsui & Co. judged, based on publicly available information on the Target, such as the information on the Target's website and the Target’s Annual Securities Report for the fiscal year ended March 2020, as well as the report on the Target that Mitsui & Co. obtained from a research firm, that the Target met each of the above-mentioned criteria (specifically, the Target met criterion (a) above in that it offers, in addition to a full menu of solutions provided by counselors in the EAP business, a broad menu of solutions for corporate HR in its human resources development business and recruitment business; criterion (b) above in that it has a customer base centered on the manufacturing and retail service industries with offices nationwide; criterion (c) above in that it has the policy that "the development of these three business areas will lead to the realization of 'health and productivity management' and 'well-being' for workers, and in turn will contribute to the enhancement of corporate value for its customers;" and criterion (d) above in that it has set the reinforcement and enhancement of its governance system as an important issue, and is implementing internal controls such as the division of duties and the establishment of necessary regulations). On the other hand, Mitsui & Co. also reviewed publicly available information, such as the information on the websites and securities reports, of the other four candidate companies, as well as the reports of a research firm for each company obtained by Mitsui & Co., and determined that each of the four candidates other than the Target failed to meet any of the criteria (a) through (d). Thus, Mitsui & Co. determined that the Target is the only company that satisfied all four criteria (a) through (d). Therefore, in late January 2021, Mitsui & Co. approached the Target with a proposal to enter into a confidentiality agreement and to exchange information on the market overview and business strategies of the EAP business, human resources development business, and recruitment business. Because the Target agreed to the proposal, Mitsui & Co. entered into a confidentiality agreement with the Target in early February 2021, and exchanged information with the Target twice between early February and mid-March 2021. Taking into account the information obtained from the Target as a result of these discussions, such as the details of its solution menus, business strategies and governance structure, in late March 2021, Mitsui & Co. reaffirmed that there was no other business operator other than the Target that could be considered to meet all of the above four selection criteria. Thus, Mitsui & Co. came to the assessment that the collaboration, including a capital and business alliance, with the Target has the potential to contribute to the enhancement of the corporate value of Mitsui & Co.'s domestic wellness business, supported by the consistency of its business strategies with those of the Target.

(C) Background to, and purpose of the proposal of the Tender Offer

In April 2021, Mitsui & Co. proposed to the Target that it would like to discuss collaboration, including a capital and business alliance. The Target responded that it would like to deepen discussions on a capital and business alliance because this may contribute to the realization of the two growth strategies set out in the "fiscal 2021-2023 medium-term management plan" that the Target published on May 20, 2021, namely, (i) "expansion of solutions areas in each segment," and (ii) "promotion of DX throughout the group," as described in "(II) The Target's decision-making process and grounds therefor" below. Therefore, in mid-April 2021, Mitsui & Co. began discussions with the Target regarding collaboration in the domestic EAP business. domestic offices During the discussion with the Target from mid-April to late May 2021, Mitsui & Co. presented the Target with a proposal for a capital and business alliance, including the acquisition of all of the shares of the Target's Stock held by Daiwa PI, the largest shareholder of the Target (number of shares held: 1,076,400 shares; Shareholding Ratio: 31.24%) and a going private plan. Based on the results of these discussions, in early June

2021, Mitsui & Co. decided that, in order to realize the synergies described in "(D) The Offeror Parties' vision of synergy" below in a timely and effective manner, it would be best to make the proposal on the assumption that the Target would become a wholly-owned subsidiary. However, in view of the fact that the Target's assumption was to remain listed, Mitsui & Co. decided to present the option of making the Target a consolidated subsidiary, in addition to the option of making it a wholly-owned subsidiary. On June 11, 2021, Mitsui & Co. submitted a non-legally binding letter of intent, proposing to make the Target a consolidated subsidiary (on the assumption that the Target would remain listed) or a wholly-owned subsidiary. The Target states that through continued discussions with Mitsui & Co., it was convinced that the Offeror's full ownership of the Target could contribute to accelerate the realization of the two growth strategies set out in its "fiscal 2021-2023 medium-term management plan," namely, the "expansion of solutions areas in each segment," and the "promotion of DX throughout the group," and agreed that it could create the specific synergies that Mitsui & Co. believes will be realized in the Target as described in "(iii) Enhancement of the menu of multiplex solutions for corporate HR by accelerating DX promotion at the Target," "(iv) Expansion of customer base of the Target's respective segments by utilizing Mitsui & Co.'s domestic offices," and "(v) Provision of a menu of multiplex solutions combined with Hokendohjinsha's solutions " under "(D) The Offeror Parties' vision of synergy" below. The Target states that in early July 2021, it accepted to consider the above-mentioned proposal from Mitsui & Co.

After the submission of the letter of intent, Mitsui & Co. proceeded to establish a full-fledged study system for the implementation of the Tender Offer. In late July 2021, Mitsui & Co. appointed PLUTUS CONSULTING Co., Ltd. ("Plutus") as its financial advisor and third-party valuator, and Anderson Mori & Tomotsune as its legal advisor, each independent of the Offeror Parties and the Target, and implemented due diligence from late July to mid-August 2021. In addition, from late July to mid-September 2021, Mitsui & Co. conducted multiple discussions and examinations with the Target regarding the significance and purpose of the Tender Offer as well as the creation of synergies. Specifically, in early August 2021, Mitsui & Co. conducted four management interviews with the Target and the Target's subsidiaries in order to discuss specific synergies between Mitsui & Co. and the Target. From late July to mid-September 2021, Mitsui & Co. and the Target discussed the comparison of the consolidation of the Target and the conversion of the Target into a wholly-owned subsidiary, in parallel with the above-mentioned management interviews, and Mitsui & Co. continued to explain that making the Target a wholly-owned subsidiary would be the best way to maximize and promptly realize the synergies expected to be generated by each of Mitsui & Co. and the Target. Mitsui & Co. further explained to the Target that it believes that the expansion in the scale of the Target's business as a result of it becoming a wholly-owned subsidiary of Mitsui & Co. will be greater than that which is expected from the case where the Target remains listed. From the start of discussions with Mitsui & Co. in mid-April 2021, the Target was concerned that Mitsui & Co.'s conversion of the Target into a wholly-owned subsidiary might be detrimental to the existing general shareholders of the Target, and that this would result in its delisting so soon after its listing on the TSE Mothers Market in April 2018. The Target states, however, that as described in "(II) The Target's decision-making process and grounds therefor" below, in response to Mitsui & Co.'s explanation, the Target has concluded that, given that the Target was listed on the TSE Mothers Market with the aim of expanding its business scale and increasing its corporate value by improving its creditworthiness as a listed company, even if it becomes a wholly-owned subsidiary and is delisted as a result of the Transaction, the establishment of a joint business structure with Mitsui & Co. is in line with the original purpose of the listing. In addition, according to the Target, the "expansion of solutions areas in each segment," and the "promotion of DX throughout the group," which the Target aims to achieve in the "fiscal 2021-2023 medium-term management plan," will require a significant investment of human and material capital. The Target states that in the case of consolidation based on the premise of maintaining its listing, in the interests of the shareholders of the Target other than Mitsui & Co., it would be difficult to continue to implement such measures that would lead to an increase in corporate value in the medium to long term, but which would require a significant investment of capital and would not lead to an increase in the share price in the short term, and accordingly, the Target considered that by becoming a wholly-owned subsidiary of Mitsui & Co., the Target's corporate value would be enhanced through implementing with Mitsui & Co. such measures that are not focused on short-term profits, but rather on medium- to long-term profits. Therefore, in late September 2021, the Target decided that, from the perspective of enhancing corporate value, it would be preferable for the Target to become a wholly-owned subsidiary of Mitsui & Co. through the Transaction, rather than becoming a consolidated subsidiary on the assumption that it would remain listed, and the Target agreed to limit the discussions to the Target becoming a wholly-owned subsidiary of Mitsui & Co. The Target states that, it recognized at the same time that since the Target's Stock will be delisted upon the Target becoming a wholly-owned subsidiary of Mitsui & Co., it was necessary to discuss the detailed terms of the Transaction, including the purchase price in the Tender Offer, so as not to disadvantage the Target's existing general shareholding.

(D) The Offeror Parties' vision of synergy

For the Offeror Parties, the implementing the Transaction and making the Target a wholly-owned subsidiary will facilitate the business alliance between the Target and Hokendohjinsha and will enable themselves to establish a service delivery structure that can comprehensively meet a wide range of customer needs in Hokendohjinsha's EAP business. Therefore, the Offeror Parties believe that it will be possible to obtain synergies in terms of increasing the number of new customers that Hokendohjinsha can acquire and increasing the corporate value, as described in (i) and (ii) below.

(i) Hokendohjinsha's acquisition of new customers through utilization of the Target's menu of solutions and customer base

Hokendohjinsha's strength lies in its provision of trainings related to mental and physical health, implementation of stress level assessment, and call center services that provide professional telephone consultation services and 24 hour support. Hokendohjinsha's customers are mainly corporations located in the Tokyo metropolitan area. On the other hand, the Target has strength in its ability to provide mental care and support for returning to work services by an array of professional counselors as well as mental health-related training services, which can be uniformly provided throughout Japan, according to the Target. The Target's customers are mainly corporations engaging in manufacturing and retail services with bases located throughout the nation, according to the Target. Since there is little overlap between the menu of solutions and customer base of Hokendohjinsha and those of the EAP business of the Target, Mitsui & Co. believes that the business alliance with the Target will enable effective cross-selling (to encourage a customer purchase of related services in addition to certain services the customer is considering to purchase) by Hokendohjinsha. Specifically, the business alliance with the Target is expected to increase customer convenience by: (i) facilitating sales and marketing of Hokendohjinsha's existing menu of solutions to the Target's customers whom Hokendohjinsha had not previously been able to acquire; and (ii) simultaneously providing Hokendohjinsha's existing customers with the Target's menu of solutions the Target excels at, thereby enabling the customers to receive the required solutions compositely and comprehensively. As a result, we believe that the scale of Mitsui & Co.'s domestic wellness business will expand, and the name recognition and customer satisfaction of the same will increase, which will lead to the acquisition of additional new customers by Hokendohjinsha.

(ii) Enhancement of Hokendohjinsha's corporate value through utilization of the Target's know-how and network in human resources development business and recruitment business

Hokendohjinsha provides mental health-related training content for corporate HR. Mitsui & Co. believes that Hokendohjinsha will, by utilizing human resources of and the training know-how being provided by the Target's human resources development business, be able to improve the abovementioned training content it provides, including by offering such content online in audiovisual form, which will lead to the enhancement of product competitiveness. In addition, Mitsui & Co. believes that for health and productivity management consulting services provided by Hokendohjinsha, it is particularly effective to direct its sales activities to corporate managers. As the customers of the Target's recruitment business include manufacturing and retail service corporations with bases located throughout Japan, we believe that Hokendohjinsha will be able to conduct effective sales and marketing because of the Target's connections with the management of these companies. In addition, as some of Hokendohjinsha's existing customers have made requests to refer them to physicians, we believe that an increase in sales per customer can be achieved by providing services that meet these needs by utilizing the physician referral business included in the Target's recruitment business. As described above, Mitsui & Co. believes that through the business alliance between Hokendohjinsha and the Target, we will be able to enhance the competitiveness of Hokendohjinsha's products and increase the volume orders received for provision of training services, volume of consulting services contracted, and the amount of sales per customer, thereby enhancing its corporate value.

In addition, the Offeror Parties specifically believe that by formulating and implementing measures including those stated in (iii) through (v) below, it will be possible to further enhance the corporate value of the Target. Furthermore, it will be possible for Mitsui & Co. group as a whole to develop and provide solutions for corporate HR and health insurance societies in a composite manner, and, in the medium to long term, it will be possible for the group to develop and provide new menu of solutions that can comprehensively address a wide range of corporate HR departments' needs related to health and productivity management, thereby further expanding the wellness business in Japan and contributing to the maximization of the corporate value of the Mitsui & Co. group.

(iii) Enhancement of the menu of multiplex solutions for corporate HR by accelerating DX promotion at the Target

Hokendohjinsha believes that by utilizing Mitsui & Co.'s knowledge in DX, it can build a robust data platform to collect data of societies members and employees accumulated in health insurance societies and corporate HR departments, in addition to DX of its existing solutions, such as those for telephone consultation and health counseling. In its 3-year medium-term management plan for the period beginning in fiscal year ended March 2021 developed by Hokendohjinsha at end of August 2020, Hokendohjinsha has formulated a growth strategy centering on IT system investment to establish a wide range of solutions that supports the realization of individual person's Well-being (Note 6) based on such platform. The Target states that it has placed "promotion of DX throughout the group" at the core of its management strategy in its "fiscal 2021-2023 medium-term management plan." According to the Target, it is promoting DX to build a unique customer data base by accumulating, through its provision of multiplex solutions for corporate HR, customer data such as counseling logs, basic human resources information, and information on attendance and presentism (Note 7) as well as training participation logs and information related to qualifications and skill. By making the Target a wholly-owned subsidiary of the Offeror, we believe that Hokendohjinsha will be able to analyze and utilize the customer data accumulated in the Target and implement an effectiveness measurement cycle in the course of the DX initiatives being promoted by Hokendohjinsha, which enables the Target's development and provision of a menu of solutions with high added value and high customer satisfaction through applications for employees, mental health problem warning alerts, individualized upskilling management, organizational diagnosis, and optimal staffing functions. The promotion of DX is expected to be a source of future competitiveness in the provision of solutions for corporate HR, which is the business area of the Target and Hokendohjinsha. We believe that the platform that Hokendohjinsha is currently building can accelerate the realization of the Target's goal of becoming a "comprehensive supporter of strategic human resources management" with the main focus on "expanding solutions areas in each business segment" and "promoting DX throughout the group," as set forth in its "fiscal 2021-2023 medium-term management plan."

(Note 6) "Well-being" is defined by the WHO as a state where everything is fulfilled physically, mentally, and socially.

(Note 7) "Presentism" refers to a condition in which an employee's performance is reduced due to his/her physical or mental health problems such as poor physical condition or mental health condition, even though he/she is attending work.

(iv) Expansion of customer base of the Target's respective segments by utilizing Mitsui &

Co.'s domestic offices

Mitsui & Co. has domestic offices in eight regions nationwide (Hokkaido, Tohoku, Chubu, Hokuriku, Kansai, Shikoku, Chugoku, and Kyushu) and allocates its personnel of the Wellness Business Unit to five of its domestic offices (Tohoku, Chubu, Kansai, Chugoku, and Kyushu). Mitsui & Co. has established a system for thorough cross-selling of various services of the Wellness Business Unit by such personnel to customers of each of the domestic offices in six other operating segments (Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products and Innovation & Corporate Development) of Mitsui & Co. in addition to customers of its Lifestyle Segment, which comprises the Wellness Business Unit. While the Target has no bases other than the Osaka branch office for the EAP business, Mitsui & Co. believes that by becoming a wholly-owned subsidiary of Mitsui & Co., utilization of access to customers of the abovementioned five domestic offices in all seven operating segments would be possible, thereby making possible the Target's promotion of sales activities of the EAP business to corporations with headquarters in regions other than the Tokyo metropolitan area and acquisition of a greater number of new customers, because, as mentioned above, the EAP business of Hokendohjinsha and the Target can be deemed as mutually complementary from the viewpoint of the customer base. In addition, while the Target does not have a regional branch office for human resources development business or recruitment business, Mitsui & Co. believes that the Target's sales activities will be promoted by utilizing the aforementioned system of Mitsui & Co. group, which will lead to the acquisition of a new customer base and increase in sales.

(v) Provision of a menu of multiplex solutions combined with Hokendohjinsha's solutions

Mitsui & Co. believes that, through the business alliance between the Target and Hokendohjinsha, we will be able to provide the Target's existing customers with the services of Hokendohjinsha as well. In addition, in the medium to long term, Mitsui & Co. group as a whole will have in place a system of providing a menu of multiplex solutions that combine services of the EAP business, human resources development businesses, and recruitment business of Hokendohjinsha and the Target. By these, Mitsui & Co. believes that we will be able to expand the menu of high-value-added multiplex solutions that responds to more advanced needs of corporate HR departments through provision of multifaceted assessment tools for each employee's attitude toward work and skills as well as support for training content and career design based on the results of the assessment, and providing solutions related to health and productivity management and career management in which the right people are assigned in the right place.

(E) Process of negotiation of the Tender Offer Price

As described in "(C) Background to, and purpose of the proposal of the Tender Offer" above, in late September 2021, the Target agreed to proceed with discussions on the detailed terms and conditions by limiting to Mitsui & Co. making the Target a wholly-owned subsidiary. Accordingly, based on the fact that an approximately 25% to 30% premium will be added to the closing price of the Target's Stock on September 30, 2021, and to the simple average of the closing prices of the same for the period of one month, three months, and six months from the same date, respectively, and based on the results of initial stock price analysis by Plutus, Mitsui & Co. submitted a written proposal to the Target on October 8, 2021, which set forth the outline of the Tender Offer including the purpose of the Transaction (including the proposal to set the purchase price per one share of the Target's Stock in the Tender Offer (the "Tender Offer Price") at 880 yen), synergies that are believed to be obtained by the Target through the Transaction, and the management policy after the Transaction (management policy after the Transaction as described in "(III) Management policy after the Tender Offer" below). Mitsui & Co. also considered the Stock Acquisition Right Purchase Price and, as a result, made a proposal that the Stock Acquisition Right Purchase Price be 1 yen, because the Stock Acquisition Rights are issued as stock options to the directors and employees of the Target or the Target's subsidiaries and such persons are required to hold such positions at the time of exercise as a condition for the exercise of the Stock Acquisition Rights, making the Offeror unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights.

On October 13, 2021, Mitsui & Co. received an inquiry from the Target regarding the specific content of the outline of the Tender Offer set forth in the written proposal dated October 8, 2021 and the method of share valuation that led to the proposal of the Tender Offer Price of 880 yen per share, and submitted a written response to the inquiry on October 19, 2021. Subsequently, on October 25, 2021, Mitsui & Co. received a request from the Target to set the Tender Offer Price at 970 yen based on the reason that the proposed amount did not reach an appropriate level (as a note, the Target's judgment regarding the Stock Acquisition Right Purchase Price was not indicated, and no reconsideration of the Stock Acquisition Right Purchase Price was requested), and reconsidered the Tender Offer Price. On October 28, 2021, Mitsui & Co. made a reproposal to set the Tender Offer Price at 900 yen. After then, on November 2, 2021, Mitsui & Co. was once again requested by the Target to set the Tender

Offer Price at 970 yen based on the result of consideration that the reproposed amount did not reach an appropriate level (at this time as well, the Target's judgment regarding the Stock Acquisition Right Purchase Price was not indicated, and no reconsideration of the Stock Acquisition Right Purchase Price was requested).

As described above, Mitsui & Co. held multiple discussions and negotiations with the Target. As a result, Mitsui & Co. proposed to increase the Tender Offer Price to 915 yen on November 8, 2021 as its final proposal. Since the Target accepted the proposal on November 12, 2021, Mitsui & Co. and the Target agreed to set the Tender Offer Price at 915 yen. According to the Target, the reasons for the Target's acceptance of the Tender Offer Price set at 915 yen are as follows: (i) among the results of the calculation of the share value by Kabushiki Kaisha G&S Solutions ("G&S Solutions"), a third-party valuator selected by the Target, the maximum value of the valuation range based on the average market price method (679 yen to 696 yen) is exceeded, the median value of the valuation range based on the comparable peer company method (863 yen to 925 yen) is exceeded, and the median value of the valuation range based on the discounted cash flow method (the "DCF method") (823 yen to 967 yen) is exceeded (for details, please refer to "(II) Procurement of a share valuation report by the Target from an independent third-party valuator" in "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below); (ii) a premium of 30% or higher is secured for all relevant amounts, i.e., a premium of 32.99% (rounded to the second decimal place; hereinafter the same for the calculation of premium rate) on 688 yen, the closing price of the Target's Stock on November 12, 2021; a premium of 33.77% on 684 yen (rounded to the nearest whole number; hereinafter the same for the simple average closing price), the simple average of the closing prices for the previous one month from the same date as above; a premium of 34.76% on 679 yen, the simple average of the closing prices for the previous three months from the same date; and a premium of 31.47% on 696 yen, the simple average of the closing prices for the previous six months from the same date; (iii) Mitsui & Co. has clearly indicated that 915 yen is its final proposal. Because of the above reasons, the Target determined that it would be difficult to expect a further increase in the amount proposed, according to the Target.

(F) Process of negotiation with the Accepting Shareholders

On October 28, 2021, Mitsui & Co. proposed a draft of the Tender Agreement (Daiwa PI) to Daiwa PI, and began discussions and negotiations with Daiwa PI toward conclusion of the Tender Agreement. On November 2, 2021, we received a proposal from Daiwa PI to add preconditions for tendering, among other matters, and, after Mitsui & Co.'s review of this proposal, on November 9, 2021, Mitsui & Co. proposed a revised version of the Tender Agreement (Daiwa PI). On November 11, 2021, Daiwa PI responded that it was prepared to enter into the Tender Agreement (Daiwa PI) on the condition that the Tender Offer Price be set at 915 yen and the Target's board of directors resolve to express its opinion to support the Tender Offer and to recommend tendering therein. On November 15, 2021, Mitsui & Co. and the Target agreed to set the Tender Offer Price at 915 yen, and the Target's board of directors resolved to express its opinion to support the Tender Offer and to recommend tendering therein. Accordingly, the Offeror entered into the Tender Agreement (Daiwa PI) with Daiwa PI on November 15, 2021.

On October 28, 2021, Mitsui & Co. proposed a draft of the Tender Agreement (Individual Shareholder) to Mr. Watanabe, and began discussions and negotiations with Mr. Watanabe toward conclusion of the Tender Agreement (as a note, on the same day, Mitsui & Co. confirmed, through Mr. Watanabe, Mr. Nishida's intention that if Mitsui & Co. agreed with Mr. Watanabe on the Tender Agreement, Mr. Nishida was prepared to enter into the Tender Agreement on the same terms and conditions). On November 2, 2021, we received a proposal from Mr. Watanabe to add preconditions for tendering, among other matters. In response to this proposal and based also on the content of the abovementioned proposal made by Daiwa PI on the draft Tender Agreement (Daiwa PI), on November 9, 2021, Mitsui & Co. proposed a revised version of the Tender Agreement (Individual Shareholder). On November 11, 2021, Mr. Watanabe responded that he was prepared to enter into the Tender Agreement (Individual Shareholder) with the proposed content, on the condition that the Tender Offer Price be set at 915 yen and the Target's board of directors resolve to express its opinion to support the Tender Offer and to recommend tendering therein, as in the case of Daiwa PI. On November 15, 2021, Mitsui & Co. and the Target agreed to set the Tender Offer Price at 915 yen, and the Target's board of directors resolved to express its opinion to support the Tender Offer and to recommend tendering therein. Accordingly, the Offeror entered into the Tender Agreement (Individual Shareholder) with each of Mr. Watanabe and Mr. Nishida on November 15, 2021.

(II) The Target's decision-making process and grounds therefor

The Target states that in its "fiscal 2021-2023 medium-term management plan" released on May 20, 2021, the Target has the following two growth strategies: (i) "expansion of solutions areas in each segment" and (ii) "promotion of DX throughout the group."

Regarding (i) "expansion of solutions areas in each segment," the Target states that it aims to mutually develop different customer bases for the EAP business, human resources development business, and recruitment business, thereby promoting efficient collaboration among the three businesses. In addition, the Target aims to advance into the new area of realization of provision of comprehensive talent management services by mutually expanding and strengthening functions of existing content and services, and newly developing solutions using data by promoting DX, according to the Target.

Regarding (ii) "promotion of DX throughout the group," the Target states that it deems DX promotion as an action that will lead to the development of new products and promotion of new businesses through the use and analysis of an integrated database, and the enhancement of consulting functions through the use of each solution, which, according to the Target, will be further developed into the enhancement of service infrastructure functions, accumulation, collection, and analysis of human resources information, and utilization of AI.

In late January 2021, the Target was approached by Mitsui & Co. regarding exchange of information on matters including the market overview and business strategy of the EAP business, human resources development business, and recruitment business after concluding a confidentiality agreement, according to the Target. The Target assented to this, and after concluding a confidentiality agreement with Mitsui & Co. in early February 2021, it exchanged information with Mitsui & Co. twice from early February to mid-March 2021, according to the Target. In early April 2021, the Target received a proposal from Mitsui & Co. for holding discussions on collaboration including a capital and business alliance. Through the exchange of information with Mitsui & Co., the Target determined that collaboration with Mitsui & Co. including a capital and business alliance has the potential to contribute to the Target's realization of the growth strategies, (i) "expansion of solutions areas in each segment" and (ii) "promotion of DX throughout the group," mentioned above, which are set forth in its "fiscal 2021-2023 medium-term management plan." Because the Target wished to deepen discussions on the capital and business alliance, the Target accepted Mitsui & Co. proposal, and from mid-April 2021, the Target began discussions with Mitsui & Co. regarding collaboration mainly through cooperation in domestic EAP business, according to the Target. From the beginning of the discussions, the Target indicated to Mitsui & Co. that the collaboration should be on the premise that listing of the Target would be maintained, and the Target also indicated its concerns in respect of the Target becoming a wholly-owned subsidiary, as to whether the Target becoming a wholly-owned subsidiary of Mitsui & Co. would cause any disadvantage to existing general shareholders, and that the Target would be delisted from the TSE Mothers Market not long after the listing of the Target on the same market in April 2018. On June 11, 2021, following the announcement of the "fiscal 2021-2023 medium-term management plan," the Target received from Mitsui & Co. a proposal on making the Target a consolidated subsidiary on the premise that the listing of the Target will be maintained, or a wholly-owned subsidiary and began to specifically consider the possibility of an increase in the Target's corporate value, according to the Target. In addition, the Target states that it has appointed Miyakezaka Sogo Law Offices as a legal advisor independent of the Target, the Offeror Parties, and the Accepting Shareholders in early July 2021, and G&S Solutions as a third-party valuator independent of the Target, the Offeror Parties, and the Accepting Shareholders in early August 2021, and has decided to receive advice based on their expert knowledge. The Target states that since the proposal received from Mitsui & Co. included the option of making the Target a consolidated subsidiary on the premise of maintaining its listing, the Target has not established a special committee at this stage.

From late July to mid-September 2021, the Target examined with Mitsui & Co. the significance and purpose of the Tender Offer and the creation of synergies, among other points, and in early August 2021, the Target and the Target's subsidiaries participated in four rounds of management interview by Mitsui & Co., where Mitsui & Co. and the Target proceeded with discussions on specific synergies, according to the Target. The Target states that during the period from late July to mid-September 2021, Mitsui & Co. and the Target held discussions regarding a comparison of making the Target a consolidated subsidiary and a wholly-owned subsidiary. In such discussions, Mitsui & Co. explained to the Target that making the Target a wholly-owned subsidiary would be the best way to maximize synergies and realize them at an early stage, according to the Target.

With respect to the Target's second growth strategy, "promotion of DX throughout the group," the Target is currently still at the stage of development where the Target just started to consider measures for the realization of a full-scale customer database and the development of EAP data analysis software, according to the Target. The Target states that the Target has been facing issues with realization of its investment strategies targeting the swift realization of its system development solely by itself, as it is short of sufficient human capital and physical capital due to its limited business scale. The Target further states that as stated in "(iii) Enhancement of the menu of multiplex solutions for corporate HR by accelerating DX promotion at the Target" in "(E) The Offeror Parties' vision of synergy" above, in the course of the said consideration for creation of synergies, because Mitsui & Co. is actively promoting system investment by its subsidiary Hokendohjinsha with the aim of constructing a data platform for full-fledged development of the domestic wellness business, the Target has come to believe that by becoming a wholly-owned subsidiary of Mitsui & Co., the Target will be able to utilize this platform without developing a system on its own. In other words, the Target has come to believe that because this platform is a data platform that can accumulate and manage physical and mental information including the results of medical examinations, there is a possibility that it can be utilized for the promotion of health and productivity management support. The Target has further come to believe that it has the potential to contribute to the utilization of human resources data and the development of talent management business that the Target aims for, by studying the accumulation and management of information such as training history in the human resources development business and trend data in the recruitment business. Furthermore, the Target has come to believe that by becoming a wholly-owned subsidiary of Mitsui & Co., the Target will be able to receive the necessary support for systems development from the IT business division of Mitsui & Co., thereby making up for the shortage of human capital and physical capital, which has been an issue for the Target. As described above, in the middle of August 2021, the Target has come to recognize the possible creation of a synergy by becoming a wholly-owned subsidiary of Mitsui & Co., because the Target will be able to further promote the DX initiatives compared to working on the same on its own, which in turn will highly likely to contribute to further enhancement of corporate value.

The Target states that after the abovementioned consideration, in late September 2021, it judged that the business collaboration structure with Mitsui & Co. group including Hokendohjinsha by becoming a wholly-owned subsidiary of Mitsui & Co. through the implementation of the Tender Offer would contribute to the achievement of its first growth strategy of "expanding solutions areas in each business segment" in addition to its second growth strategy of "promotion of DX throughout the group," in respect of the two growth strategies mentioned above and set forth in the Target's "fiscal 2021-2023 medium-term management plan," and determined that it would lead to further enhancement of corporate value. Specifically, the Target considers that, with regard to the first growth strategy, the "expansion of solutions areas in each segment," the potential for the Target to be able to utilize Mitsui & Co.'s customer base throughout Japan formed through Mitsui & Co.'s diverse business deployment is expected to bring about business growth that exceeds the pace of expansion of business that the Target was seeking through the mutual development of the customer bases of the three businesses of the Target, and thus is considered to raise the probability of achieving the quantitative indices (net sales of 3,880 million yen, operating profit of 500 million yen, and ROE of 21.8% for the fiscal year ending March 2024) set forth in the "fiscal 2021-2023 medium-term management plan," according to the Target. According to the Target, when the Target received the proposal from Mitsui & Co. on June 11, 2021, synergies of business expansion through the mutual development of customer bases anticipated by Mitsui & Co. were primarily in the context of the EAP business. The Target focused on the possibility of making effective use of Mitsui & Co.'s customer base not only in the EAP business but also in all three of its businesses including human resources development business and recruitment business, and informed Mitsui & Co. to such effect, and as the Target and Mitsui & Co. engaged in discussions, Mitsui & Co. has come to share the recognition that Mitsui & Co.'s customer base, mainly in its manufacturing and retail services businesses located throughout Japan, can be utilized in all three of the Target's businesses, according to the Target.

While the Target got listed on the TSE Mothers Market in April 2018 for the purpose of expanding its business scale and enhancing its corporate value by improving its creditworthiness as a listed company, the Target has determined that establishing a joint business structure with Mitsui & Co. would be virtually equivalent to the original purpose of the listing, even if the Target becomes delisted as a result of becoming a wholly-owned subsidiary pursuant to the Transaction at this timing, which is less than four years after listing, according to the Target. In addition, according to the Target, the "expansion of solutions areas in each segment," and the "promotion of DX throughout the group," which the Target aims to achieve in the "fiscal 2021-2023 medium-term management plan," will require a significant investment of human and material capital. The Target states that in the case of consolidation based on the premise of maintaining its listing, in the interests of the shareholders of the Target other than Mitsui & Co., it would be difficult to continue to implement such measures that would lead to an increase in corporate value in the medium to long term, but which would require a significant investment of capital and would not lead to an increase in the share price in the short term, and accordingly, the Target considered that by becoming a wholly-owned subsidiary of Mitsui & Co., the Target's corporate value would be enhanced through implementing with Mitsui & Co. such measures that are not focused on short-term profits, but rather on medium- to long-term profits. Therefore, in late September 2021, the Target decided that, from the perspective of enhancing corporate value, it would be preferable for the Target to become a wholly-owned subsidiary of Mitsui & Co. through the Transaction, rather than becoming a consolidated subsidiary on the assumption that it would remain listed, and the Target agreed to limit the discussions to the Target becoming a wholly-owned subsidiary of Mitsui & Co. The Target states that, it recognized at the same time that since the Target's Stock will be delisted upon the Target becoming a wholly-owned subsidiary of Mitsui & Co., it was necessary to discuss the detailed terms of the Transaction, including the purchase price in the Tender Offer, so as not to disadvantage the Target's existing general shareholding.

Subsequently, on October 8, 2021, the Target received a written proposal from Mitsui & Co. regarding the plan to make the Target a wholly-owned subsidiary through the Tender Offer and a series of related transactions, which stated that the Tender Offer Price shall be set at 880 yen and the Stock Acquisition Right Purchase Price shall be set at 1 yen, according to the Target.

Upon the receipt of the written proposal, which states that making the Target a wholly-owned subsidiary as the only option, the Target resolved at its board of directors meeting held on October 13, 2021 to establish a special committee (the "Special Committee") consisting of three members, Mr. Yasuhiro Matsumura (outside director, audit and supervisory committee member, and independent director of the Target), Mr. Fumio Hoshi (outside director, audit and supervisory committee member, and independent director of the Target), and Mr. Toshiaki Hiraga (outside director, audit and supervisory committee member, and independent director of the Target), from the perspective of eliminating the possibility of arbitrariness in decision making process of the Target's board of directors and ensuring the fairness, objectivity, and transparency of decision making process of the same, and, on the same day, established the Special Committee, which will serve as a system for considering proposals related to the Transaction, according to the Target. Please refer to "(IV) Establishment of an independent special committee at the Target" in "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below for the composition of members of the Special Committee and specific activities of the same.

Subsequent to the establishment of such system and based on the outline of the Tender Offer including the purpose of the Transaction (including the proposal to set the Tender Offer Price at 880 yen), synergies that are believed to be obtained by the Target through the Transaction, and the content of the management policy after the Transaction (the management policy after the Transaction as set forth in "(III) Management policy after the Tender Offer" below) described in the written proposal received from Mitsui & Co. on October 8, 2021 as well as stock price trends of the Target, Mr. Yasuhiro Matsumura, an outside director of the Target, and Mr. Yuichiro Furuya, a director of the Target, held discussions and negotiations with Mitsui & Co. for the Target while receiving advice from G&S Solutions and Miyakezaka Sogo Law Offices, and reported to other directors of the Target other than Mr. Watanabe and Mr. Jun Nakayama ("Mr. Nakayama") the content of discussions and negotiations from time to time, according to the Target.
The Special Committee decided to set a target premium rate of at least 30% for the Tender Offer Price (at least 30% on each of the closing price on the trade day immediately before the date of announcement of the Tender Offer, the simple average of the closing prices for the previous one month from such immediately preceding trade day, the simple average of the closing prices for the previous three months from the same date, and the simple average of the closing prices for the previous six months from the same date). This rate was set at 30% because, in cases similar to the Tender Offer (out of the tender offers launched between the beginning of the year 2021 and early October 2021, the seven cases in which going private was intended (not including tender offers by controlling shareholders and so-called MBOs)), premiums ranging from 9.94% to 44.58% were added to the closing price on the transaction date immediately preceding the date of announcement of tender offer, and the average premium was 30.23%. The Special Committee considered the appropriateness of the price of 880 yen per share in light of this target rate, and concluded that it was not an appropriate level and requested an increase because this price accounts for (i) a premium of 30.56% on the closing price of the Target's Stock on the date of proposal by Mitsui & Co. (October 8, 2021) (674 yen), (ii) a premium of 29.22% on the simple average of the closing

prices for the previous one month from the same date (681 yen), (iii) a premium of 26.07% for the previous three months from the same date (698 yen), and (iv) a premium of 26.98% on the previous six months from the same date (693 yen) (the average of (i) through (iv) above: 28.21%), and each of the premium rates in (ii), (iii) and (iv) is below 30% (As for the Stock Acquisition Rights, the Special Committee has not concluded that it should request that the purchase price of 1 yen be increased because they were issued as stock options for directors and employees of the Target or the Target's subsidiaries, and the Offeror may not exercise the Stock Acquisition Rights, even if the Offeror acquires any.).

Based on such results of consideration by the Special Committee, the Target requested that Mitsui & Co. set the Tender Offer Price at 970 yen on October 25, 2021 (This 970 yen was derived, in order to achieve the target premium rate of at least 30%, by adding (i) a premium of 43.92% on top of 674 yen, the closing price of the Target's Stock on October 8, 2021, (ii) a premium of 42.44% on top of the simple average of the closing prices for the previous one month from the same date (681 yen), (iii) a premium of 38.97% on top of the simple average of the closing prices for the previous three months from the same date (698 yen), and (iv) a premium of 39.97% on top of the simple average of the closing prices for the previous six months from the same date (693 yen).). In response, on October 28, 2021, Mitsui & Co. made a proposal to increase the Tender Offer Price to 900 yen. The Special Committee considered such proposal, and concluded that this price still was not an appropriate level and it should again request Mitsui & Co. for an increase because this price accounts for (i) a premium of 32.16% on the closing price of the Target's Stock on October 28, 2021 (681 yen), (ii) a premium of 31.96% on the simple average of the closing prices for the previous one month from the same date (682 yen), (iii) a premium of 31.39% on the simple average of the closing prices for the previous three months from the same date (685 yen), and (iv) a premium of 29.31% on the simple average of the closing prices for the previous six months from the same date (696 yen) (the average of (i) through (iv) above: 31.21%), and the premium in (iv) is below 30%. On November 2, 2021, in response to such result of consideration by the Special Committee, the Target again requested that Mitsui & Co. set the Tender Offer Price at 970 yen. In response to this, Mitsui & Co. made a final proposal to increase the Tender Offer Price to 915 yen on November 8, 2021. Then, on November 12, 2021, the Special Committee concluded that the Target should accept the price of 915 yen proposed by Mitsui & Co. because (i) this price exceeds the upper limit of the valuation range determined by the average market price method (679 yen - 696 yen), exceeds the median value of the valuation range determined by the comparable peer company method (863 yen - 925 yen), and exceeds the median value of the valuation range determined by the DCF Method (823 yen - 967 yen), which are the results of the valuation of shares by G&S Solutions (see "(II) Procurement of a share valuation report by the Target from an independent third-party valuator" under "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below.); (ii) this price accounts for a premium of 32.99% on 688 yen, the closing price of the Target's Stock on November 12, 2021; a premium of 33.77% on 684 yen, the simple average of the closing prices for the previous one month from the same date; a premium of 34.76% on 679 yen, the simple average of the closing prices for the previous three months from the same date; and a premium of 31.47% on 696 yen, the simple average of the closing prices for the previous six months from the same date, thus ensuring a premium of at least 30% in all of the cases above; and (iii) the Special Committee considered that it would be difficult to anticipate any further increase as Mitsui & Co. had clearly indicated that the price of 915 yen was a final proposal.

Regarding the Tender Offer Price, the Target carefully considered the terms and conditions related to the Transaction, based on the calculation of the share value by G&S Solutions, while respecting to the maximum extent the review by the Special Committee and the content of the written report (the "Written Report") dated November 15, 2021 submitted by the Special Committee, according to the Target. The Target states that, as a result, it determined that the final proposed Tender Offer Price of 915 yen to be reasonable for the following reasons. With respect to the Stock Acquisition Right Purchase Price, the Target determined to leave the decision on whether to tender the relevant Stock Acquisition Rights in the Tender Offer to the judgment of the Stock Acquisition Right Holders, because the proposed Stock Acquisition Right Purchase Price is 1 yen, because the Stock Acquisition Rights are issued as stock options to the directors and employees of the Target or the Target's subsidiaries and the Offeror is unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights, and because the Stock Acquisition Right Holders can exercise their rights to acquire shares and can tender such shares in the Tender Offer.

- As described in "(II) Procurement of a share valuation report by the Target from an independent third-party valuator" in "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below, from among the results of the calculation in the share valuation report obtained from G&S Solutions (the "Share Valuation Report"), the maximum value of the valuation range determined by the average market price method is exceeded, the median value of the valuation range determined by the comparable peer company method is exceeded, and the median value of the valuation range determined by the DCF method is exceeded.

- Each of a premium of 32.99% on 688 yen, the closing price of the Target's Stock on the TSE Mothers Market on the trade day immediately before the date of announcement of the Tender Offer (November 12, 2021), a premium of 33.77% on 684 yen, the simple average of the closing prices for the previous one month from November 12, 2021; a premium of 34.76%

on 679 yen, the simple average of the closing prices for the previous three months from the same date as above; and a premium of 31.47% on 696 yen, the simple average of the closing prices for the previous six months from the same date, is at a reasonable level, taking into consideration the level of premiums in the similar transactions. The similar cases considered are the seven cases in which going private was intended, out of the tender offers launched between the beginning of the year 2021 and early October 2021 (excluding tender offers by controlling shareholders and so-called MBOs), and the premium on the closing price on the trade day immediately preceding the date of announcement of the tender offer ranges from 9.94% to 44.58% (30.23% in average). The above-mentioned premium rate in the Tender Offer is considered to be reasonable, taking into account the levels in such similar cases.

- Each of the measures described in "(I) Procurement of a share valuation report from an independent third-party valuator retained by the Offeror Parties," "(II) Procurement of a share valuation report by the Target from an independent third-party valuator," "(III) Advice from an independent legal advisor of the Target," "(IV) Establishment of an independent special committee at the Target," "(V) Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Target," and "(VI) Measures to ensure purchase opportunities for other purchasers" in "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below is taken, and it is considered that consideration is given to general shareholders (minority shareholders).

As stated above, because it was determined that the implementation of the Tender Offer would contribute to further enhancement of the Target's corporate value and that the Tender Offer Price of 915 yen is appropriate, the Target resolved at its board of directors meeting held on November 15, 2021, with unanimous consent of all five directors except for Mr. Watanabe and Mr. Nakayama among seven directors (including audit and supervisory committee members) of the Target, to express its opinion to support the Tender Offer and to recommend that the shareholders of the Target tender in the Tender Offer, according to the Target. With respect to the Stock Acquisition Rights, the Target also resolved at such meeting of the board of directors, with unanimous consent of all five directors except for Mr. Watanabe and Mr. Nakayama among seven directors (including audit and supervisory committee members) of the Target, to leave the decision on whether to tender in the Tender Offer to the judgment of the Stock Acquisition Right Holders, because the proposed Stock Acquisition Right Purchase Price is 1 yen per Stock Acquisition Right, because the Stock Acquisition Rights were issued as stock options to the directors and employees of the Target or the Target's subsidiaries and the Offeror is unable to exercise the relevant rights even if the

Offeror acquires the Stock Acquisition Rights, and because the Stock Acquisition Right Holders can exercise their rights to acquire shares and can tender such shares in the Tender Offer.

In light of the fact that Mr. Watanabe, the President and Representative Director of the Target, is a major shareholder of the Target with the Shareholding Ratio of 13.42% and has entered into the Tender Agreement (Individual Shareholder) with the Offeror with respect to all shares of the Target's Stock held by him, he has not participated in consideration or resolutions of the board of directors of the Target in respect of the Transaction nor has he participated in any discussion or negotiation with the Offeror Parties regarding the Transaction in his position as the Target from the beginning of the negotiation with the Offeror Parties, from the perspective of enhancing the fairness of the negotiation process, according to the Target. In addition, in light of the fact that Mr. Nakayama, a director of the Target, currently serves as an employee of Daiwa PI, which is a major shareholder of the Target with the Shareholding Ratio of 31.24% and Daiwa PI has entered into the Tender Agreement (Daiwa PI) with the Offeror with respect to all shares of the Target's Stock held by it, he has not participated in consideration or resolutions of the board of directors of the Target in respect of the Transaction nor has he participated in any discussion or negotiation with the Offeror Parties regarding the Transaction in his position as the Target from the beginning of the negotiation with the Offeror Parties, from the perspective of enhancing the fairness of the negotiation process, according to the Target.

(III) Management policy after the Tender Offer

With respect to the Offeror Parties' strategies regarding the Target's business after the consummation of the Tender Offer and the future business strategies, the Offeror Parties and the Target will discuss and decide based on the expected business synergies between the Offeror Parties and the Target described in "(I) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" above. After the consummation of the Tender Offer, the Offeror Parties will continue to conduct management that fully utilizes the characteristics of the Target's business and the Target's strengths to enhance the Target's business. However, the details of the Target's management structure, including the composition of officers, after the consummation of the Tender Offer have not been determined as of the date of this Press Release, and are scheduled to be determined after the consummation of the Tender Offer through consultation with the Target.

The Offeror Parties recognize and highly appreciate the expertise, human networks, and abundant experience of the employees of the Target's group as a source of competitiveness.

In principle, the Offeror Parties plan to maintain the employment of the employees after the Transaction, and to maintain the current level of treatment as much as possible. We also believe that the corporate service functions and human resources of the Target will play an important role in areas such as maintaining and strengthening the corporate governance and enhancing information security in the future phase of expansion of the business bases.

Although there are no specific plans or projects at this time, for further growth of the Target, the Offeror, and Hokendohjinsha, we may consider providing optimal M&A support through Mitsui & Co.'s network or reviewing the portfolio through an outside third party's capital participation, including through partnerships, as an option.

(3) Material agreements regarding the Tender Offer

(I) Tender Agreement (Daiwa PI)

As set forth in "(1) Outline of the Tender Offer" above, upon the Tender Offer, the Offeror entered into the Tender Agreement (Daiwa PI) with Daiwa PI as of November 15, 2021, wherein Daiwa PI agreed to tender all shares of the Target's Stock owned by Daiwa PI (number of shares held: 1,076,400 shares; Shareholding Ratio: 31.24%) in the Tender Offer. The Tender Agreement (Daiwa PI) with Daiwa PI sets forth the following as preconditions for Daiwa PI's tender: (i) the Tender Offer has been lawfully commenced and has not been withdrawn; (ii) the Offeror has performed and complied with its obligations to be performed or complied with by it under the Tender Agreement (Daiwa PI) on or prior to the commencement of the Tender Offer in material respects (Note 1); (iii) There is no error in the Offeror's representations and warranties set forth in the Tender Agreement (Daiwa PI) in material respects (Note 2); (iv) the Offeror has completed the procedures required for the implementation of the Tender Offer in accordance with the laws and regulations; (v) no lawsuit or similar action or petition therefor seeking to prohibit or restrict the Tender Offer is pending against any judicial or administrative agencies, and there are no laws and regulations or judgments by judicial or administrative agencies to prohibit or restrict the Tender Offer; and (vi) the Target's board of directors has resolved to express its opinion to support the Tender Offer and has not withdrawn or amended such resolution. However, Daiwa PI will not be restricted from tendering in the Tender Offer if and after it waives, at its discretion, these preconditions. The Tender Agreement provides that Daiwa PI shall tender in the Tender Offer within 20 business days from the first day of the Tender Offer Period (the term "Tender Offer Period" is defined in "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" below; hereinafter the same). In the event that a third party makes, within five (5) business days prior to the last day of the Tender Offer Period, an offer for a contract or other agreement that conflicts with the Tender Offer or makes it difficult for the Tender Offer to be consummated, and the purchase price of the Target's Stock in relation to such counter-offer substantially exceeds the Tender Offer Price, Daiwa PI and the Offeror will consult in good faith on how to respond. Meanwhile, (i) if, after Daiwa PI gives notice to the Offeror of the commencement of discussions, such discussions are not concluded within ten (10) business days (but no later than two (2) business days prior to the last day of the Tender Offer Period), and (ii) if the Target withdraws its expression of opinion in support of the Tender Offer, Daiwa PI may terminate the agreement on the purchase that has been concluded upon tendering its shares, for all or part of the shares of the Target's Stock tendered in the Tender Offer, and may accept the counter-offer.

(Note 1) Under the Tender Agreement (Daiwa PI), the Offeror has (i) an obligation to indemnify for any damages incurred by Daiwa PI as a result of or in connection with any breach of its obligations or representations and warranties under such agreement, and (ii) obligations under general provisions, including confidentiality obligations.

(Note 2) Under the Tender Agreement (Daiwa PI), the Offeror represents and warrants that, as of each of the date of execution of the Tender Agreement, the date of execution of tender by Daiwa PI, and the date of commencement of settlement of the Tender Offer: (i) the Offeror is lawfully incorporated and effectively existing; (ii) the authority of the Offeror to execute and perform such agreement; (iii) the enforceability; (iv) the non-existence of any conflict with the laws and regulations in connection with the execution and performance of such agreement by the Offeror; (v) the acquisition by the Offeror of any permission and licenses necessary to execute and perform such agreement; (vi) the non-existence of any legal bankruptcy proceedings in respect of the Offeror; (vii) the Offeror is not an anti-social force; and (viii) the Offeror possesses or is certain to possess sufficient funds for the performance of such agreement.

In the Tender Agreement (Daiwa PI), Daiwa PI covenants that if the Tender Offer is consummated and a general meeting of shareholders of the Target is held with a record date falling on or prior to the commencement date of the settlement of the Tender Offer, and where Daiwa PI has any voting right at such general meeting of shareholders, Daiwa PI will, in accordance with the request of the Offeror, exercise any and all rights as a shareholder at such general meeting of shareholders in accordance with the instructions of the Offeror, or grant to the Offeror or to a third party designated by the Offeror the authority of proxy with respect to any such right.

(II) Tender agreements with Mr. Watanabe and Mr. Nishida

The Offeror entered into the Tender Agreement (Individual Shareholder) with each of Mr. Watanabe and Mr. Nishida as of November 15, 2021, wherein: (i) Mr. Watanabe agreed to tender all shares of the Target's Stock owned by Mr. Watanabe (including the shares of the Target's Stock delivered upon exercise of all of the Stock Acquisition Rights owned by Mr. Watanabe which are exercisable during the Tender Offer Period) (total number of shares held: 462,460 shares (including 16,460 shares of the Target's Stock underlying the 8,230 Stock Acquisition Rights owned by Mr. Watanabe); Shareholding Ratio: 13.42%) and (ii) Mr. Nishida agreed to tender all shares of the Target's Stock owned by Mr. Nishida (including the shares of the Target's Stock delivered upon exercise of all of the Stock Acquisition Rights owned by Mr. Nishida which are exercisable during the Tender Offer Period) (total number of shares held: 160,896 shares (including 10,000 shares of the Target's Stock underlying the 10,000 Stock Acquisition Rights owned by Mr. Nishida); Shareholding Ratio: 4.67%) in the Tender Offer. In the Tender Agreement (Individual Shareholder) with each of Mr. Watanabe and Mr. Nishida, preconditions for tender by Mr. Watanabe and Mr. Nishida are provided as follows: (i) the Tender Offer has been lawfully commenced and has not been withdrawn; (ii) the Offeror has performed and complied with its obligations to be performed or complied with by it under the Tender Agreement (Individual Shareholder) on or prior to the commencement of the Tender Offer in material respects (Note 1); (iii) There is no error in the Offeror's representations and warranties set forth in the Tender Agreement (Individual Shareholder) in material respects (Note 2); (iv) the Offeror has completed the procedures required for the implementation of the Tender Offer in accordance with the laws and regulations; (v) no lawsuit or similar action or petition therefor seeking to prohibit or restrict the Tender Offer is pending against any judicial or administrative agencies, and there are no laws and regulations or judgments by judicial or administrative agencies to prohibit or restrict the Tender Offer; and (vi) the Target's board of directors has resolved to express its opinion to support the Tender Offer and has not withdrawn or amended such resolution. However, each of Mr. Watanabe and Mr. Nishida will not be restricted from tendering in the Tender Offer if and after Mr. Watanabe or Mr. Nishida waives, at his discretion, these preconditions. The same agreement also provides that Mr. Watanabe and Mr. Nishida shall tender in the Tender Offer within 20 business days from the first day of the Tender Offer Period. In the event that a third party makes, within five (5) business days prior to the last day of the Tender

Offer Period, an offer for a contract or other agreement that conflicts with the Tender Offer or makes it difficult for the Tender Offer to be consummated, and the purchase price of the Target's Stock in relation to such counter-offer substantially exceeds the Tender Offer Price, Mr. Watanabe, Mr. Nishida and the Offeror will consult in good faith on how to respond. Meanwhile, (i) if, after Mr. Watanabe or Mr. Nishida gives notice to the Offeror of the commencement of discussions, such discussions are not concluded within ten (10) business days (but no later than two (2) business days prior to the last day of the Tender Offer Period), and (ii) if the Target withdraws its expression of opinion in support of the Tender Offer, each of Mr. Watanabe and Mr. Nishida may terminate the agreement on the purchase and sale that has been concluded upon tendering his shares, for all or part of the shares of the Target's Stock tendered in the Tender Offer, and may accept the counter-offer.

(Note 1) Under the Tender Agreement (Individual Shareholder), the Offeror has (i) an obligation to indemnify for any damages incurred by Mr. Watanabe and Mr. Nishida as a result of or in connection with any breach of its obligations or representations and warranties under such agreement, and (ii) obligations under general provisions, including confidentiality obligations.

(Note 2) Under the Tender Agreement (Individual Shareholder), the Offeror represents and warrants that, as of each of the date of execution of the Tender Agreement, the date of execution of tender by Mr. Watanabe and Mr. Nishida, and the date of commencement of settlement of the Tender Offer: (i) the Offeror is lawfully incorporated and effectively existing; (ii) the authority of the Offeror to execute and perform such agreement; (iii) the enforceability; (iv) the non-existence of any conflict with the laws and regulations in connection with the execution and performance of such agreement by the Offeror; (v) the acquisition by the Offeror of any permission and licenses necessary to execute and perform such agreement; (vi) the non-existence of any legal bankruptcy proceedings in respect of the Offeror; (vii) the Offeror is not an anti-social force; and (viii) The Offeror possesses or is certain to possess sufficient funds for the performance of such agreement.

In the Tender Agreement (Individual Shareholder), Mr. Watanabe and Mr. Nishida covenant that if the Tender Offer is consummated and a general meeting of shareholders of the Target is held with a record date falling on or prior to the commencement date of the settlement of the Tender Offer, and where Mr. Watanabe and Mr. Nishida have any voting right at such general meeting of shareholders, they will, in accordance with the request of the Offeror, exercise any and all rights as a shareholder at such general meeting of shareholders in accordance with the instructions of the Offeror, or grant to the Offeror or to a third party designated by the Offeror the authority of proxy with respect to any such right."

(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests

As of today, the Offeror Parties do not own any share of the Target's Stock or Stock Acquisition Right, and the Tender Offer does not constitute a tender offer by a controlling shareholder. Furthermore, there is no plan for direct or indirect invest in the Offeror by all or part of the management of the Target, and the Transaction, including the Tender Offer, does not constitute what is commonly called a management buyout transaction. However, to further ensure the fairness of the Transaction, including the Tender Offer Price, and from the viewpoint of protecting the interests of the general shareholders of the Target, the Offeror Parties took the measures described below. Of the descriptions below, measures taken by the Target are based on the Target's Press Release and the explanations received from the Target.

The Offeror has not set a minimum number of what is commonly called "Majority of Minority," because the interests of the minority shareholders of the Target have been fully taken into consideration through the measures (I) through (VI) below, because the Accepting Shareholders have a high degree of independence from the Offeror, and because setting a minimum number of "Majority of Minority" in the Tender Offer may impede the stability of the transaction and may rather impair the opportunity for general shareholders to sell the shares they hold through the Tender Offer.

(I) Procurement of a share valuation report from an independent third-party valuator retained by Mitsui & Co.

(i) The Target's Stock

In determining the Tender Offer Price, Mitsui & Co. requested Plutus, Mitsui & Co.'s financial advisor, to serve as a third-party valuator independent of the Offeror Parties and the Target, to calculate the share value of the Target and obtained a share valuation report (the "Plutus Share Valuation Report") on November 12, 2021 and referred to the same. Mitsui & Co. has not obtained from Plutus an opinion concerning the fairness of the Tender Offer Price (fairness opinion). Plutus is not a related party of the Offeror Parties or the Target and has no material interest in relation to the Transaction, including the Tender Offer. For details, please refer to "Basis of calculation" and "Process of calculation" in "(4) Basis of calculation of the price of tender offer" under "3. Summary of Tender Offer" below.

(ii) The Stock Acquisition Rights

Mitsui & Co. has determined that the Stock Acquisition Right Purchase Price shall be 1 yen per Stock Acquisition Right. This is because the Stock Acquisition Rights are issued as stock options to the directors and employees of the Target or the Target's subsidiaries and the Stock Acquisition Right Holders are required to hold such positions at the time of exercise as a condition for the exercise of the Stock Acquisition Rights, making the Offeror unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights through the Tender Offer. Mitsui & Co. has not obtained a valuation report from a third-party valuator in determining the Stock Acquisition Right Purchase Price in the Tender Offer.

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

In expressing its opinion regarding the Tender Offer, in early August 2021, the Target selected G&S Solutions, a third-party valuator that is independent of the Target, the Offeror Parties, and the Accepting Shareholders, and obtained the Share Valuation Report from G&S Solutions as of November, 12, 2021, according to the Target. The Target states that G&S Solutions is not a related party of the Target, the Offeror Parties, or the Accepting Shareholders and has no material interest in relation to the Transaction, including the Tender Offer. G&S Solutions' compensation is in fixed amount, and there is no system of payment of performance compensation payable subject to the announcement or completion of the Transaction, according to the Target. The Target has not obtained from G&S Solutions an opinion concerning the fairness of the Tender Offer Price (fairness opinion), according to the Target.

As a result of its examination of the calculation method of the Tender Offer, G&S Solutions determined that it is appropriate to evaluate the Target's Stock from various perspectives based on the assumption that the Target is a going concern, and adopted in the calculation of the price of the Target's Stock each of the following methods: the average market price method since the shares of the Target's Stock are listed on the TSE Mothers Market; the comparable peer company method since there are multiple listed companies comparable to the Target and it is possible to infer the value of the Target's Stock by the comparable peer company method; and the DCF method to reflect in the share valuation the status of future business activities of the Target, and calculated the value of the Target's Stock, according to the Target.

According to G&S Solutions, the range of the value per share of the Target's Stock calculated based on each of the above methods is as follows.

| | |
|---|---|
| Average market price method: | from 679 yen to 696 yen |
| Comparable peer company method: | from 863 yen to 925 yen |
| DCF method: | from 823 yen to 967 yen |

Under the average market price method, as of the reference date of calculation of November 12, 2021, the share value range per share of the Target's Stock was calculated to be 679 yen to 696 yen, based on the closing price of the Target's Stock on the TSE Mothers Market on the trading day immediately preceding the date of the announcement of the Tender Offer (November 12, 2021) (688 yen), the simple average of the closing prices for the previous one month from November 12 of this year (684 yen), the simple average of the closing prices for the previous three months from the same date as above (679 yen), and the simple average of the closing prices for the previous six month from the same date as above (696 yen), according to the Target.

Under the comparable peer company method, the share value range per share of the Target's Stock was calculated to be 863 yen to 925 yen by comprehensively taking into account the market capitalization, similarity of business, and other factors through comparison with the market share price of listed companies operating businesses relatively similar to those of the Target and the financial statements of their profitability, according to the Target.

Under the DCF method, the share value range per share of the Target's Stock was calculated to be 823 yen to 967 yen by calculating the Target's share value based on various elements such as the profits projected in the business plan for the period from its fiscal year ending March 2022 to its fiscal year ending March 2024 under the " fiscal 2021-2023 medium-term management plan" prepared and published by the Target as of May 20, 2021 (please refer to the table below for the planned values), its investment plan, and information generally disclosed to the public, and discounting at a certain rate to the present value the free cash flow projected to be generated by the Target in and after the third quarter of its fiscal year ending March 2022, according to the Target. The Target states that, the Target's business plan is not premised on the implementation of the Tender Offer since it was prepared before the Target commenced consideration of the Transaction including the Tender Offer.

(Unit: million yen)

| | Fiscal year ending March 2022 | Fiscal year ending March 2023 | Fiscal year ending March 2024 |
|---|---|---|---|
| Sales | 2,926 | 3,350 | 3,880 |
| Operating profit | 137 | 260 | 500 |
| ROE | 5.9% | 12.5% | 21.8% |

(Note) While the Target recorded an operating loss of 59 million yen for the fiscal year ended March 2021, it expects a large increase in operating profit to 137 million yen (planned value) for the fiscal year ending March 2022. In the fiscal year ended March 2021, the Target recorded an operating loss due to the significant impact of the delay and slowdown of business activities faced by domestic companies due to the spread of COVID-19. In the fiscal year ending March 2022, however, the Target aims to establish a new service system by promoting the enhancement of online service provision, among others, thereby escaping the impact of COVID-19 and achieving increased profit.

In addition, for the fiscal year ending March 2023, the Target anticipates a substantial increase of approximately 90% in operating profit (planned value) from the fiscal year ending March 2022. This reflects the expected impact of the expansion of solutions areas in each segment, which is one of the growth strategies set out in the "fiscal 2021-2023 medium-term management plan." Specifically, the Target expects a significant increase in operating profit as a result of the expansion of content and enhancement of functions in each segment, as well as improvements in service infrastructure.

Furthermore, for the fiscal year ending March 2024, the Target anticipates a substantial increase of approximately 92% in operating profit (planned value) from the fiscal year ending March 2023. This reflects the expected impact of the promotion of DX throughout the Group, which is one of the growth strategies set out in the "fiscal 2021-2023 medium-term management plan." Specifically, the Target expects a significant increase in operating income as a result of the development of new products and new businesses through integrated data analysis and the enhancement of consulting functions utilizing various solutions.

The Target has not obtained a valuation report regarding the Stock Acquisition Right

Purchase Price from a third-party valuator since the Stock Acquisition Right Purchase Price is set at 1 yen, according to the Target.

The Target further states that, as the acquisition of the Stock Acquisition Rights by transfer requires the approval of the Target's board of directors, the Target resolved at its board of directors meeting held on November 15, 2021 to approve the Stock Acquisition Right Holders' transfer to the Offeror of the Stock Acquisition Rights held by them by tendering their Stock Acquisition Rights in the Tender Offer, subject to consummation of the Tender Offer.

(III) Advice from an independent legal advisor of the Target

The Target states that, in order to ensure the fairness and appropriateness of decision making of the Target's board of directors with respect to the Transaction, including the Tender Offer, in early July 2021, the Target appointed Miyakezaka Sogo Law Offices as a legal advisor independent of the Target, the Offeror Parties, and the Accepting Shareholders, and received legal advice on the process and method of decision making of the Target's board of directors with respect to the Transaction, including the Tender Offer, and on other matters requiring attention in decision making with respect to the Transaction, including the Tender Offer.

Miyakezaka Sogo Law Offices is not a related party of the Target, the Offeror Parties, and the Accepting Shareholders and has no material interest in connection with the Transaction, including the Tender Offer, according to the Target.

(IV) Establishment of an independent special committee at the Target

The Target states that, in order to eliminate arbitrariness in decision making process of the Target's board of directors and to ensure the fairness, transparency, and objectivity of the same, the Target's board of directors resolved at its meeting held on October 13, 2021 that: it will establish the Special Committee consisting of the Target's outside directors who are also audit and supervisory committee members, Mr. Yasuhiro Matsumura, Mr. Fumio Hoshi, and Mr. Toshiaki Hiraga, who are independent of the Target, the Offeror Parties, and the Accepting Shareholders; it will conduct its decision making with the utmost respect for the contents of the Special Committee's judgment; and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Target's board of directors will not support the Transaction. According to the Target, the Special Committee has been established as of the said date (according to the Target, the members of the Special Committee have been the above three persons since its establishment, and there is no fact that the members have been changed. The above three persons have also been reported to the TSE as independent officers, according to the Target). In addition, Mr. Yasuhiro Matsumura was elected chair of the Special Committee by mutual vote among the three members, according to the Target. The Target also states that the remuneration of the members of the Special Committee is limited to a monthly fixed amount of executive remuneration, which will be paid regardless of whether the Transaction is completed, and there is no system of payment of performance remuneration payable subject to the announcement or completion of the Transaction.

The Target states that, based on the above resolution of the board of directors, it consulted with the Special Committee on whether: (i) the purpose of the Transaction is fair and reasonable (including whether it contributes to the enhancement of the Target's corporate value); (ii) the procedures leading to the Transaction are fair; (iii) the tender offer price and other terms and conditions of the Transaction are appropriate; (iv) based on items (i) through (iii) above, the Transaction will not be disadvantageous to the general shareholders (minority shareholders) of the Target; and (v) the board of directors of the Target should express an opinion to support the Transaction and resolve to recommend that the Target's shareholders tender in the Transaction (hereinafter collectively referred to as the "Items for Advice"), and commissioned the Special Committee to submit a written report on these points to the Target.

It was also resolved at such meeting that, as a policy for the Special Committee's involvement in the process of negotiation with the Offeror, direct negotiations shall be conducted by the Target's directors other than the Accepting Shareholders and other than persons who are employees of the Accepting Shareholders, and the Special Committee can be substantially involved in the negotiation process regarding transaction terms by confirming the policy in advance, receiving timely reports on the situation, expressing opinions in important aspects, and issuing instructions and requests, according to the Target.

The Target states that the Special Committee carefully discussed and examined the Items for Advice by holding a total of 9 meetings during the period from October 13, 2021 to November 15, 2021 (total meeting time of 8 hours and 50 minutes), and also through such means as reporting, information sharing, consideration, and decision making via telephone, e-mail, and web conference during intervals between meeting days.

Specifically, at the first meeting of the Special Committee held on October 13, 2021, the Special Committee confirmed that G&S Solutions, the third-party valuator appointed by the Target, and Miyakezaka Sogo Law Offices, the legal advisor appointed by the Target, were both professionally qualified and independent, and both would be approved as the Target's third-party valuator and the legal advisor, respectively, according to the Target.

The Target states that, after that, the Special Committee reviewed the materials submitted by the Target and received explanation from the Target on the purpose and background of the Transaction, specific details of the synergies to be realized by the Transaction, expected impact on the business of the Target by the Transaction, and the background of preparation of the business plan, and held a question-and-answer session on the foregoing. In addition, after sending a questionnaire regarding the purpose of the Transaction and other relevant matters to the Offeror in advance, the Special Committee received explanation from the Offeror on the reasons and background for proposing the Transaction, the purpose of the Transaction, the details and extent of the merits, demerits, and other effects expected from the Transaction, the management policy of the Target after the Transaction, among other matters, and held a question-and-answer session on the foregoing, according to the Target. Furthermore, the Special Committee received explanation from G&S Solutions, the third-party valuator of the Target, on the matters concerning calculation of the share value of the Target, and held a question-and-answer on the foregoing, according to the Target. In addition, the Special Committee received explanation from Miyakezaka Sogo Law Offices, the legal advisor of the Target, on the measures to ensure the fairness of the procedures of the Transaction, and the methods and processes of decision-making of the Target's board of directors with respect to the Transaction, and other points requiring attention in decision-making regarding the Transaction, and also conducted a question-and-answer session on the foregoing, according to the Target.

Also during intervals between the Special Committee meeting days, the Special Committee was informed by the Target on a timely basis of the background and content of discussions and negotiations between the Target and the Offeror regarding the Transaction, and after careful consideration and discussions on the same, the Special Committee requested and instructed that the Target conduct negotiations, and negotiations regarding request for increase in the Tender Offer Price were conducted as described in " (II) The Target's decision-making process and grounds therefor " in "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer, and management policy after the Tender Offer " above.

Accordingly, after careful consultations and consideration on the Items for Advice, the Special Committee, with the unanimous consent of all the members, submitted Written Report on the Items for Advice to the Target's board of directors on November 15, 2021, the content of which is substantially as described below, according to the Target.

(i) Whether the purpose of the Transaction is justifiable and reasonable (including whether it will contribute to the enhancement of the Target's corporate value)

The Special Committee believes that the purpose of the Transaction is fair and reasonable and contributes to the enhancement of the corporate value of the Target for the following reasons.

- The Target's fiscal 2021-2023 medium-term management plan (published on May 20, 2021) includes two growth strategies. The first is the "expansion of solutions areas in each segment" and the second is the "promotion of DX throughout the Group."

- Mitsui has eight branch offices nationwide, and is capable of doing business evenly from Hokkaido to Kyushu. Since the Target has only an Osaka branch specializing in the EAP business in addition to its head office in Tokyo, each branch office of Mitsui & Co. may be utilized as a business base for the three businesses (EAP business, human resources development business, and recruitment business) conducted by the Target as a result of the Transaction, which will make it possible to effectively conduct sales to major companies in local regions and acquire projects.

- In the human resources development business and the recruitment business, it is expected that by combining with the services of Hokendohjinsha, the Target will be able to provide customers with higher added value and a more comprehensive portfolio.

- Hokendohjinsha, a subsidiary of Mitsui &Co., is already building a data platform. Although the Target is currently promoting DX to establish its own customer data base in the three businesses, it is still in the initial stage of its efforts, and how to invest funds and human resources to promote DX in the future was an issue to be examined. In this respect, it is expected that by analyzing and utilizing customer data in the data platform developed by Hokendohjinsha, it will be possible to resolve issues faster than in the case where the Target promotes DX alone.

- Making the Target a wholly-owned subsidiary (going private) will allow for a quick and flexible decision-making.

- In principle, Mitsui & Co. intends to maintain the employment of the employees of the Target's group and maintain the current level of their treatment as much as possible after the Transaction, so that the employees supporting the Target's group will not be disadvantaged.

- On the one hand, making the Target a wholly-owned subsidiary (going private) may have an impact on the improvement of the social credibility and name recognition that the Target has enjoyed as a listed company and the expansion of business scale and enhancement of corporate value in connection therewith.

- However, since Mitsui & Co. is one of the leading general trading companies and can reasonably be expected to complement the Target in terms of the impact on social credibility and name recognition, and can further accelerate the Target's implementation of its growth strategies as described above, thereby contributing to the expansion of its business scale and enhancement of its corporate value, the advantages of making the Target a wholly-owned subsidiary (going private) are considered to outweigh the disadvantages.

(ii) Whether the procedures leading to the Transaction are fair

The Special Committee believes that the procedures leading to the Transaction are fair for the following reasons.

- In the first place, the Transaction is not conducted by a controlling shareholder of the Target (neither the Offeror nor Mitsui & Co. owns any shares in the Target) and does not fall under an MBO. Nevertheless, the Special Committee was established from the perspective of eliminating the possibility of arbitrariness in decision making process of the Target's board of directors and ensuring the fairness, objectivity, and transparency of decision making process of the same.

- All members of the Special Committee are outside directors (audit and supervisory committee members and independent officers) and are independent of the Offeror, Mitsui & Co., and the three major shareholders who have agreed to tender their shares in the Tender Offer (Daiwa PI, Mr. Watanabe, and Mr. Nishida). The members of the Special Committee have not been changed since its establishment.

- The Target resolved at its board of directors' meeting to establish the Special Committee and conduct decision making with respect to the Transaction by respecting the Special Committee's decision to the maximum extent possible, and not to support the Transaction if the Special Committee determines that the terms and conditions of the Transaction are not appropriate.

- Since no incentive remuneration system has been adopted for the remuneration of the members of the Special Committee, the members of the Special Committee do not have interest different from the general shareholders (minority shareholders) with respect to the success or failure of the Transaction.

- The Target and the Special Committee received, from time to time, legal advice from Miyakezaka Sogo Law Offices, who was appointed by the Target as its legal advisor, with respect to matters such as the measures to ensure the fairness of the procedures of the Transaction, the procedures of the Transaction, and the method under which the Target will conduct decision making concerning the Transaction.

- The Special Committee has confirmed that Miyakezaka Sogo Law Offices is not a related party of the Target, the Offeror, Mitsui & Co., and the Accepting Shareholders and does not have any material interest in relation to the Transaction including the Tender Offer, and there is no issue regarding its expertise and independence.

- The Target has obtained a share valuation report from G&S Solutions to ensure the appropriateness of the Tender Offer Price.

- The Special Committee has confirmed that G&S Solutions is not a related party of the Target, the Offeror, Mitsui & Co., and the Accepting Shareholders and does not have any material interest in relation to the Transaction including the Tender Offer, and there is no issue regarding its expertise and independence.

- The period of the Tender Offer will be set at 30 business days, which is 10 business days longer than the minimum number of days required by the Financial Instruments and Exchange Act (20 business days). This provides the Target's shareholders with an opportunity to make an appropriate decision whether to tender their shares in the Tender Offer. It also provides persons other than the Offeror with an opportunity to make a competitive purchase. Furthermore, the Target has not entered into any agreement with the Offeror or Mitsui & Co. restricting the Target from contacting any person proposing a competitive purchase. As a result, it considered that so-called indirect market checks are conducted. The Target has not promised to the Offeror or Mitsui & Co. that it will not withdraw its opinion in the event that it expresses its opinion to support the Tender Offer.

- The general shareholders (minority shareholders) of the Target who do not tender their shares in the Tender Offer shall be finally delivered money in the procedures to make the Target a wholly-owned subsidiary of the Offeror to be implemented after the consummation of the Tender Offer (demand for share cash-out or share consolidation). This method of conducting a tender offer in the first stage and making a demand for share cash-out or share consolidation in the second stage is generally adopted when making a listed company a wholly-owned subsidiary.

- In addition, in the procedures for the demand for share cash-out or share consolidation, general shareholders (minority shareholders) may file with the court a petition for the determination of the sale price or a petition for the determination of the price after the demand for share cash-out.

- Furthermore, the amount of money to be delivered to the general shareholders (minority shareholders) in these procedures will be calculated to be equal to the Tender Offer Price per share multiplied by the number of the shares of the Target's Stock owned by such shareholders.

- Based on the above, it can be said that consideration is given so as not to create coercion, in order to secure an opportunity for the general shareholders (minority shareholders) to make an appropriate decision as to whether or not to tender their shares in the Tender Offer.

(iii) Whether the tender offer price and other terms and conditions of the Transaction are appropriate

The Special Committee believes that the tender offer price and other terms and conditions of the Transaction are reasonable for the following reasons.

- G&S Solutions uses the average market price method, the comparable peer company method, and the DCF method to calculate the value of the Target's Stock.

- As for the average market price method, calculation was made based on factors such as the closing price on the reference date as at the time of preparation of the Share Valuation Report, and no unreasonable point is found in respect of such method.

- As for the comparable peer company method, the peer companies have been selected from listed companies engaged in a business similar to the Target's business, taking into consideration similarities in size and profitability, and no possibility of arbitrariness is found in respect of such selection.

- As for the DCF method, G&S Solutions has used factors such as risk premium, which is commonly used, and no possibility of arbitrariness is found in respect of the selection of the index used as the basis for the valuation of shares. In addition, the Target's business plan, which is a premise for the calculation based on the DCF method, is not deemed unreasonable in light of the process of preparation and the current situation of the Target.

- Based on the above, it is considered that the methods and results of the valuation of shares by G&S Solutions are not unreasonable.

- The Tender Offer Price is reasonable because it exceeds the upper limit of the valuation range determined by the average market price method, exceeds the median value of the valuation range determined by the comparable peer company method, and exceeds the median value of the valuation range determined by the DCF method.

- In the Share Valuation Report, the share value is not calculated by the net asset method. However, the Target will continue to operate its business in the future. The Target is not scheduled to discontinue its business and liquidate its business, and there is no actual risk of discontinuation of its business. For this reason, it is reasonable that G&S Solutions did not adopt the net asset method, which is used as the basis of liquidation value, in calculating the share value.

- In addition, the amount of net assets per share of the Target as of the end of March 2021 was 324.49 yen, and the Tender Offer Price greatly exceeds this amount.

- The premium rate of the Tender Offer Price is considered to be reasonable compared to cases similar to the Transaction.

- Mr. Matsumura, director and chairman of the Special Committee, also participated directly in the price negotiations with Mitsui & Co. The negotiations were conducted in response to the Special Committee's request and instruction, and in view of the result that the Tender Offer Price was increased from the initial 880 yen to 915 yen, it is considered that the Special Committee functioned effectively.

(iv) Based on items (i) through (iii) above, whether the Transaction will not be disadvantageous to the general shareholders (minority shareholders) of the Target

Based on (i) through (iii) above, the Special Committee believes that the Transaction will not be disadvantageous to the general shareholders (minority shareholders) of the Target.

(v) Whether the board of directors of the Target should express an opinion to support the Transaction and resolve to recommend that the Target's shareholders tender their shares in the Transaction

Based on the above, the Special Committee considers that it is appropriate for the Target's board of directors to resolve to express an opinion to support the Transaction and to recommend that the Target's shareholders tender their shares in the Transaction.

(V) Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Target

The Target states that, based on the content of the Share Valuation Report of the third-party valuator G&S Solutions and legal advice received from the legal advisor Miyakezaka Sogo Law Offices, it carefully considered and examined the terms and conditions of the Transaction while respecting to the maximum extent the content of the Written Report obtained from the Special Committee. As a result, as described in "(II) The Target's decision-making process and grounds therefor" in "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer, and management policy after the Tender Offer" above, at the meeting of the Target's board of directors held on November 15, 2021, all five directors except for Mr. Watanabe and Mr. Jun Nakayama among seven directors (including audit and supervisory committee members) of the Target unanimously (i) determined that implementation of the Tender Offer will contribute to the achievement of the two growth strategies set out in the "fiscal 2021-2023 medium-term management plan" (expansion of solutions areas in each segment and promotion of DX throughout the group), thereby further enhancing the Target's corporate value, and that it is reasonable to set the Tender Offer Price at 915 yen because it exceeds the upper limit of the valuation range determined by the average market price method, the median value of the valuation range determined by the comparable peer company method, and the median value of the valuation range determined by the DCF method in the Share Valuation Report and the premium rate is also considered to be reasonable, and (ii) resolved to express their opinion to support the Tender Offer and to recommend that the shareholders of the Target tender in the Tender Offer, according to the Target. In addition, because the price of the Stock Acquisition Rights is set at 1 yen per Stock Acquisition Right; because the Stock Acquisition Rights were issued as stock options to the directors and employees of the Target or the Target's subsidiaries and cannot be exercised by the Offeror even if acquired by the Offeror; and because the Stock Acquisition Right Holders can exercise their rights to acquire shares and can tender such shares in the Tender Offer, the Target resolved at the abovementioned meeting of the board of directors, with unanimous consent of all five directors except for Mr. Watanabe and Mr. Nakayama among seven directors (including audit and supervisory committee members) of the Target, to leave the decision on whether to tender in the Tender Offer to the judgment of the Stock Acquisition Right Holders, according to the Target.

In light of the fact that Mr. Watanabe, the President and Representative Director of the Target, is a major shareholder of the Target with the Shareholding Ratio of 13.42% and has entered into the Tender Agreement (Individual Shareholder) with the Offeror with respect to all shares of the Target's Stock held by him, he has not participated in consideration or resolutions of the board of directors of the Target in respect of the Transaction nor has he participated in any discussion or negotiation with the Offeror Parties regarding the Transaction in his capacity as the Target from the beginning of the negotiation with the Offeror Parties, from the perspective of enhancing the fairness of the negotiation process, according to the Target. In addition, in light of the fact that Mr. Nakayama, who is a director of the Target, and concurrently serves as an employee of Daiwa PI which is a major shareholder of the Target with the Shareholding Ratio of 31.24% and has entered into the Tender Agreement (Daiwa PI) with the Offeror with respect to all shares of the Target's Stock held by it, he has not participated in consideration or resolutions of the board of directors of the Target in respect of the Transaction nor has he participated in any discussion or negotiation with the Offeror Parties regarding the Transaction in his capacity as the Target from the beginning of the negotiation with the Offeror Parties, from the perspective of enhancing the fairness of the negotiation process, according to the Target.

(VI) Measures to ensure purchase opportunities for other purchasers

The Target has not entered into any agreement with the Offeror containing a transaction protection clause that prohibits the Target from contacting persons proposing competitive purchases, or any other agreement that restricts contacts between persons proposing competitive purchases and the Target during the period of purchase in the Tender Offer (the "Tender Offer Period"). The Offeror has set the Tender Offer Period at 30 business days, which is longer than the minimum period prescribed by law of 20 business days. The Offeror intends to ensure the appropriateness of the Tender Offer Price by setting the Tender Offer Period to a relatively long period to ensure that the shareholders of the Target have an opportunity to make an appropriate judgment on tendering in the Tender Offer and to ensure that persons other than the Offeror have an opportunity to make a competitive purchase of the shares of the Target's Stock.

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

As described in "(1) Outline of the Tender Offer" above, if the Offeror is unable to acquire all shares of the Target's Stock and all of the Stock Acquisition Rights in the Tender Offer, the Offeror plans to implement procedures to acquire all shares of the Target's Stock and all of the Stock Acquisition Rights by the following method (the "Squeeze-out Procedure") after the completion of the Tender Offer.

(I) Demand for share cash-out

If, as a result of consummation of the Tender Offer, the total number of voting rights of the Target held by the Offeror becomes 90% or more of the total number of voting rights of all shareholders of the Target and the Offeror becomes a special controlling shareholder under Article 179, Paragraph 1 of the Companies Act, the Offeror intends to request all shareholders of the Target (excluding the Offeror and the Target; the same applies in this section (I) hereafter) to sell all shares of the Target's Stock they hold (the "Demand for Share Cash-out") pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act promptly after the settlement of the Tender Offer is completed. In the Demand for Share Cash-out, it is planned that an amount of money equal to the Tender Offer Price shall be delivered to the shareholders of the Target as consideration per share of the Target's Stock. In this case, the Offeror shall notify the Target to that effect and request the Target to approve the Demand for Share Cash-out. If the Target approves the Demand for Share Cash-out by the resolution of the board of directors, the Offeror shall acquire from all shareholders of the Target all shares of the Target's Stock held by them as of the acquisition date specified in the Demand for Share Cash-out in accordance with the procedures prescribed by the relevant laws and regulations without requiring individual approval of the shareholders of the Target. In consideration for each share of the Target's Stock held by each such shareholder, the Offeror intends to deliver to each such shareholder an amount of money equal to the Tender Offer Price. According to the Target's Press Release, the Target plans to approve the Demand for Share Cash-out at the Target's board of directors meeting if the Target receives notice from the Offeror on the Offeror's intention to make the Demand for Share Cash-out as well as on the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act. If the Demand for Share Cash-out is made, the shareholders of the Target may file a petition to the court to determine the sale price of the shares of the Target's Stock they hold in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations.

(II) Share consolidation

On the other hand, if, as a result of the consummation of the Tender Offer, the total number of voting rights of the Target held by the Offeror does not reach 90% or more of voting rights of all shareholders of the Target, the Offeror plans to request the Target, promptly after the completion of settlement of the Tender Offer, to convene preferably by around the end of February, 2022 an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting"), at which the items for resolution shall include: the implementation of consolidation of the shares of the Target's Stock (the "Share Consolidation") pursuant to Article 180 of the Companies Act; and on condition that the Share Consolidation takes effect, partial amendment of the articles of incorporation to abolish the provision concerning share unit. The Offeror intends to vote in favor of both of the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, then on the date on which the Share Consolidation takes effect, the shareholders of the Target will own the shares of the Target's Stock 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, an amount money obtained by selling to the Target or to the Offeror the shares of Target's Stock equivalent to the total number of such fractional shares (fractional shares resulting from aggregating those fractional shares shall be discarded) shall be delivered to the shareholders of the Target in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the shares of the Target's Stock equivalent to such total number of fractional shares, it is scheduled that this price shall be set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the shareholders of the Target who did not tender in the Tender Offer (excluding the Offeror and the Target) shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the shares of the Target's Stock owned by such shareholders. After the above process, a petition to obtain permission for voluntary sale is scheduled be filed with the court. Although the ratio of the Share Consolidation of the Target's Stock has not been determined as of the date of this Press Release, such ratio will be determined so that the number of the shares of the Target's Stock held by the shareholders of the Target who did not tender in the Tender Offer will be a fraction of less than one share, making the Offeror the holder of all shares of the Target's Stock. Specific procedures in this case will be promptly announced by the Target upon determination of the same.

The provisions of the Companies Act that protect the rights of the minority shareholders in connection with the share consolidations stipulate that when fractional shares of less than one share arise as a result of the Share Consolidation, the shareholders of the Target (excluding the Offeror and the Target) may request the Target to purchase all fractional shares that they own at a fair price and that they may file with the court a petition to determine the price of the shares of the Target's Stock pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations. As described above, in the Share Consolidation, the number of the shares of the Target's Stock held by the shareholders of the Target who did not tender in the Tender Offer (excluding the Offeror and the Target) will be a fraction of less than one share. Therefore, the shareholders of the Target who are against the Share Consolidation will be able to file the aforementioned petition. If such petition is filed, the purchase price will ultimately be determined by the court.

Each of the procedures described in (I) and (II) above may take time to be implemented and the method of implementation of the same may change, depending on the situations such as the amendments, effectuation, and interpretation by the authorities of the relevant laws and regulations. Even in such case, the method of finally delivering money to the shareholders of the Target who did not tender in the Tender Offer (excluding the Offeror and the Target) will be adopted, and in such case, the amount of money to be delivered to each such shareholder will be calculated to be equal to the Tender Offer Price per share multiplied by the number of the shares of the Target's Stock owned by each such shareholder. If a petition to determine the sale price with respect to the Demand for Share Cash-out or a petition to determine the price under appraisal rights regarding the Share Consolidation is filed, the sale price of the shares of the Target's Stock or the price under appraisal rights shall be ultimately determined by a court.

(III) Acquisition and cancellation of the Stock Acquisition Rights

If the Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and the Stock Acquisition Rights remain unexercised despite the completion of the Tender Offer, the Offeror intends to request the Target to acquire and cancel the Stock Acquisition Rights or recommend that the Stock Acquisition Right Holders waive the Stock Acquisition Rights, or implement other procedures reasonably necessary for the execution of the Transaction.

According to the Target, the Target intends to cooperate if it receives such request.

The Target will promptly announce the specific procedures and timing of implementation in each of the above cases as soon as they are determined upon consultation with the Offeror.

The Tender Offer is not a solicitation for the Target's shareholders to vote in favor of the proposals at the Extraordinary Shareholders' Meeting. The shareholders and the Stock Acquisition Right Holders 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.

(6) Possibility of delisting and reason therefor

The shares of the Target's Stock are listed on the TSE Mothers Market as of today. Because the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Target's Stock may become delisted through the prescribed procedures in accordance with the TSE's delisting criteria depending on the results of the Tender Offer. Also, even if such delisting criteria are not met as at the time of completion of the Tender Offer, the Offeror intends to implement the Squeeze-out Procedure thereafter as explained above in "(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" where in such case, the Target's Stock will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria. After delisting, the shares of the Target's Stock may no longer be traded on the TSE.

3. Summary of Tender Offer

(1) Summary of the Target

| | | |
|---|---|---|
| (i) | Name | Human Associates Holdings, Inc. |
| (ii) | Location | 3-3, Minamiaoyama 1-chome, Minato-ku, Tokyo |
| (iii) | Name and title of representative | Representative Director and President, Akihiko Watanabe |
| (iv) | Description of business | Mental health care business, recruitment business, human resources development business, and other businesses |
| (v) | Amount of share capital | 176,790,840 yen |
| (vi) | Date of incorporation | March 31, 1990 |

| | | | |
|---|---|---|---|
| (vii) | Major shareholders and shareholding ratio (as of March 31, 2021) (Note) | Daiwa PI Partners Co. Ltd. | 33.09% |
| | | Akihiko Watanabe | 13.71% |
| | | Morimoto Honten Co., Ltd. | 9.54% |
| | | Yutaka Kamisawa | 7.01% |
| | | Tadayasu Nishida | 4.64% |
| | | Katsuyuki Torii | 1.58% |
| | | Yoshitame Iwami | 1.06% |
| | | Hiroyuki Okamoto | 0.89% |
| | | Human Associates Holdings Employee Shareholding Association | 0.78% |
| | | Hiroshi Tsuda | 0.63% |
| (viii) | Relationships between the Offeror Parties and the Target | | |
| | Capital relationship | Not applicable | |
| | Personal relationship | Not applicable | |
| | Business relationship | Not applicable | |
| | Status as related party | Not applicable | |

(Note) "Major shareholders and shareholding ratio (as of March 31, 2021)" is extracted from "Major Shareholders" in the Target's Annual Securities Report for the 32nd Fiscal Year filed on June 25, 2021.

(2) Schedule

(I) Schedule

| | |
|---|---|
| Date of resolution | November 15, 2021 (Monday) |
| Date of public notice concerning commencement of the tender offer | November 16, 2021 (Tuesday) |
| Name of daily newspaper on which the public notice is posted | Public notice shall be given electronically and publication shall be made on the Nihon Keizai Shimbun to the effect that public notice was given.<br>(Electronic notice is posted on https://disclosure.edinet-fsa.go.jp/) |

| | |
|---|---|
| Date of submission of the tender offer registration statement | November 16, 2021 (Tuesday) |

(II) Tender offer period as of the submission date of the tender offer registration statement

From November 16, 2021 (Tuesday) through December 28, 2021 (Tuesday) (30 business days)

(III) Possibility of extending the above period upon request from the Target

Not applicable

(3) Price of tender offer

(I) The shares of the common stock

915 yen per share of the common stock

(II) Stock acquisition rights

(i) The stock acquisition rights issued pursuant to the resolution of the Target's board of directors meeting on March 4, 2016 (the "First Stock Acquisition Rights") (exercise period: from March 12, 2018 through March 4, 2026): 1 yen per Stock Acquisition Right

(ii) The stock acquisition rights issued pursuant to the resolution of the Target's board of directors meeting on January 16, 2017 (the "Second Stock Acquisition Rights") (exercise period: from January 20, 2019 through January 16, 2027): 1 yen per Stock Acquisition Right

(iii) The stock acquisition rights issued pursuant to the resolution of the Target's board of directors meeting on February 15, 2017 (the "Third Stock Acquisition Rights") (exercise period: from February 23, 2019 through February 15, 2027): 1 yen per Stock Acquisition Right

(iv) The stock acquisition rights issued pursuant to the resolution of the Target's board of directors meeting on November 14, 2017 (the "Fourth Stock Acquisition Rights") (exercise period: from November 23, 2019 through November 14, 2027): 1 yen per Stock Acquisition Right

(v) The stock acquisition rights issued pursuant to the resolution of the Target's board of directors meeting on June 27, 2019 (the "Fifth Stock Acquisition Rights") (exercise period: from July 2, 2021 through June 27, 2029): 1 yen per Stock Acquisition Right

The First Stock Acquisition Rights, the Second Stock Acquisition Rights, the Third Stock Acquisition Rights, the Fourth Stock Acquisition Rights, and the Fifth Stock Acquisition Rights are collectively referred to as the "Stock Acquisition Rights."

(4) Basis of calculation of the price of tender offer

(I) Basis of calculation

(i) The shares of the common stock

Mitsui &Co., in determining the Tender Offer Price, retained Plutus as its third-party valuator independent of the Offeror Parties and the Target to calculate the value of the Target's Stock. Plutus is not a related party of the Offeror Parties and the Target, and has no material interests in the Tender Offer.

Plutus received from Mitsui & Co. and the Target the latest financial forecast and other materials reflecting the current status of the Target's business. Under certain conditions based on these information, Plutus calculated the value of the Target's Stock using the average market price method, the comparable peer company method, and the DCF method, and on November 12, 2021, Mitsui & Co. received the Plutus Share Valuation Report from Plutus. Mitsui & Co. has not procured an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Plutus.

The value per share of the Target's Stock calculated by Plutus is as follows:

| | |
|---|---|
| Average market price method: | from 679 yen to 696 yen |
| Comparable peer company method: | from 857 yen to 899 yen |
| DCF method: | from 740 yen to 952 yen |

Under the average market price method, as of the reference date of calculation of November 12, 2021, the share value range per share of the Target's Stock was calculated to be 679 yen to 696 yen, based on the closing price of the Target's Stock on the TSE Mothers Market on the reference date (688 yen), the simple average closing price for the most recent one month (684 yen), the simple average closing price for the most recent three months (679 yen), and the simple average closing price for the most recent six months (696 yen).

Under the comparable peer company method, the share value range per share of the Target's Stock was calculated to be 857 yen to 899 yen through comparison with the market share price of listed companies operating businesses relatively similar to those of the Target and the indicators of their profitability and other financial conditions.

Under the DCF method, the share value range per share of the Target's Stock was calculated to be 740 yen to 952 yen by analyzing the Target's share value based on various elements such as the profits projected in the business plan prepared by the Target for the period from its fiscal year ending March 2022 to its fiscal year ending March 2024 (the "Business Plan"), its investment plan, and information generally disclosed to the public, and discounting at a certain rate to the present value the free cash flow projected by the Offeror Parties to be generated by the Target in and after the third quarter of its fiscal year ending March 2022. As a note, a significant increase or decrease in profits is projected in the Business Plan. Specifically, while the Target recorded an operating loss of 59 million yen for the fiscal year ended March 2021, it expects a large increase in operating profit to 137 million yen (planned value) for the fiscal year ending March 2022. In the fiscal year ended March 2021, the Target recorded an operating loss due to the significant impact of the delay and slowdown of business activities faced by domestic companies due to the spread of COVID-19. In the fiscal year ending March 2022, however, the Target aims to establish a new service system by promoting the enhancement of online service provision, among others, thereby escaping the impact of COVID-19 and achieving increased profit.

In addition, for the fiscal year ending March 2023, the Target anticipates a substantial increase of approximately 90% in operating profit (planned value) from the fiscal year ending March 2022. This reflects the expected impact of the expansion of solutions areas in each segment, which is one of the growth strategies set out in the "fiscal 2021-2023 medium-term management plan." Specifically, the Target expects a significant increase in operating profit as a result of the expansion of content and enhancement of functions in each segment, as well as improvements in service infrastructure.

Furthermore, for the fiscal year ending March 2024, the Target anticipates a substantial increase of approximately 92% in operating profit (planned value) from the fiscal year ending March 2023. This reflects the expected impact of the promotion of DX throughout the Group, which is one of the growth strategies set out in the "fiscal 2021-2023 medium-term management plan." Specifically, the Target expects a significant increase in operating income as a result of the development of new products and new businesses through integrated data analysis and the enhancement of consulting functions utilizing various solutions. In addition, according to the Target, the Business Plan is not premised on the implementation of the Tender Offer because it was prepared before the Target commenced consideration of the Transaction including the Tender Offer.

In addition to the results of calculation by the methods set forth in the Plutus Share Valuation Report procured from Plutus, Mitsui & Co. comprehensively considered elements such as the results of due diligence conducted on the Target from late July to mid-August 2021, and the trends in market price of the Target's Stock and took into account the results of discussions and negotiations with the Accepting Shareholders, and decided to set the Tender Offer Price at 915 yen per share.

The Tender Offer Price (915 yen) accounts for a 32.99% premium on the closing price (688 yen) of the Target's Stock on the TSE Mothers Market on November 12, 2021, i.e. the business day immediately prior to the date of announcement of the Tender Offer, a 33.77% premium on the simple average closing price (684 yen) for the one month ending the same date, a 34.76% premium on the simple average closing price (679 yen) for the three months ending the same date, and a 31.47% premium on the simple average closing price (696 yen) for the six months ending the same date, respectively.

(ii) The Stock Acquisition Rights

Mitsui & Co. has determined that the Stock Acquisition Right Purchase Price shall be 1 yen per Stock Acquisition Right. This is because the Stock Acquisition Rights are issued as stock options to the directors and employees of the Target or the Target's subsidiaries and the Stock Acquisition Right Holders are required to hold such positions at the time of exercise as a condition for the exercise of the Stock Acquisition Rights, making the Offeror unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights through the Tender Offer. Since the Offeror is unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights through the Tender Offer, Mitsui & Co. has not obtained a valuation report from a third-party valuator in determining the Stock Acquisition Right Purchase Price in the Tender Offer.

(II) Process of calculation

As described in “(I) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" under "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer, and management policy after the Tender Offer" under "2. Purposes of the Purchase" above, after submitting a letter of intent as of June 11, 2021, Mitsui & Co. proceeded to establish a full-fledged study system for the implementation of the Tender Offer, and appointed Plutus as its financial advisor and third-party valuator independent of the Offeror Parties and the Target, and Anderson Mori & Tomotsune as its legal advisor independent of the Offeror Parties and the Target. In addition to implementing due diligence in late July to mid- August 2021, Mitsui & Co. conducted multiple discussions and examinations with the Target regarding the significance and purpose of the Tender Offer as well as the creation of synergies.

In late September 2021, the Target agreed to proceed with discussions on the detailed terms and conditions by limiting the focus to Mitsui & Co. making the Target a wholly-owned subsidiary. Accordingly, based on the fact that an approximately 25% to 30% premium will be added to the closing price of the Target's Stock on September 30, 2021, and to the simple average of the closing prices of the same for the period of one month, three months, and six months from the same date, respectively, and based on the results of initial stock price analysis by Plutus, Mitsui & Co. submitted a written proposal to the Target on October 8, 2021, which set forth the outline of the Tender Offer including the purpose of the Transaction (including the proposal to set the Tender Offer Price at 880 yen), synergies that are believed to be obtained by the Target through the Transaction, and the management policy after the Transaction. Mitsui & Co. also considered the Stock Acquisition Right Purchase Price and, as a result, made a proposal that the Stock Acquisition Right Purchase Price be 1 yen, because the Stock Acquisition Rights are issued as stock options to the directors and employees of the Target or the Target's subsidiaries and such persons are required to hold such positions at the time of exercise as a condition for the exercise of the Stock Acquisition Rights, making the Offeror unable to exercise the relevant rights even if the Offeror acquires the Stock Acquisition Rights.

On October 13, 2021, Mitsui & Co. received an inquiry from the Target regarding the specific content of the outline of the Tender Offer set forth in the written proposal dated October 8, 2021 and the method of share valuation that led to the proposal of the Tender Offer Price of 880 yen per share, and submitted a written response to the inquiry on October 19, 2021. Subsequently, on October 25, 2021, Mitsui & Co. received a request from the Target to set the Tender Offer Price at 970 yen based on the reason that the proposed amount did not reach an appropriate level (as a note, the Target's judgment regarding the Stock

Acquisition Right Purchase Price was not indicated, and no reconsideration of the Stock Acquisition Right Purchase Price was requested), and reconsidered the Tender Offer Price. On October 28, 2021, Mitsui & Co. made a reproposal to set the Tender Offer Price at 900 yen. After then, on November 2, 2021, Mitsui & Co. was once again requested by the Target to set the Tender Offer Price at 970 yen based on the result of consideration that the reproposed amount did not reach an appropriate level (at this time as well, the Target's judgment regarding the Stock Acquisition Right Purchase Price was not indicated, and no reconsideration of the Stock Acquisition Right Purchase Price was requested).

As described above, Mitsui & Co. held multiple discussions and negotiations with the Target. As a result, Mitsui & Co. proposed to increase the Tender Offer Price to 915 yen on November 8, 2021 as its final proposal. Since the Target accepted the proposal on November 12, 2021, Mitsui & Co. and the Target agreed to set the Tender Offer Price at 915 yen.

(a) Procurement of a share valuation report from an independent third-party valuator

Mitsui &Co., in determining the Tender Offer Price, retained Plutus, Mitsui & Co.'s financial advisor, as its third-party valuator independent of the Offeror Parties and the Target to calculate the value of the Target's Stock. Plutus is not a related party of the Offeror and the Target, and has no material interests in the Tender Offer.

Plutus received from Mitsui & Co. and the Target the latest financial forecast and other materials reflecting the current status of the Target's business. Under certain conditions based on these information, Plutus calculated the value of the Target's Stock using the average market price method, the comparable peer company method, and the DCF method, and on November 12, 2021, Mitsui & Co. received the Plutus Share Valuation Report from Plutus. Mitsui & Co. has not procured a fairness opinion on the Tender Offer Price from Plutus.

(b) Summary of the calculation

The value per share of the Target's Stock calculated by Plutus is as follows:

| | |
|---|---|
| Average market price method: | from 679 yen to 696 yen |
| Comparable peer company method: | from 857 yen to 899 yen |
| DCF method: | from 740 yen to 952 yen |

(c) Circumstances leading to the decision of the purchase price based on the calculation

Mitsui & Co. comprehensively considered elements such as the results of due diligence conducted on the Target from late July to mid-August 2021 and the trends in market price of the Target's Stock and took into account the results of discussions and negotiations with the Accepting Shareholders and the fact that the Tender Offer Price was within the range of the results of calculation in the Plutus Share Valuation Report procured from Plutus, and decided on November 15, 2021 to set the Tender Offer Price at 915 yen per share.

(III) Relationship with valuator

Plutus as a financial advisor for Mitsui & Co. is not a related party of the Offeror Parties or the Target, and has no material interests in the Tender Offer.

(5) Number of shares to be purchased

| Class of stock | Number of tendered shares to be purchased | Minimum number of tendered shares to be purchased | Maximum number of tendered shares to be purchased |
|---|---|---|---|
| Common Stock | 3,445,876 shares | 2,297,400 shares | - shares |
| Total | 3,445,876 shares | 2,297,400 shares | - shares |

(Note 1) If the total number of the Tendered Shares (including the number of shares underlying the Stock Acquisition Rights; hereinafter the same) is less than the minimum number of tendered shares to be purchased in the Tender Offer (2,297,400 shares), the Offeror will purchase none of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased in the Tender Offer (2,297,400 shares), the Offeror will purchase all of the Tendered Shares.

(Note 2) Since the maximum number of tendered shares to be purchased is not set in the Tender Offer, the number of tendered shares to be purchased is the Total Number of Shares Adjusted for Dilutive Shares (3,445,876 shares), which is the maximum number of the shares that the Offeror may acquire by the Tender Offer.

(Note 3) Shares less than one unit (excluding the shares less than one unit owned by the Target) are also subject to the Tender Offer. If a shareholder of the Target exercises the right to demand 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 4) The treasury shares owned by the Target are not scheduled to be acquired through the Tender Offer.

(Note 5) If any of the Stock Acquisition Rights are exercised by the last day of the Tender Offer Period, the shares of the Target's Stock issued or transferred as a result of such exercise will also be subject to the Tender Offer.

(6) Change in shareholding ratio after tender offer

| | | |
|---|---|---|
| Number of voting rights pertaining to the shares held by the Offeror Parties 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 | 0 | (Shareholding Ratio before the Tender Offer 0.00%) |
| Number of voting rights pertaining to the shares held by the Offeror Parties after the Tender Offer | 34,458 | (Shareholding Ratio after the Tender Offer 100.00%) |
| Number of voting rights pertaining to the shares, etc. held by special related parties after the Tender Offer | 0 | (Shareholding Ratio after the Tender Offer 0.00%) |
| Total number of voting rights of all shareholders of the Target | 32,538 | |

(Note 1) "Number of voting rights pertaining to the shares held by special related parties before the Tender Offer" and "Number of voting rights pertaining to the shares, etc. held by special related parties after the Tender Offer" are the total numbers of voting rights pertaining to 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 on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other Than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter the "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). As the shares, etc. held by special related parties (excluding the treasury shares held by the Target) are also subject to the Tender Offer, the "Number of voting rights pertaining to the shares, etc. held by special related parties" is not included in the numerator in the calculation of the "Number of voting rights pertaining to the shares, etc. held by special related parties after the Tender Offer."

(Note 2) "Total number of voting rights of all shareholders of the Target" is the number of the voting rights of all shareholders as of September 30, 2021 as indicated in the2Q Securities Report. However, because shares less than one unit and shares of Target's Stock that may be issued or transferred as a result of exercise of the Stock Acquisition Rights are also subject to the Tender Offer, "Shareholding Ratio before the Tender Offer" and "Shareholding Ratio after the Tender Offer" are calculated based on the denominator of the number of voting rights (34,458) pertaining to the Total Number of Shares Adjusted for Dilutive Shares (3,445,876 shares).

(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 3,152,976,540 yen

(Note) The aggregate tender offer price indicated is the amount obtained by multiplying the number of shares scheduled to be purchased in the Tender Offer (3,445,876 shares) by the Tender Offer Price (915 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

January 6, 2022 (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 the standing proxy in the case of non-resident shareholders) without delay after completion of the Tender Offer Period. The notice shall be given electronically for tenders made through *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 the standing proxy in the case of non-resident shareholders) without delay after the commencement date of the settlement as instructed by the tendering shareholders (or the standing proxy in the case of non-resident shareholders).

(IV) Method of returning the shares, etc.

If none of the Tendered Shares are 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 of the Tender Offer, contents thereof, and method of disclosing the withdrawal" in "(9) Other conditions and method of 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 state 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 (Note) (if the Tender Offer is withdrawn, on the day it is withdrawn). For the Stock Acquisition Rights, the tender offer agent will mail or deliver to the tendering holders (or the standing proxy in the case of non-resident Stock Acquisition Right Holders) the documents submitted at the time when tender was made.

(Note) For the purpose of this paragraph, Article 1, Paragraph 1, Item 3 of the Act on Holidays of Administrative Organs does not apply to a "business day," and December 29 and December 30, 2021 are included in business days.

(9) Other conditions and method of 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 is less than the minimum number of tendered shares to be purchased in the Tender Offer (2,297,400 shares), the Offeror will purchase none of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased in the Tender Offer (2,297,400 shares), the Offeror will purchase all of the Tendered Shares.

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

Upon the occurrence of any of the circumstances provided in Article 14, Paragraph 1, Items (i) (a) to (j) and (m) to (s), Items (iii) (a) to (h) and (j), and Article 14, Paragraph 2, Items (iii) to (vi) 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. The "facts equivalent to those set forth in (a) to (i)" stipulated in Article 14, Paragraph 1, Item (iii) (j) of the Order means: (1) 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 and (2) occurrence of any of the facts listed in (a) to (g) of the same Item with respect to the Target's important subsidiary.

If the Offeror decides to withdraw 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 Offeror 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 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 Offeror 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 Offeror 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 Offeror 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 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 the agreement, the tendering shareholder is requested to deliver or send a written notice that he/she/it 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 sent 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 Offeror will not seek compensatory damages or penalties from the tendering shareholders for cancelling the agreement. The Offeror will also bear the cost for returning the Tendered Shares. If cancellation is requested, the Tendered Shares will be returned promptly after the completion of the procedures relating to the cancellation request in the manner described in "(4) Method of returning the shares, etc." under "(8) Method of settlement" above.

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

The Offeror 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 Offeror 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 Offeror 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 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 Offeror 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 matters stated in the amended tender offer registration statement that relate to the matters stated in the public notice concerning commencement of the tender offer by the method prescribed in Article 20 of the Cabinet Office Ordinance. The Offeror 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 Offeror 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 Offeror will announce the results of the Tender Offer on the day immediately after the last day of the Tender Offer Period by the method stipulated 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, made, directly or indirectly, in or to the U.S., or by using the postal service or any other means or instruments of interstate or foreign commerce of the U.S. (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, etc. in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, this notice and the 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, etc. in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

Each person who tenders shares, etc. in the Tender Offer (or the standing proxy in the case of non-resident shareholders) is required to represent and warrant to the tender offer agent the following: (i) the person is not located in the U.S. at the time of tender 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 postal service or any other means or instruments of interstate or foreign commerce of the U.S. (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 from outside the U.S.).

(10) Date of public notice of commencement of the tender offer

November 16, 2021 (Tuesday)

(11) Tender offer agent

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

4. Policies after the Tender Offer and Perspectives

For our policies after the Tender Offer, see "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer, and management policy after the Tender Offer," "(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" and "(6) Possibility of delisting and reason therefor" under "2. Purposes of the Purchase" above.

5. Others

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

(I) Agreements between the Offeror and the Target, and the details thereof

According to the Target's Press Release, the Target resolved at the board of directors' meeting held on November 15, 2021 to express its opinion to support the Tender Offer for the Target's Stock and the Stock Acquisition Rights by the Offeror and to recommend that its shareholders tender their shares in the Tender Offer, while leaving it up to the Stock Acquisition Rights Holders to decide whether or not to tender their Stock Acquisition Rights in the Tender Offer since the Stock Acquisition Right Purchase Price is scheduled to be 1 yen per Stock Acquisition Right.

For the details of the process of the above decision-making by the Target, see the Target's Press Release as well as "(I) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" under "(2) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer, and management policy after the Tender Offer" under "2. Purpose of the Purchase" and "(V) Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Target" under "(4) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests" under "1. Purposes of the Purchase" above.

(II) Agreements between the Offeror and the officers of the Target, and the details thereof

The Offeror has agreed with Mr. Watanabe, Representative Director and President of the Target, that it will tender all of its shares of the Target's Stock (the number of shares owned: 462,460 shares (including 16,460 shares of the Target's Stock underlying 8,230 Stock Acquisition Rights held by Mr. Watanabe) (Shareholding Ratio: 13.42%)) to the Tender Offer on November 15, 2021. For details of the agreement, see "(3) Material agreements regarding the Tender Offer" under "2. Purposes of the Purchase" above.

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

(I) Announcement of "Notice Regarding Revision to Dividend Forecast (Non-payment) for the Fiscal Year Ending March 2022"

According to the Target, the Target resolved at its board of directors' meeting held on November 15, 2021 to revise the dividend forecast for the fiscal year ending March 2022 announced by the Target on May 13, 2021 and not to pay a year-end dividend of surplus for the fiscal year ending March 2022, subject to the completion of the Tender Offer. For details, please refer to the "Notice Regarding Revision to Dividend Forecast (Non-payment) for the Fiscal Year Ending March 2022" announced by the Target on November 15, 2021.

END

**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 Explanatory 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 this 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 Offeror Parties and other companies, including "expect," "anticipate," "intend," "plan," "strongly believe," and "project." These expressions are based on the business prospects of the Offeror Parties at present, and are subject to change depending on the future circumstances. In respect of this information, the Offeror Parties assume 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 postal service or any other means or instruments of interstate or foreign commerce of the U.S. (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, etc. 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, etc. 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 Offeror Parties 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, issue 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.