

Translation
May 21, 2024

To whom it may concern:

Company Name: Lawson, Inc.
Name of Representative: Sadanobu Takemasu
President, Representative Director
(Securities Code: 2651 TSE Prime)
Contact: Tomoki Takanishi
Senior Vice President and
Division Director of Financial Administration Division

Notice of Share Consolidation, Abolition of the Provision on Share Units and Partial Amendment of the Articles of Incorporation

The Company hereby announces that it resolved at its board of directors held today (the “Board of Directors”) to the effect that it shall (i) convene the extraordinary shareholders’ meeting to be held on July 3, 2024 (the “Extraordinary Shareholders’ Meeting”), and (ii) submit to the Extraordinary Shareholders’ Meeting proposals concerning share consolidation, abolition of the provision on share units and partial amendment of the articles of incorporation.

In the course of the above procedure, the Company’s shares (the “Company Shares”) will fall under the delisting criteria as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the “TSE”). As a result, the Company Shares will be designated as delisted issues from July 3 to July 23, 2024, and will subsequently be delisted on July 24, 2024. Please be noted that the Company Shares will be untradable on the TSE Prime Market after delisting.

Particulars

I. Share Consolidation

1. Purposes and reasons for share consolidation

As announced in the “Notice of Expression of Our Opinion in Favor of the Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates by KDDI Corporation” issued by the Company on March 27, 2024 (the “Opinion Press Release”), KDDI Corporation (the “Offeror”) has made a tender offer for the Company Shares, the Share Options (Note 1) and the American Depositary Receipts (Note 2) (the Company Shares, the Share Options and the American Depositary Receipts are collectively referred to as the “Company’s Share Certificates”) during the period of 21 business days from March 28, 2024 through April 25, 2024 for the tender offer (the “Tender Offer Period”) (the “Tender Offer”).

Further, as announced in the “Notice of Result of the Tender Offer for Company’s Share Certificates by KDDI Corporation and Changes in Other Affiliates and Major Shareholders” issued by the Company on April 26, 2024 (the “Tender Offer Results Press Release”), as a result of the Tender Offer, the Offeror owns 41,141,496 shares of the Company Shares (Shareholding Ratio (Note 3): 41.07%) as of May 7, 2024, which is the commencement date of the settlement concerning the Tender Offer.

(Note 1) The “Share Options” collectively refers to the share options listed in (I) to (X) below.

- (I) Share option issued pursuant to the resolution of the Company's board of directors meeting held on March 25, 2015 (the exercise period is from April 10, 2015 to March 24, 2035)
- (II) Share option issued pursuant to the resolution of the Company's board of directors meeting held on April 13, 2016 (the exercise period is from May 2, 2016 to April 13, 2036)
- (III) Share option issued pursuant to the resolution of the Company's board of directors meeting held on April 12, 2017 (the exercise period is from May 1, 2017 to April 11, 2037)
- (IV) Share option issued pursuant to the resolution of the Company's board of directors meeting held on July 5, 2017 (the exercise period is from July 21, 2017 to July 4, 2037)
- (V) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 22, 2018 (the exercise period is from June 8, 2018 to May 21, 2038)
- (VI) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 21, 2019 (the exercise period is from June 7, 2019 to May 20, 2039)
- (VII) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 27, 2020 (the exercise period is from June 12, 2020 to May 26, 2040)
- (VIII) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 25, 2021 (the exercise period is from June 11, 2021 to May 24, 2041)
- (IX) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 25, 2022 (the exercise period is from June 10, 2022 to May 24, 2042)
- (X) Share option issued pursuant to the resolution of the Company's board of directors meeting held on May 24, 2023 (the exercise period is from June 9, 2023 to May 23, 2043)

(Note 2) "American Depositary Receipts" refers to the American depositary receipts related to the Company Shares issued by Citibank, N.A. and Deutsche Bank Trust Company Americas (collectively, the "Depositary Banks") in the United States.

(Note 3) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) of the number of Company Shares to the number of shares (100,183,915 shares) (the "Total Number of Shares After Adjustment for Diluted Shares") which is the total number of issued shares as of February 29, 2024 described in the "Consolidated Financial Results [IFRS] for the Fiscal Year Ending February 2024" announced by the Company on April 11, 2024 (the "Company's Financial Results") of 100,300,000 shares, plus 106,000 Company Shares, to be issued upon exercise of 1,060 Share Options reported by the Company as remaining as of February 29, 2024, minus the number of treasury shares held by the Company as of February 29, 2024 as reported by the Company (222,085 shares). The same applies hereinafter.

As described in the Opinion Press Release, the Company received the initial proposal dated September 1, 2023 concerning the proposal to conduct a joint consideration on collaboration including the privatization of the Company Shares by the three companies, i.e., the Offeror, Mitsubishi Corporation ("MC"; the Offeror and MC collectively referred to as the "Offeror Related Parties") and third party that was initially considering participating in the Transactions (the "Initial Partner Candidate") (hereinafter the transaction toward the privatization of the Company Shares by the Offeror Related Parties and the Initial Partner Candidate mentioned above is referred to as the "Transactions (Initial Proposal)", and the Company appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities") as a financial advisor and a third-party valuator independent of the Offeror Related Parties and the Company with respect to the Transactions (Initial Proposal) after reviewing its expertise and track record, etc. in order to receive advice and assistance from a financial perspective, including advice regarding the valuation of the Company Shares and negotiation policies with the Offeror Related Parties, and the Company appointed Anderson Mori & Tomotsune Gaikokuho Kyodo Jigyo ("Anderson Mori & Tomotsune") as an external legal advisor after reviewing its expertise and track record, etc. in order to receive legal advice, including advice on measures to be taken to ensure

the fairness of the procedures in the Transactions (Initial Proposal), various procedures of the Transactions (Initial Proposal), and the decision-making method and process of the Company related to the Transactions (Initial Proposal). In light of the fact that MC, the Offeror Related Party, holds 50,150,100 Company Shares (Shareholding Ratio: 50.06%) and is a parent company of the Company, and thereby the Transactions (Initial Proposal), including the Tender Offer, may fall under a material transaction, etc. with a controlling shareholder, which may have fallen under the category of transactions in which there are structural conflict of interest issue and information asymmetry issues, the board of directors of the Company has, based on the advice from Anderson Mori & Tomotsune, in order to respond to the above issues and to ensure the fairness of the Transactions (Initial Proposal), immediately started establishing a system to examine, negotiate, and make a decision related to the Transactions (Initial Proposal) from a standpoint independent of the Offeror Related Parties with a view to improving the corporate value of the Company and protecting the interests of the Company's minority shareholders.

Specifically, as described in "(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company" under "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below, the Company has made preparations for the establishment of the Special Committee consisting of the Company's independent outside director and outside corporate auditor (as defined below) from early September 2023. Then, by resolution of the Company's board of directors meeting held on September 13, 2023, a special committee (the "Special Committee"; For the background of the establishment, etc. of the Special Committee, background of reviews, and details of decisions, etc., refer to "(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company" under "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below) consisting of Ms. Miki Iwamura (an independent outside director of the Company), Ms. Satoko Suzuki (an independent outside director of the Company), and Ms. Yuko Gomi (an independent outside corporate auditor of the Company) was established. In addition, it was resolved that the Company would consult the Special Committee on (i) whether the purpose of the Transactions (as defined below; the same applies hereinafter) is legitimate and reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value); (ii) whether the fairness and appropriateness of the terms and conditions of the Transactions (including the price of the tender offer, etc. (the "Tender Offer Price")) are ensured; (iii) whether sufficient consideration is given to the interests of the shareholders of the Company through fair procedures in the Transactions; (iv) whether it can be considered appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer, and recommend that the shareholders of the Company tender their shares in the Tender Offer, that it recommends that the owners of the American Depositary Receipts tender in the Tender Offer by delivering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American depositary shares deposited with the Depositary Banks (the "American Depositary Shares") represented by the relevant American Depositary Receipts, and that it leaves the decision to the Share Option Holders whether or not to tender their shares in the Tender Offer and (v) in addition to (i) through (iv) above, the decision to enter into the Transactions would not be disadvantageous to the minority shareholders of the Company (collectively, the "Matters for Consultation") (for the method of the resolution at the Company's board of directors meeting, refer to "(VIII) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection" under "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below). As described in "(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company" under "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting

from the share consolidation, etc.” below, the appointment of SMBC Nikko Securities as the Company’s financial advisor and third-party valuator, and Anderson Mori & Tomotsune as the Company’s legal advisor, has been approved by the Special Committee. In addition, as described in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company” under “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below, based on the authority granted above, on September 13, 2023, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its Company’s independent legal advisor, and Daiwa Securities Co. Ltd. (“Daiwa Securities”) as its independent financial advisor and a third-party valuator.

Furthermore, the Company has established a system within the Company to review, negotiate, and make decisions related to a series of transactions (together with the capital and business alliance agreement entered with the Offeror Related Parties on February 6, 2024 (the “Capital and Business Alliance Agreement”), the “Transactions”) in order to ensure that the Company’s shareholders are solely the Offeror Related Parties, by acquiring all of the Company’s Share Certificates (excluding Company Shares owned by the Offeror Related Parties and the treasury shares owned by the Company). From a standpoint independent of the Offeror Related Parties (including the scope of the Company’s directors, officers, and employees involved in the review, negotiation, and decisions related to the Transactions, and their duties), and the Special Committee has confirmed that there are no problems with the review system from the viewpoint of independence and fairness (for details of the review system, refer to “(VII) Establishment of independent review system at the Company” under “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below).

The Company received a report from SMBC Nikko Securities regarding the valuation of the Company Shares, advice regarding the negotiation policies with the Offeror, and legal advice from Anderson Mori & Tomotsune on various points such as measures to ensure the fairness of the procedures in the Transactions. Based on such report and advice, the Company has carefully considered the merits of the Transactions and the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price.

On October 12, 2023, the Company held an interview to explain its corporate profile to the Offeror Related Parties and the Initial Partner Candidate, and since mid-October 2023, it has repeatedly held consultations and negotiations with the Offeror Related Parties and the Initial Partner Candidate on the significance and purpose of the Transactions (Initial Proposal), the management and business operation plans after the Transactions (Initial Proposal). Specifically, on October 6, 2023, the Company sent a questionnaire regarding the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate, and on October 27, 2023, the Company received written responses to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate and on October 30, 2023, the Company confirmed the intent of the responses verbally. Based on the responses received from the Offeror Related Parties and the Initial Partner Candidate, on November 28, 2023, the Company again sent a questionnaire regarding the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate. Upon receiving written responses to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate on December 4, 2023, the Company confirmed the intent of the responses verbally on December 13, 2023.

On November 17, 2023, the Special Committee also sent a questionnaire regarding the Transactions (Initial Proposal) to the Offeror Related Parties and the Initial Partner Candidate, and on December 4, 2023, the Company received written responses to the questionnaire from the Offeror Related Parties and the Initial Partner Candidate and on December 7, 2023, the Company confirmed the intent of the responses verbally.

Subsequently, on December 25, 2023, the Company received a proposal from the Initial Partner Candidate to decline the proposal regarding the Transactions (Initial Proposal), and on December 26, 2023, the Company also received from the Offeror

Related Parties a proposal on changes to the initial proposal for the Transactions, with partial changes to the Transactions (Initial Proposal). In order to examine the impact on the changes to the initial proposal, the Company and the Special Committee conducted an interview with the Offeror Related Parties on January 4, 2024. In the interview, the Offeror explained to the Company and the Special Committee that, though the business alliance matters proposed by the Initial Partner Candidate were excluded from the scope of the proposal following the decline by the Initial Partner Candidate, the Offeror's voting rights ownership ratio would be increased to 50.00% after the Transactions, and thereby the Offeror would be able to provide prompt and extensive support based on a stronger commitment with respect to the business alliance matters proposed by the Offeror. Therefore, the Company and the Special Committee believe that it is worth deepening considerations and consultations regarding the contents of the proposed changes to the initial proposal, and have decided to continue considering the Transactions.

In parallel, the Company has repeatedly held consultations with the Offeror since October 2023, on a specific business alliance, such as the management structure and business policies following the completion of the Transactions. After several consultations, the Company and the Offeror Related Parties have executed the Capital and Business Alliance Agreement as of February 6, 2024. For a summary of the Capital and Business Alliance Agreement, refer to "(1) Capital and Business Alliance Agreement" under "4. Tendering shares by the Company's shareholders in the Tender Offer and other material agreements relating to the Tender Offer" of the Opinion Press Release. In connection with the execution of the Capital and Business Alliance Agreement, it was agreed that the business alliance agreement between MC and the Company on September 16, 2016 will be terminated subject to the effectiveness of the Capital and Business Alliance Agreement.

In addition, the Offeror made an initial proposal (the "Initial Proposal") in writing to the Company on December 26, 2023, making the Tender Offer Price per Company Share be 8,650 yen (8,650 yen is the amount calculated by adding an 18.64% premium to 7,291 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on December 25, 2023 (such date being the business day immediately preceding December 26, 2023, when the proposal was made) (rounded to the second decimal place; hereinafter the same applies in the calculation of the premium rate), an 18.98% premium to 7,270 yen, which was the simple average of the closing prices for the one month ending on December 25, 2023 (rounded to the nearest whole number; hereinafter the same applies in the calculation of the simple average of closing prices), a 21.80% premium to 7,102 yen, which was the simple average of the closing prices for the three months ending on December 25, 2023, and a 23.64% premium to 6,996 yen, which was the simple average of the closing prices for the six months ending on December 25, 2023), making the tender offer price per Share Option (the "Share Option Price") be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 8,650 yen. In response to the Initial Proposal, on December 27, 2023, the Company requested the Offeror to review the Tender Offer Price from the perspective of considering the interests of the Company's minority shareholders. The Company received from the Offeror who received such request the second proposal (the "Second Proposal") in writing to the Company on January 4, 2024, making the Tender Offer Price per Company Share be 9,000 yen (9,000 yen is the amount calculated by adding a 23.58% premium to 7,283 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on December 29, 2023 (such date being the business day immediately preceding January 4, 2024, when the proposal was made), a 24.09% premium to 7,253 yen, which was the simple average of the closing prices for the one month until the same date, a 26.32% premium to 7,125 yen, which was the simple average of the closing prices for the three months until the same date, and a 28.13% premium to 7,024 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 9,000 yen. In response to the Second Proposal, on January 6, 2024, the Company requested the Offeror to review the Tender Offer Price again from the perspective of considering the interests of the Company's minority shareholders. The Offeror who received such request made the the third proposal (the "Third Proposal") in writing to the Company on January 11, 2024, making the Tender Offer Price per Company Share be 9,500

yen (9,500 yen is the amount calculated by adding a 29.85% premium to 7,316 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 10, 2024 (such date being the business day immediately preceding January 11, 2024, when the proposal was made), a 31.51% premium to 7,224 yen, which was the simple average of the closing prices for the one month until the same date, a 32.50% premium to 7,170 yen, which was the simple average of the closing prices for the three months until the same date, and a 34.35% premium to 7,071 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 9,500 yen. In response to the Third Proposal, on January 12, 2024, the Company requested the Offeror to review the Tender Offer Price again from the perspective of considering the interests of the Company's minority shareholders. The Offeror who received such request made the fourth proposal (the "Fourth Proposal") in writing to the Company on January 18, 2024, making the Tender Offer Price per Company Share be 10,000 yen (10,000 yen is the amount calculated by adding a 20.63% premium to 8,290 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 17, 2024 (such date being the business day immediately preceding January 18, 2024, when the proposal was made), a 35.23% premium to 7,395 yen, which was the simple average of the closing prices for the one month until the same date, a 37.76% premium to 7,259 yen, which was the simple average of the closing prices for the three months until the same date, and a 40.61% premium to 7,112 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 10,000 yen. In response to the Fourth Proposal, on January 24, 2024, the Company requested the Offeror to consider from the perspective of considering the interests of the Company's minority shareholders further increasing of the Tender Offer Price, in light of the growth in the current performance including the details of the Company's Financial Results and the continuous rise in the current stock price with a view to recommending support for and tender shares in the Transactions. The Offeror who received such request made the fifth proposal (the "Fifth Proposal") in writing to the Company on January 26, 2024, making the Tender Offer Price per Company Share be 10,200 yen (10,200 yen is the amount calculated by adding a 23.40% premium to 8,266 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 25, 2024 (such date being the business day immediately preceding January 26, 2024, when the proposal was made), a 31.61% premium to 7,750 yen, which was the simple average of the closing prices for the one month until the same date, a 37.99% premium to 7,392 yen, which was the simple average of the closing prices for the three months until the same date, and a 42.04% premium to 7,181 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 10,200 yen. In response to the Fifth Proposal, on January 28, 2024, the Company requested the Offeror to consider further increasing of the Tender Offer Price, with a view to recommending support for and tender shares in the Transactions from the perspective of considering the interests of the Company's minority shareholders. The Offeror who received such request made the sixth proposal (the "Sixth Proposal") in writing to the Company on January 29, 2024, making the Tender Offer Price per Company Share be 10,290 yen (10,290 yen is the amount calculated by adding a 24.20% premium to 8,285 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 26, 2024 (such date being the business day immediately preceding January 29, 2024, when the proposal was made), a 31.91% premium to 7,801 yen, which was the simple average of the closing prices for the one month until the same date, a 38.81% premium to 7,413 yen, which was the simple average of the closing prices for the three months until the same date, and a 43.08% premium to 7,192 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 10,290 yen. In response to the Sixth Proposal, on January 29, 2024, the Company

requested the Offeror to consider raising of the Tender Offer Price even more with a view to recommending support for and tender shares in the Transactions from the perspective of considering the interests of the Company's minority shareholders. The Offeror who received such request made the seventh proposal (the "Seventh Proposal") in writing to the Company on January 30, 2024, making the Tender Offer Price per Company Share be 10,350 yen (10,350 yen is the amount calculated by adding a 23.01% premium to 8,414 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 29, 2024 (such date being the business day immediately preceding January 30, 2024, when the proposal was made), a 30.60% premium to 7,925 yen, which was the simple average of the closing prices for the one month until the same date, a 39.19% premium to 7,436 yen, which was the simple average of the closing prices for the three months until the same date, and a 43.67% premium to 7,204 yen, which was the simple average of the closing prices for the six months until the same date), making the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 10,350 yen. In response to the Seventh Proposal, on January 31, 2024, the Company requested the Offeror to consider raising of the Tender Offer Price even more with a view to recommending support for and tender shares in the Transactions from the perspective of sufficiently securing the interests of the Company's minority shareholders. The Offeror who received such request made the final proposal (the "Final Proposal") in writing to the Company on January 31, 2024, making the Tender Offer Price per Company Share be 10,360 yen (10,360 yen is the amount calculated by adding a 23.00% premium to 8,423 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on January 30, 2024 (such date being the business day immediately preceding January 31, 2024, when the proposal was made), a 30.27% premium to 7,953 yen, which was the simple average of the closing prices for the one month until the same date, a 38.89% premium to 7,459 yen, which was the simple average of the closing prices for the three months until the same date, and a 43.61% premium to 7,214 yen, which was the simple average of the closing prices for the six months until the same date), set the Share Option Price be 1 yen, and making the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts be 10,360 yen. In response to the Final Proposal, on February 2, 2024, the Company responded that it will accept the Tender Offer Price of 10,360 yen, the Share Option Price of 1 yen, and the Tender Offer Price per Company Share relating to American Depositary Shares represented by American Depositary Receipts of 10,360 yen.

In the course of the above review and negotiation process, the Special Committee has accordingly received reports from the Company, SMBC Nikko Securities, the Company's financial advisor, and Daiwa Securities, the Special Committee's financial advisor, and has made confirmations and expressed its opinions. Specifically, the Company has received affirmation from the Special Committee regarding the rationality of the contents of the business plan (the "Business Plan") for the fiscal year ending February 2024 through the fiscal year ending February 2028, its material conditions and assumptions, and the process of its preparation, etc., and has obtained its approval. In addition, in negotiating with the Offeror, SMBC Nikko Securities, the Company's financial advisor has responded in accordance with the negotiation policies determined after deliberation by the Special Committee, and upon receipt of the Offeror's proposal regarding the Tender Offer Price, it has immediately reported to the Special Committee each time and has responded in accordance with its instructions.

On February 5, 2024, the Company received a report (the "Report dated February 5, 2024") from the Special Committee on the same day to the effect that (a) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose thereof is legitimate and reasonable; (b) the fairness and appropriateness of the terms and conditions of the Transactions (including the offer price in the Tender Offer) are ensured; (c) sufficient consideration has been given to the interests of the shareholders of the Company through fair procedures in the Transactions; (d) it is appropriate for the board of directors to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer, that it recommends that the holders of American Depositary Receipts

in respect of the Company Shares tender in the Tender Offer by delivering their American Depositary Receipts to the depositary bank in advance and receiving delivery of the Company Shares related to American Depositary Shares represented by the American Depositary Receipts, and that it leaves the decision to each of the Share Option Holders whether or not to tender in the tender offer in respect of the share options; and (e) in addition to (a) through (d) above, the decision to enter into the Transactions would not be disadvantageous to the minority shareholders of the Company (for a summary of the Report dated February 5, 2024, refer to “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company” under “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below).

In light of the circumstances described above, the Company, at its board of directors meeting held on February 6, 2024, has carefully considered and discussed whether the Transactions, including the Tender Offer, will contribute to the enhancement of the Company’s corporate value, and whether the terms and conditions of the Transactions, including the Tender Offer Price, are reasonable, with reference to the legal advice received from Anderson Mori & Tomotsune, and the advice received from SMBC Nikko Securities and the share valuation report on the valuation of the Company Shares that was submitted by SMBC Nikko Securities as of February 5, 2024 (the “Share Valuation Report (SMBC Nikko Securities)”), and giving its utmost consideration to the judgment of the Special Committee as described in the Report dated February 5, 2024.

As a result, the Company has concluded that the Transactions will contribute to the enhancement of the Company’s corporate value as follows.

As described in “(II) Background, purposes and decision-making process leading to the Offeror Related Parties’ decision to conduct the Tender Offer” under “(2) Grounds and reasons for the opinion on the Tender Offer” of “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” in the Opinion Press Release and in the descriptions of the synergies related to the Transactions below, the retail industry, to which the Company belongs, is in a difficult situation with intensifying competition across business categories and diversifying consumer needs, as well as expected increases in various costs such as raw material costs, labor costs, and distribution costs. In order to achieve sustainable growth in this environment, the Company believes it is necessary to provide high value-added products and services in each of the businesses of the Lawson Group (which refers to a corporate group consisting of the Company, 30 consolidated subsidiaries, and 9 equity method affiliates (as of November 30, 2023)), pursue further expansion in scale and efficiency, and deepen digital transformation to realize these goals, and amid the diversification of consumer values, including changes in lifestyle and consumer behavior triggered by the recent the COVID-19 pandemic, the Company has embarked on a transformation into “Real x Tech Convenience,” moving away from its previous business model that relied solely on real stores. However, while the implementation of each initiative to transform the Company into “Real x Tech Convenience” is expected to contribute to enhancing the Company’s corporate value in the medium to long term, the initial costs and investments will be required in the short term and may impact the Company’s financial condition and results of operations, which may not necessarily be fully appreciated by the capital markets in the short term. As such, the Company believes that it is reasonably difficult to implement each initiative simultaneously and in a timely manner, and to pursue the interests of minority shareholders while remaining listed, and there are also limitations from the perspective of contributing to the enhancement of the Company’s corporate value. Therefore, the Company has determined on February 6, 2024 that the best way to enhance the Company’s corporate value is to accelerate the Company’s growth by quickly and steadily maximizing the synergies described in A through K below through the Offeror’s making the Offeror Related Parties the sole shareholders of the Company, further promoting the Company’s speedy and bold transformation into “Real x Tech Convenience,” and actively implementing each initiative to

fundamentally strengthen the Company's business and management base in response to the rapid changes in the environment.

The specific synergies that the Company believes can be realized through the Transactions are as follows:

A. Acceleration of transformation into "Real x Tech Convenience" by leveraging management resources

As a business which needs to be responsive to changes, the Company has always embraced environmental changes in the society, created businesses from the perspective of "convenience," and achieved growth by winning customers' appreciation. In recent years, the Company has taken responsive measures such as renewing its product range and renovating its stores to embrace the diversification of consumers' values, including changes in lifestyles and consumer behavior triggered by the COVID-19 pandemic. On the other hand, in pursuit of further "convenience," the Company believes that it can develop the world's fastest delivery service (Quickest E-commerce Service: QEC) by utilizing its "real" shopping places, as EC centers. The Company is now taking on the challenge of making a giant leap from a "real" retail store to "Real x Tech Convenience" with tech-oriented QEC by making the best use of technology.

In order to expand and accelerate QEC, a tech-based new service, the Company is aiming to establish a system that will enable consumers to check what products are in stock at any of its stores via their smartphones by the spring of 2024, so that the Company's warehouses for approximately 14,600 stores, bases for QEC, and approximately 3,000 items will be directly connected to consumers, enabling products to be delivered within 15 minutes at the earliest. The Company believes that this QEC will be even more convenient and easy-to-use for customers, and is likely to accelerate and stabilize the growth of the business by further utilizing the resources and assets of the Offeror Group (which refers to a corporate group consisting of the Offeror, its 189 consolidated subsidiaries, and its 43 affiliated companies subject to equity method (as of September 30, 2023)), which has strengths in the digital field. More specifically, by strengthening the technical system, such as system development by dispatching human resources, including engineers, from the Offeror, and strengthening the digital marketing system by leveraging the Offeror's customer base of more than 13 million subscribers of its subscription service and big data of high-resolution location information of approximately 31 million customers, which are unique to telecommunications carriers, the Company will accelerate the transformation into "Real x Tech Convenience" by promoting QEC, which can provide products to customers in the fastest possible time in the convenience store industry.

B. Strengthened profitability by sharing the customer base

In terms of the state of marketing, in recent years, in addition to traditional advertising methods such as TV commercials as well as new digital touch points such as social media and owned apps, the development of digital transformation has led to a focus on retail media, where retailers use data collected in physical stores to deliver ads tailored to consumers' needs. The Company also aims to expand its marketing business by leveraging consumer data collected across stores and the Lawson Group's businesses and owned media through the "Unified Use of Group Data Project" under the "Lawson Group Sweeping Transformation Executive Committee." The Company believes that strengthening the Lawson Group's membership base and increasing the number of loyal customers is necessary for the growth of this business.

To achieve these goals, the Company intends to leverage the Offeror Group's customer base of about 31 million customers and promote high-resolution marketing initiatives. More specifically, in addition to reaching out to consumers and drawing more customers by attracting new customers from the Offeror Group's economic area and attracting customers to individual stores using location information, the Company intends to create new values in the areas of apps and membership by developing and offering new services. By promoting these measures, the Company will be able to collect, aggregate, analyze and visualize a large volume of big data in a one-stop service, and maximize

the value of the data to consider promoting cross-selling and developing new businesses and services, which is expected to expand its marketing business.

C. Coexistence with local communities by providing social infrastructure using state-of-the-art technology

Convenience store operators have now established themselves as an essential social infrastructure for everyday life. In order to ensure its position as an essential part of the community that provides support for residents, the Company, which originally started as a “handyman in the community,” is determined to continue pursuing and advancing the “hub of refreshment in every community” from the customer’s perspective. As a provider of social infrastructure, the Company believes that it is necessary to utilize state-of-the-art technology to create the convenience stores of the future, as the Company is expected to solve local problems, revitalize local communities, and coexist more closely with local communities.

For example, as the adoption of drones in society accelerates, the Offeror Group’s advanced drone technology is expected to improve convenience for consumers in areas where there are no stores, thereby solving problems such as depopulation and the aging population in the region. In addition, by utilizing the 5G network and satellite communication technology of the Offeror, a telecommunications operator, the Company will be able to provide medical services such as remote diagnosis through health checks based on vital sensing, and to develop stores and offer products in augmented reality and virtual reality linked to its owned apps through the Metaverse service. By providing services that support various aspects of daily life, the Company hopes to transform the lifestyle experiences and behaviors to reflect the evolution of technology, solve social issues, and ultimately set the standard for the convenience stores of the future.

D. Strengthened business foundation by leveraging management resources such as high-level human resources and know-how

The Company needs to consolidate its management resources to develop its core domestic convenience store business and achieve growth in its portfolio businesses with high group synergy through the use of digital and technology. On the other hand, the Company believes that it is necessary to train and secure human resources specialized in digital technology, who can more effectively utilize AI and other technologies, and accumulate know-how in each business area. Under these circumstances, the Offeror Group, MC Group, and the Company will promote the exchange of human resources, and mutually provide human resources support, including the secondment and dispatch of employees, which is expected to enable them to address the chronic labor shortage and develop human resources. In addition, the Company expects to strengthen the Lawson Group’s portfolio and maximize group-wide synergies by leveraging the know-how regarding the financial business operated by the Offeror Group, collaborating in the entertainment field, and continuously sharing MC Group’s global network.

E. Strengthened cooperation in the field of the environment for the realization of a decarbonized society

As more and more people recognize the importance of sustainability as a pressing issue, which is exemplified by climate change, the Company is also taking steps to address this issue as a management priority. In particular, in response to environmental changes, the Company has developed its environmental vision, “Lawson Blue Challenge 2050!” and is contributing to the formation of a decarbonized society through its decarbonization activities, reduction of food loss and plastic use, and other efforts. More specifically, the Company has set the following goals to be achieved by 2030: (1) a 50% reduction in CO2 emissions (per store, compared to FY 2013), (2) a 50% reduction in food loss (compared to FY 2018), and (3) a 30% reduction in plastic use (compared to FY 2017). At this time, the Company is making steady progress on each of its goals with a 30.6% reduction in (1), a 23.1% reduction in (2), and a 25.1% reduction in (3) (all in

2022).

In the future, by leveraging the capabilities of the Offeror Group and MC Group to promote the use of renewable energy generated by solar panels, the purchase of discounted food products that are about to expire based on vast amounts of location and purchase data, and the replacement of plastic containers and plastic bottles with biomass materials, the Company believes that it will be able to achieve the above goals before 2030, which is its milestone year, and further strengthen and accelerate its green and sustainable initiatives in order to achieve each KPI, that is (1) a 100% reduction in CO2 emissions (per store, compared to FY 2013), (2) a 100% reduction in food loss (compared to FY 2018), and (3) a 100% use of environmentally friendly materials for original product containers and packaging, before 2050.

F. Growth of the Lawson Group's businesses

In developing "Real x Tech Convenience," MC and the Offeror Group are expected to share their fintech and other financial know-how with the Company's retail finance business.

In addition, the entertainment business is one of the Company's key businesses for realizing the corporate philosophy of "Creating Happiness and Harmony in Our Communities." The Company believes that MC's and the Offeror Group's content and capabilities related to digital technology will accelerate the Company's growth in this business field. In addition, smart digital capabilities and the ability to develop globally are also essential for the Company's supermarket business and overseas business, and the Company believes that the alliance with the two companies will also accelerate the growth of these businesses as well.

G. Reduction of the cost of maintaining the listing and the administrative burden and reallocation of resources

In recent years, the Company has been aware of an increase in the labor and financial costs required to maintain its listing, and the Company recognizes that it cannot be denied that such increased costs may become an additional burden on the Company's operations. The Company believes that by taking the Company Shares private through the Transactions, it will be able to allocate resources to the various important initiatives described above while avoiding the costs associated with maintaining its listing.

In general, the disadvantages of the going private are that the Company will not be able to raise funds through equity financing in the capital markets and that the Company will no longer be able to enjoy the benefits of being a listed company, such as enhanced social credibility and public confidence. However, the Company believes that, with respect to financing, it will be able to obtain the necessary financing from financial institutions even after the implementing of the Transactions, and the Company's reputation, brand strength and social credibility, which are important for the Company in recruiting personnel, are largely acquired and maintained through its business operations and can be acquired and maintained through its business operations even after the implementation of the Transactions. Therefore, the Company believes that the impact of the delisting will be limited. In addition, the Company is planning to introduce a new retirement benefit system that will provide the directors and executive officers of the Company with the economic benefits that they should enjoy with the Share Options, which have been granted to them as compensation equivalent to retirement benefits, so that the implementation of the Transactions will not affect their interests. Therefore, the Company believes that it is less likely that the Company's corporate value will be damaged due to the departure of the Company's directors and executive officers as a result of the implementation of the Transactions.

Based on the foregoing, the board of directors of the Company has determined that the advantages of taking the Company Shares private outweigh its disadvantages and that taking the Company Shares private through the Transactions, including the Tender Offer, will contribute to the enhancement of the Company's corporate value.

In addition, as described in “(II) Treatment of fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such treatment and the reasonableness of such amount” under “(1) Grounds and reasons for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below, the Company has determined that the Tender Offer with the Tender Offer Price of 10,360 yen per Company Share will provide the Company’s minority shareholders with a reasonable opportunity to sell the Company Shares held by them at a price with an appropriate premium.

Based on the foregoing, the Company resolved at the board of directors meeting held on February 6, 2024, as the Company’s opinion as of the same day, to the effect that, if the Tender Offer is commenced, it shall express its opinion in favor of the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer, that it recommends that the owners of the American Depositary Receipts tender in the Tender Offer by delivering their American Depositary Receipts to the Depositary Bank in advance and receiving delivery of the Company Shares related to American Depositary Shares represented on the American Depositary Receipts, and that it leaves the decision to the Share Option Holders whether or not to tender in the Tender Offer.

The afore-mentioned board of directors meeting resolved to, when the Tender Offer is commenced, request the Special Committee established by the Company to consider whether or not the opinion expressed by the Special Committee to the board of directors of the Company as of February 5, 2024 has changed, and if it has not, to inform the board of the directors of the Company to that effect, and if it has changed, to state its changed opinion, and based on such opinion of the Special Committee, the board of directors of the Company will restate its opinion on the Tender Offer when the Tender Offer is commenced.

Subsequently, on February 21, 2024, the Company was informed by the Offeror that it expected that the procedures and actions required under the competition laws (the “Competition Law Procedures”) of Japan, China, South Korea, and the EU will be completed by late March 2024, and assuming such expectation, it expected the Tender Offer to be commenced on March 28, 2024. Further, on March 22, 2024, the Company was informed by the Offeror that, as the Competition Law Procedures have been completed, the Offeror intends to commence the Tender offer on March 28, 2024, subject to the completion of such procedures and actions and the satisfaction of the conditions precedent (the “Conditions Precedent”) provided in the master agreement (the “Master Agreement”) dated February 6, 2024 entered into between the Offeror and MC which sets forth that the Offeror shall acquire the Company’s Share Certificates through the Tender Offer.

In response to this, on March 25, 2024, the Company requested the Special Committee to consider whether or not the opinion expressed by the Special Committee to the board of directors of the Company as of February 5, 2024 has changed, and if it has not, to inform the board of the directors of the Company to that effect, and if it has changed, to state its changed opinion, and received on March 26, 2024, the submission of the Report dated March 26, 2024 stating that the Special Committee does not consider any change is necessary to the content of the report submitted by the Special Committee to the board of directors meeting dated February 5, 2024. Accordingly, the Company again carefully discussed and considered the contents of the terms and conditions of the Tender Offer in light of the contents of the Report dated March 26, 2024 as well as the Company’s business performance and changes in the market environment, etc. since the board of directors meeting on February 6, 2024.

As a result, the Company still believed as of March 27, 2024 that the Transactions would contribute to the enhancement of the Company’s corporate value, and the purpose of the Transactions and the meaning and necessity of achieving such purpose have only been enhanced and never decreased, and that there are no factors that would change the Company’s decision about the Tender Offer as of February 6, 2024. Therefore, the Company again resolved at its

board of directors meeting held on March 27, 2027, that it shall express its opinion in favor of the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer, that it recommends that the owners of the American Depositary Receipts tender in the Tender Offer after delivering their American Depositary Receipts to the Depository Bank in advance and receiving delivery of the Company Shares related to American Depositary Shares represented on the American Depositary Receipts, and that it leaves the decision to the Share Option Holders whether or not to tender in the Tender Offer. The Company also reported to the Offeror on March 27, 2024 that, as of March 27, 2024, there were no undisclosed material facts concerning the Company’s businesses or undisclosed facts relating to the implementation of tender offers, etc. concerning the Company’s Share Certificates.

For the details of the decision-making process of the Company’s board of directors, refer to “(VIII) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection” under “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.”

Although the Tender Offer was subsequently completed as described above, the Offeror was unable to acquire all of the Company’s Share Certificates (excluding Company Shares owned by the Offeror Related Parties and the treasury shares owned by the Company) through the Tender Offer. Therefore, in order to ensure that the Company’s shareholders are solely the Offeror Related Parties as described in the Opinion Press Release, the Company resolved to the effect that it shall submit to the Extraordinary Shareholders’ Meeting a proposal on consolidation of 50,038,357 shares of the Company Shares into one share (the “Share Consolidation”), as stated in “(2) Details of share consolidation” under “2. Summary of share consolidation” below.

As a result of the Share Consolidation, the number of the Company Shares owned by the shareholders other than MC will be a fraction of less than one share.

For details of the Transactions, please refer to the Opinion Press Release and the Tender Offer Results Press Release.

2. Summary of share consolidation

(1) Schedule of share consolidation

(I) Date of public announcement of extraordinary general shareholders meeting	April 23, 2024 (Tue)
(II) Record date for extraordinary general shareholders meeting	May 8, 2024 (Wed)
(III) Date of resolution of board of directors	May 21, 2024 (Tue)
(IV) Date of extraordinary general shareholders meeting	July 3, 2024 (Wed) (scheduled)
(V) Date of designation as a stock to be delisted	July 3, 2024 (Wed) (scheduled)
(VI) Last trading date of Company Shares	July 23, 2024 (Tue) (scheduled)
(VII) Date of delisting of Company Shares	July 24, 2024 (Wed) (scheduled)
(VIII) Effective date of share consolidation	July 26, 2024 (Fri) (scheduled)

(2) Details of share consolidation

(I) Class of shares to be consolidated

Common shares

(II) Ratio of consolidation

50,038,357 Company Shares are to be consolidated into one share.

(III) Total number of issued shares to decrease

100,076,712 shares

(IV) Total number of issued shares before effectuation

100,076,714 shares

(Note) Since the Company has resolved at the Board of Directors to cancel 223,286 shares of the treasury stock (which represent all the treasury shares owned by the Company as of May 15, 2024) on July 25, 2024, the “Total number of issued shares before effectuation” shows the total number of issued shares after such cancellation. The cancellation of treasury shares is subject to the proposal on the Share Consolidation being approved and adopted at the Extraordinary General Shareholders Meeting as originally proposed.

(V) Total number of issued shares after effectuation

2 shares

(VI) Total number of authorized shares on effective date

8 shares

(VII) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment

- (a) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or the treatment under Article 234, Paragraph 2 of the said act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act is planned, and the reasons therefor

As described in “1. Purposes and reasons for share consolidation” above, upon the Share Consolidation, the number of Company Shares held by the shareholders other than MC will be fractional share of less than one share. With respect to fractional shares of less than one share resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total number of such fractional shares (when the total number includes fractional shares of less than one share, such fractions will be rounded down) and pay the proceeds from the sale to the shareholders in proportion to their fractional shares. The Company plans to sell such shares to the Offeror with permission of a court in accordance with Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended: the same applies hereinafter) as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act, considering that it is unlikely that any purchaser can be found through public sale due to the facts that the Share Consolidation is to be conducted as part of the Transactions which aim at making the Offeror Related Parties the only shareholders of the Company and that the Company Shares are to be delisted as of July 24, 2024, becoming shares with no market price.

In such case, if the court permission above is obtained as planned, the sales price is expected to be set so as to pay money equivalent to the amount obtained by multiplying the number of Company Shares held

by each of the shareholders on the final shareholder register of the Company as of July 25, 2024 which is the day preceding the effective date of the Share Consolidation, by 10,360 yen which is the same as the Tender Offer Price. Provided, however, that the actual amount to be paid may differ from the above amount in cases where the court permission is not obtained or where adjustments of fractions are necessary in calculation.

(b) Name of person expected to purchase shares subject to sale
KDDI Corporation

(c) Method by which the person expected to purchase shares subject to sale secures funds to pay the sale price, and the reasonableness of the method

The Offeror plans to fund the acquisition of the number of Company Shares that equals to the total number of fractional shares resulting from the Share Consolidation by means of borrowing from MUFG Bank, Ltd. (“MUFG”). The Company has confirmed the method by which the Offeror secures the funds by confirming the loan certificate dated March 27, 2024 pertaining to borrowing from MUFG which was submitted as attachments to the tender offer statement for the Tender Offer. According to the Offeror, no event has occurred that may hinder the payment of the sales price of the Company Shares that equal to the total number of fractional shares less than one share resulting from the Share Consolidation, and the Offeror is not aware of any likelihood of occurrence of such event in the future.

Based on the above, the Company has determined that the method is reasonable by which the Offeror secures funds for the payment of the sales proceeds of the Company Shares that equal to the total number of fractional shares less than one share.

(d) Expected timing of sale and expected timing of payment of sales proceeds to shareholders

The Company plans to file a petition with a court in mid-August 2024 in accordance with Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act, seeking permission for sale of the Company Shares that equal to the total number of fractional shares less than one share resulting from the Share Consolidation and for purchase thereof by the Offeror. The timing of obtaining such permission may vary depending on the circumstances in the court and other factors. The Company expects to sell such Company Shares by way of purchase thereof by the Offeror with the court permission in early September 2024, and then to make necessary preparations for payment of the proceeds from the sale to the shareholders, and to pay such sales proceeds to the shareholders in late October to early November 2024.

As described above, the Company has determined that the Company Shares that equal to the total number of fractional shares less than one share resulting from the Share Consolidation will be sold and the sales proceeds will be paid to the shareholders at the respective timing mentioned above, considering the period of time required from the effective date of the Share Consolidation to a series of procedures for the sale.

3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.

(1) Grounds and reasons for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares

(I) Matters that were considered to not harm interest of shareholders other than parent company, etc. if there is such

parent company, etc.

The Share Consolidation will be conducted as the second step procedures of a so-called two-step acquisition following the Tender Offer. Given the fact that the Company is a consolidated subsidiary of MC which is an Offeror Related Party, and the Transactions, including the Tender Offer, fall under the category of transactions typically having structural conflicts of interest and information asymmetry with respect to minority shareholders, the Offeror Related Parties and the Company have implemented the measures specified in “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” below in the Transactions including the Tender Offer from the perspective of ensuring the fairness of the Tender Offer from the phase of the Tender Offer, eliminating the arbitrariness in decision-making on the Transactions, ensuring the fairness, transparency and objectivity in the decision-making process, and avoiding any potential conflicts of interest.

(II) Treatment of fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such treatment and the reasonableness of such amount

As described in “(VII) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment” under “(2) Details of share consolidation” under “2. Summary of share consolidation” above, the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares is expected to be the amount obtained by multiplying the number of Company Shares held by each of the shareholders by 10,360 yen which is the same amount as the Tender Offer Price.

The Company determined that the Tender Offer gives the shareholders of the Company a reasonable opportunity to sell their shares in light of the facts that: (i) the Tender Offer Price was agreed upon after thorough negotiations with the Offeror, with substantial involvement of the Special Committee, and after the Company had taken sufficient measures to ensure the fairness of the terms and conditions of the Transactions, including the Tender Offer Price as described in “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” below; (ii) the Tender Offer Price is above the upper end of the range based on the market share price method and within the range based on the discounted cash flow analysis (the “DCF Method”) of the valuation of the Company Shares calculated by SMBC Nikko Securities in the Share Valuation Report (SMBC Nikko Securities) as described in “(IV) Procurement of a share valuation report from an independent financial advisor and third-party valuator retained by the Company” under “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest,” below; (iii) for the Transactions, the purchase period in the Tender Offer is set at 21 business days, but there is a long period of time between the announcement of the proposed tender offer and the actual commencement of the tender offer, and therefore, the opportunity for the minority shareholders to reasonably decide whether to tender their shares in the Tender Offer and the opportunity for a person other than the Offeror to purchase the Company Shares are ensured; (iv) although the minimum number of the Tender Offer is lower than the number of shares to be purchased from the “Majority of Minority” in respect of the Transactions, other sufficient measures have been taken in the Transactions to ensure the fairness of the Tender Offer, and therefore, it is expected that the fact that the minimum number of shares to be purchased is not set for the “Majority of Minority” is unlikely to affect the fairness of the Tender Offer; (v) the amount of money to be delivered to the shareholders as consideration for the Share Consolidation in the Transactions will be calculated to be equal to the Tender Offer Price multiplied by the number of the Company Shares held by each of the Company’s shareholders (excluding the Company and the Offeror Related Parties), and the opportunity for the minority shareholders to make a reasonable decision as to whether or not to tender their shares in the Tender Offer will be ensured so as not to be coercive; (vi) as to the Tender Offer Price and other terms and conditions of the Tender Offer, it has been determined in the Report dated February 5, 2024 obtained from the Special Committee that the fairness and

appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) are ensured as described in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee” under “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest.”

In addition, the Company confirmed at the board of directors meeting held on March 27, 2024 that no material changes were made to conditions underlying the calculation of the Tender Offer Price after the resolutions to express its opinion in favor of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer, to recommend that the owners of the American Depositary Receipts tender in the Tender Offer after receiving delivery of the Company Shares represented on the American Depositary Receipts, and to leave the decision to the Share Option Holders whether or not to tender in the Tender Offer until the time of holding of the Board of Directors which resolved the convocation of the Extraordinary General Shareholders Meeting.

Based on the above, the Company determines that the amount expected to be paid to the shareholders as a result of the treatment of fractional shares is reasonable.

(III) Disposition of material assets, assumption of material liabilities and other events affecting the status of company’s assets that occurred to the Company after the end of the final business year

(a) Tender Offer

As described in “1. Purposes and reasons for share consolidation” above, the Offeror carried out the Tender Offer with a tender offer period commencing on March 28, 2024 and ending on April 25, 2024, and as a result, came to own 41,141,496 Company Shares (shareholding ratio: 41.07%) as of May 7, 2024 which is the commencement date of the settlement of the Tender Offer.

(b) Cancellation of treasury shares

The Company resolved at the Board of Directors to cancel 223,286 shares of the Company’s treasury stock (which equal to the total number of treasury shares owned by the Company as of May 15, 2024) on July 25, 2024. The cancellation of the treasury shares is subject to the proposal on the Share Consolidation being approved and adopted at the Extraordinary General Shareholders Meeting as originally proposed. The total number of issued shares after the cancellation will be 100,076,714 shares.

(2) Possibility of delisting

(I) Delisting

As described in “1. Purposes and reasons for share consolidation” above, the Company plans to carry out the Share Consolidation to make the Offeror Related Parties the only shareholders of the Company after the Transactions, subject to approval of the shareholders at the Extraordinary General Shareholders Meeting. Consequently, the Company Shares will be delisted through the prescribed procedures in accordance with the TSE’s delisting criteria. As for the timeline of it, the Company Shares will be designated as a stock to be delisted from July 3, 2024 until July 23, 2024, and then be delisted on July 24, 2024. The Company Shares can no longer be traded on the Prime Market of the TSE after delisted.

(II) Reasons for delisting

As described in “1. Purposes and reasons for share consolidation” above, it is because the Company determined that it could expect synergies specified in “1. Purposes and reasons for share consolidation” above by implementing the Transactions with the Offeror Related Parties, which would contribute to the enhancement of the corporate value of

the Lawson Group.

(III) Impact on minority shareholders and the opinions thereon

As described in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee” under “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” below, the Company has obtained a report to the effect that the decision to carry out the Transactions would not be disadvantageous to the minority shareholders of the Company. The Company also obtained a report from the Special Committee on March 26, 2024 stating that the Company looked into the facts concerning whether any material changes in the circumstance that may affect the Transactions occurred after February 5, 2023 and that there is no change to the opinion of the Special Committee to the effect that the decision to carry out the Transactions would not be disadvantageous to the minority shareholders.

(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest

While the Share Consolidation is conducted as the procedure for the second step of the “two-step acquisition” after the Tender Offer, as described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” of the Opinion Press Release, the Company is a consolidated subsidiary of MC, which is one of the Offeror Related Parties, and in the Transactions, including the Tender Offer, the Offeror Related Parties and the Company implemented each measure set forth below with a viewpoint to ensuring the fairness of the Tender Offer from the Tender Offer stage, eliminating arbitrariness in decision-making concerning the Transactions, securing the fairness, transparency, and objectivity of the decision-making process, and avoiding any doubt of a conflict of interest.

Since the Offeror Related Parties held 52,260,100 shares of the Company Shares in total (Shareholding Ratio: 52.16%) as of March 27, 2024, the Offeror believes that setting a minimum number of the “Majority of Minority” in the Tender Offer would destabilize the successful completion of the Tender Offer, which in turn might not serve the interests of minority shareholders who wish to tender in the Tender Offer, and it has not set a minimum number of the “Majority of Minority” in the Tender Offer. However, since the Offeror Related Parties and the Company implemented the measures in (I) through (X) below, the Offeror believes that due consideration was given to the interests of the Company’s minority shareholders.

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

To ensure the fairness of the Tender Offer Price, the Offeror, in determining the Tender Offer Price for the Company Shares, requested UBS Securities Japan Co., Ltd. (“UBS Securities”), its financial adviser, to calculate the value of the Company Shares as its third-party valuation institution independent of the Offeror Related Parties and the Company. UBS Securities is not a related party of the Offeror Related Parties or the Company and has no material interest in the Transactions including the Tender Offer. In addition, as the Offeror takes each measures of this (I) and (II) and (X) below, and considers and decides the Tender Offer Price through the discussion and negotiation with the Company, the Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from UBS Securities.

(i) Common shares

After considering the valuation method that should be adopted among various share valuation methods when assessing the share value of the Company, UBS Securities assess the share value of the Company using each of

(i) the average market price analysis because the Company Shares are listed on the TSE Prime Market, (ii) the comparable company analysis because there is a listed company comparable to the Company and it is possible to infer by analogy the share value of the Company by comparing the Company with such a comparable company, and (iii) the DCF Method so as to reflect future business activities in the valuation, subject to the condition precedent set forth below (Note) and certain other conditions, based on the premise that the Company is a going concern and from the perspective that it would be appropriate to assess the share value of the Company in multiple ways. As of February 5, 2024, the Offeror received the share valuation report (the “Share Valuation Report (UBS Securities)”) from UBS Securities.

According to UBS Securities, the ranges of the per share value of the Company Shares calculated using each of the above methods are as follows. For the conditions precedent and considerations related to the preparation of the Share Valuation Report (UBS Securities) and the valuation analysis that serve as a basis therefor, please refer to the below (Note).

Average market price analysis:	7,264 yen to 8,721 yen
Comparable company analysis:	6,568 yen to 8,835 yen
DCF Method:	9,711 yen to 13,038 yen

Under the average market price analysis, February 5, 2024 was used as the valuation base date, and the per share value of the Company Shares was calculated to range from 7,264 yen to 8,721 yen, based on the closing price of the Company Shares listed on the TSE on the valuation base date 8,721 yen and the simple average of closing prices over the prior one month was 8,154 yen, over the prior three months was 7,545 yen, and the simple average of closing prices over the prior six months was 7,264 yen.

Under the comparable company analysis, the share value of the Company was calculated through comparison with trading prices and financial indices indicating profitability, etc. of listed company engaged in businesses considered to be relatively similar to those of the Company. The per share value of the Company Shares was calculated to range from 6,568 yen to 8,835 yen using the Total Number of Shares After Adjustment for Diluted Shares.

Under the DCF Method, the per share value of the Company Shares was calculated to range from 9,711 yen to 13,038 yen using the Total Number of Shares After Adjustment for Diluted Shares, as a result of analyzing the enterprise value and the equity value of the Company by discounting the free cash flow that is expected to be generated by the Company in the future using a certain discount rate, based on the earnings forecast of the Company in and after the fiscal year ending February 2024 which takes into consideration of various factors including the Company’s business plan confirmed by the Offeror for five years from the fiscal year ending February 2024 to the fiscal year ending February 2028, the trend of the Company’s business performance and publicly available information.

The Company’s business plan which served as a basis for the DCF Method does not include any fiscal year in which a substantial increase/decrease in profit is expected. Further, the business plan does not assume the implementation of the Transactions, and does not include the synergies expected to be realized from the implementation of the Transactions being completed because it is difficult to specifically estimate such synergies at the time of calculation.

(Note) The Share Valuation Report (UBS Securities) has been delivered solely for the Offeror to examine the Tender Offer Price of the Company Shares from a financial point of view. UBS did not conduct any valuation analysis of the Share Options. The Share Valuation Report (UBS Securities) does not

express any opinion or view on the following: (a) the terms of, or other aspects of, the Transactions (including, without limitation, the manner or structure of the Transactions or other elements) or (b) the relative advantage of the Transactions compared with other strategies or transactions that may be adopted or implemented by the Offeror, or business decision-making related to promoting or implementing the Transactions. Furthermore, the Share Valuation Report (UBS Securities) does not make any recommendations to the Offeror and the Board of the Directors of the Offeror on any particular purchase price or any recommendations that any particular purchase price is the only appropriate purchase prices. UBS Securities also does not express any opinion or view on the fairness (whether financial or otherwise), as compared with the Tender Offer Price, of the amount, nature, or other aspects of any remuneration for officers, directors, or employees of any party to the Transactions. The Share Valuation Report (UBS Securities) does not express any opinion on the price at which the Company Shares should be transacted at any time, including after the Transactions are publicly announced or commences.

In preparing the Share Valuation Report (UBS Securities), UBS Securities has assumed and relied upon the accuracy and completeness of the assumptions and information that were publicly available or were furnished to UBS Securities by the Offeror or the Company or their other advisors or were otherwise reviewed by UBS Securities for the purposes of preparing the Share Valuation Report (UBS Securities). The content of the assumptions and information has not been independently verified by UBS Securities or any of its directors, officers, employees, agents, representatives and/or, advisers, or any other person.

No representation, warranty, or undertaking, express or implied, is or will be given by UBS Securities or its directors, officers, employees, agents, representatives, or advisors in relation to the accuracy, completeness, reliability, or sufficiency of the information contained in the Share Valuation Report (UBS Securities) or the reasonableness of any assumption contained in the Share Valuation Report (UBS Securities).

The Share Valuation Report (UBS Securities) is provided solely for the benefit of the Offeror, and the Offeror's shareholders and other persons should not rely upon the Share Valuation Report (UBS Securities) and will not be conferred any interests, rights, or remedies by the Share Valuation Report (UBS Securities).

By receiving the Share Valuation Report (UBS Securities), the Offeror acknowledges and agrees that to the maximum extent permitted by law, except in the case of fraud and save as provided in the engagement letter, UBS Securities and its directors, officers, employees, agents, representatives and advisors expressly disclaim any liability which may arise from the Share Valuation Report (UBS Securities), or any other written or oral information provided in connection with the Share Valuation Report (UBS Securities), and any errors contained therein or omissions therefrom.

The Share Valuation Report (UBS Securities) may also contain forward-looking statements, projections, estimates, forecasts, targets, and/or opinions (collectively, the "Forecasts") provided to UBS Securities by the Offeror or the Company, and UBS Securities has relied upon the opinion of the Offeror as to the reasonableness and achievability of the Forecasts (and the assumptions and bases thereof). UBS Securities has assumed that the Forecasts represent the best available assessments and judgments of the Offeror and the Company as of the date of the Share Valuation Report (UBS Securities) and that the Forecasts will be realized in the amounts and time periods contemplated by the Offeror and the Company. All assumptions contained in the Share Valuation Report (UBS

Securities) have been discussed and agreed with the Offeror. The Forecasts involve significant assumptions and subjective judgments which may or may not prove to be correct, and there can be no assurance that any Forecasts are a reliable indicator of future performance, nor that they are attainable or will be realized. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any Forecasts contained in the Share Valuation Report (UBS Securities).

The Share Valuation Report (UBS Securities) was prepared based on the economic, regulatory, market, and other conditions as in effect on the date thereof and the information made available to UBS Securities as of the same date. Subsequent changes in these conditions may affect the information contained in the Share Valuation Report (UBS Securities). The Share Valuation Report (UBS Securities) speaks as at the date thereof (unless an earlier date is otherwise indicated therein), and in furnishing the Share Valuation Report (UBS Securities), no obligation is undertaken, nor is any representation or undertaking given, by any person: (i) to provide the Offeror with any additional information, (ii) to update, revise, or re-affirm any information in the Share Valuation Report (UBS Securities), including any Forecasts, or (iii) to correct any inaccuracies therein which may become apparent.

The analyses conducted by UBS Securities described in the Share Valuation Report (UBS Securities) are summaries of the material financial analyses presented by UBS Securities to the Offeror in connection with the Share Valuation Report (UBS Securities) and are not comprehensive descriptions of all analyses undertaken or information referred to by UBS Securities in connection with the Share Valuation Report (UBS Securities). The preparation of the Share Valuation Report (UBS Securities) and its underlying analysis are a complex analytical process involving various judgments about the appropriateness and relevance of methods of financial analysis and the application of those methods to the particular circumstances; therefore, a part or summary of the analysis results do not necessarily accurately present all aspects of the analyses. UBS Securities' analysis results must be considered holistically, and reference to a part or summary thereof, without considering all of such analysis results as a whole, may give rise to failure to obtain a correct understanding of the processes underlying UBS Securities' analyses. None of the companies reviewed in UBS Securities' analyses as a comparable company is identical to any business units or subsidiaries of the Company, and these companies were selected because they were publicly traded companies with businesses that, for purposes of UBS Securities' analyses, could be considered similar to those of the Company. The analyses made by UBS Securities necessarily involve complex considerations and judgments concerning differences in financial and business characteristics of the companies reviewed for comparison with the Company and other factors that could affect these companies.

In preparing the Share Valuation Report (UBS Securities), UBS Securities has: (i) not made any independent valuation or appraisal of the physical assets and liabilities of the Company or any other company referred to in the Share Valuation Report (UBS Securities), nor been furnished with any such valuation or appraisal; (ii) not carried out any assessment as to the commercial merits of the Transactions; (iii) not conducted any legal, tax, accounting, or other analysis in respect of the Transactions, and where relevant, has relied solely upon the judgments of the relevant professional advisors in these areas; and (iv) assumed that in the course of obtaining any regulatory or third party approvals, consents, and releases for the Transactions, no delay, limitation, restriction, or condition would be imposed that would have an adverse effect on the Company, any other company referred to

in the Share Valuation Report (UBS Securities), or the Transactions.

UBS Securities is acting as financial advisor of the Offeror in connection with the Transactions and receives remuneration for its services as financial advisor, and such remuneration becomes payable subject to the successful completion of the Transactions. In addition, the Offeror has agreed to indemnify UBS Securities for all costs borne by UBS Securities in relation to UBS Securities' involvement and certain liabilities arising out of UBS Securities' engagement.

The Offeror comprehensively considered elements such as the valuation results of the Share Valuation Report (UBS Securities) obtained on February 5, 2024 from UBS Securities, the results of due diligence conducted on the Company during the period from mid-October 2023 to late-January 2024, the approval or disapproval of the Tender Offer by the Company's board of directors, the trends in market price of the Company Shares, and prospects for tendering in the Tender Offer, and took into account the results of consultations and negotiations with the Company, and decided to set the Tender Offer Price at 10,360 yen per share on February 6, 2024.

The Tender Offer Price of 10,360 yen per share of the Company Shares represents a price obtained by adding a premium of 18.79% to the closing price of 8,721 yen of the Company Shares in the Prime Market of the TSE on February 5, 2024, the business day prior to the date of the announcement of the scheduled commencement of the Tender Offer, premium of 27.05% to the simple average of closing prices of 8,154 yen for the last one month until the same date, premium of 37.31% to the simple average of closing prices of 7,545 yen for the last three months until the same date, or premium of 42.62% to the simple average of closing prices of 7,264 yen for the last six months until the same date, respectively.

In addition, the Tender Offer Price per Company Share, 10,360 yen, exceeds the upper limit of the valuation result range, based on the average market price analysis and the comparable companies analysis in the Share Valuation Report (UBS Securities), and is within the valuation result range based on the DCF Method.

(ii) Share Options

The Share Options were granted to directors and executive officers of the Company as executive compensation equivalent to retirement benefits. The holder of the Share Options may exercise such holder's Share Options only in a lump sum, within the exercise period of the Share Options, which is limited to the 10-day period (or the following business day, if the 10th day falls on a holiday) from the date following the date on which such holder has lost his/her/their position as the Company's director or executive officer. Considering the fact that the Offeror may not exercise the Share Options even if the Offeror acquires them, the Offeror set the Share Option Price at 1 yen. Since the Offeror set the Share Option Price as described above, the Offeror has not obtained a valuation report from a third-party valuator.

(iii) American Depositary Receipts

The American Depositary Receipts represent the American Depositary Shares deposited with Depositary Banks, and one American Depositary Shares is equivalent to one-fourth of a Company Share. Since in the Tender Offer, tenders of the American Depositary Receipts themselves will not be accepted and instead, tenders of the Company Shares relating to the American Depositary Shares represented by the American Depositary Receipts will be accepted, as to the price of the tender offer of the American Depositary Receipts, the price per Company Share for the Company Shares to be received by delivering the American Depositary Shares to the Depositary Bank is set at 10,360 yen per share, which is the same price as the Tender Offer Price.

(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company

(i) Background of establishment, etc.

As described in “1. Purposes and reasons for share consolidation” above, the Company established the Special Committee by a resolution at the Company’s board of directors meeting held on September 13, 2023. Prior to the establishment of the Special Committee, the Company, in a position independent of the Offeror Related Parties, in order to establish a system to consider, negotiate, and make decisions regarding the Transactions from the viewpoint of enhancing the Company’s corporate value and securing the interests of the Company’s minority shareholders, with the advice from Anderson Mori & Tomotsune, has, since early September, 2023, individually explained to all of the Company’s independent outside directors and independent outside corporate auditors who have no material interest in the Offeror Related Parties and the Transactions that the Company has received the initial proposal on the Transactions (Initial Proposal) and that, since the Transactions are transactions that has structural conflict of interest issues and information asymmetry issues with minority shareholders, in considering and negotiating the Transactions, it is necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transactions, including the establishment of the special committee. In parallel, the Company also considered the candidates for the members of the Special Committee, with advice from Anderson Mori & Tomotsune. After confirming that the candidates for the members of the Special Committee are independent from the Offeror Related Parties and that they do not have any material interests that differ from those of minority shareholders with respect to the success or failure of the Transactions, the Company, in consultation with the above independent outside directors and independent outside corporate auditors of the Company, and with the advice from Anderson Mori & Tomotsune, has selected three members, Ms. Miki Iwamura, Ms. Satoko Suzuki, and Ms. Yuko Gomi as candidates for the members of the Special Committee in order to ensure a balance of knowledge, experience, and ability of the Special Committee as a whole and to constitute the Special Committee of an appropriate size. (The members of the Special Committee have not been changed since its establishment. In addition, the compensation for the members of the Special Committee shall be a fixed amount in consideration for their duties, regardless of the details of the report, and no performance fee is adopted.)

On that basis, as described in “1. Purposes and reasons for share consolidation” above, the Company established the Special Committee by a resolution at the Company’s board of directors meeting held on September 13, 2023 and has consulted with the Special Committee on the Matters for Consultation.

In addition, upon establishing the Special Committee, the Company’s board of directors has resolved (a) that, in considering the matters for consultation, the special committee may use the Company’s advisors with respect to the Transactions, and may retain a third-party institution, etc. to conduct the valuation of the Company’s shares, the provision of the fairness opinion with respect to the Transactions and other matters that the special committee deems necessary, and in such case, the Company shall bear the reasonable costs of such service, (b) that the decision of the Company’s board of directors regarding the Transactions shall be made with the utmost respect for the judgment of the special committee, and in particular, if the special committee determines that the terms and conditions of the Transactions are not appropriate, the Company’s board of directors shall not opine in favor of the Transactions under such terms and conditions, (c) that the special committee shall be authorized to request the Company’s directors, employees, and other persons deemed necessary by the special committee to attend special committee meetings and request explanations of necessary information in order to ensure the committee’s appropriate decisions, and (d) that the special committee shall be authorized to be in substance involved in the process of negotiations concerning the terms and conditions of the Transactions by confirming in advance the Company’s plan on negotiation concerning

the terms and conditions of the Transactions, receiving reports from the Company on the status of negotiation in a timely manner, stating its opinions and giving instructions and requests to the Company, and, if necessary, to negotiate directly on its own.

At the above meeting of the Company's board of directors, the Company's three directors (namely Mr. Sadanobu Takemasu, Ms. Miki Iwamura, and Ms. Satoko Suzuki), excluding two directors (Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi) out of five directors of the Company deliberated and unanimously passed the above resolutions. At the above meeting of the Company's board of directors, all five corporate auditors expressed their opinion that they had no objection to the above resolutions. Furthermore, since Mr. Masayuki Itonaga concurrently served as an officer of Mitsubishi Corporation Financial & Management Services(Japan)Ltd., a subsidiary of MC, until April 1, 2022, and Mr. Kiyotaka Kikuchi concurrently serves as an executive vice president of MC, they did not attend the above meeting of the Company's board of directors and refrained from expressing their opinions from the viewpoint of eliminating as much as possible the possibility of being affected by the structural conflict of interest issues and information asymmetry issues in the Transactions. On the other hand, although Mr. Sadanobu Takemasu is originally from MC, it has been more than 9 years since he transferred from MC to the Company, and he is not in a position to receive instructions from the Offeror Related Parties, nor is he involved in any way in the Transactions from the Offeror Related Parties' side, nor is he in a position to be so involved. Therefore, the Company has found no conflict of interest with respect to the Company's decision-making in the Transactions, and he has participated in the deliberations and resolution at the above meeting of the Company's board of directors.

(ii) Background of the consideration

The Special Committee was held a total of 22 times during the period from September 13, 2023 to February 5, 2024 for a total of approximately more than 22 hours and performed its duties related to the Matters for Consultation by reporting, sharing information, deliberating, making decisions, etc.

The Special Committee has confirmed that there is no problem with the independence and expertise of SMBC Nikko Securities, a financial advisor and third-party valuator of the Company, and has approved its appointment of Anderson Mori & Tomotsune, a legal advisor of the Company, after confirming that it does not constitute a related party of the Offeror Related Parties and the Company and that it has no material interest in the Transactions including the Tender Offer. In addition, the Special Committee approved the appointment of Daiwa Securities as a financial advisor and a third-party valuator of the Special Committee after confirming that it has no problem with the independence and expertise, and approved the appointment of Nakamura, Tsunoda & Matsumoto, a legal advisor of the Special Committee, after confirming that it does not constitute a related party of the Offeror Related Parties and the Company and that it has no material interest in the Transactions including the Tender Offer. Furthermore, the Special Committee has confirmed that there are no problems from the viewpoint of independence and fairness with the review system of the Transactions (including the scope of the Company's directors, officers and employees involved in the consideration, negotiation, and decision-making regarding the Transactions and their duties) that the Company has established internally as described in "(VII) Establishment of independent review system at the Company" below.

The Special Committee then considered the measures to be taken to ensure the fairness of the procedures in the Transactions, based on the opinions heard from Nakamura, Tsunoda & Matsumoto. In addition, while taking into consideration the advice received from Daiwa Securities, the Special Committee has received an explanation from the Company regarding the details, material conditions precedent, and background of the preparation of the Business Plan prepared by the Company, and has confirmed the reasonableness of these matters and approved it.

The Special Committee received an explanation from the Company on the purpose and significance of the

Transactions and its impact on the Company's business, and conducted a question-and-answer session on these points, and presented questions to the Offeror Related Parties, and conducted a question-and-answer session in the form of interviews with the Offeror Related Parties about the purpose and background of the Transactions, the management policy after the Transactions, etc.

Furthermore, as described in "(VI) Procurement of a share valuation report from an independent third-party valuator retained by the Special Committee" below, Daiwa Securities conducted the valuation of the Company Shares based on the Business Plan, and the Special Committee received an explanation of the valuation methods used by Daiwa Securities for the valuation of the Company Shares, the reasons for adopting such valuation methods, the details of the valuation using each valuation method, and the material conditions precedent, and confirmed the reasonableness of these matters through a question-and-answer session, deliberation, and examination.

In addition, the Special Committee was informed of the Company's negotiations with the Offeror from time to time by the Company and SMBC Nikko Securities, deliberated and considered them, and provided necessary opinions regarding the Company's negotiation policy as appropriate. Specifically, upon receipt of the Offeror's proposal regarding the Tender Offer Price, the Special Committee was soon informed of each proposal, heard analyses and opinions from SMBC Nikko Securities and Daiwa Securities regarding the response policy and the negotiation policy with the Offeror, and considered the proposal based on advice from a financial standpoint received from Daiwa Securities. On that basis, the Special Committee was involved in the overall discussion and negotiation process between the Company and the Offeror regarding the terms and conditions of the Transactions including the Tender Offer Price, by providing the Company with opinions on matters to be discussed with the Offeror in order to achieve the significance and purpose of the Transactions as the Company. As a result, the Company received a proposal from the Offeror on January 31, 2024, which included a proposal to set the Tender Offer Price at 10,360 yen per share, and consequently, the Company has received a total of 8 proposals, increasing the price by 19.77% from the initial price proposal.

Furthermore, the Special Committee has received explanations multiple times from Anderson Mori & Tomotsune and Nakamura, Tsunoda & Matsumoto regarding the details of the draft of the Company's Press Release dated February 6, 2024 regarding the Tender Offer to be announced or submitted by the Company, and has confirmed that appropriate information will be disclosed.

(iii) Details of the Decision

Based on the above background, and taking into consideration the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice received from Daiwa Securities, and the details of a share valuation report concerning valuation of the Company (the "Share Valuation Report (Daiwa Securities)") and a fairness opinion from Daiwa Securities, a third-party valuator independent of the Offeror Related Parties and the Company, (the "Fairness Opinion") stating the fairness of the terms and conditions of the Transactions, including the Tender Offer Price submitted to the Special Committee as of February 5, 2024, the Special Committee carefully considered and discussed the Matters for Consultation. As a result, the committee members unanimously submitted to the Company's board of directors the following summary of the Report dated February 5, 2024 as of February 5, 2024.

(a) Details of the report

1. It is considered that the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose thereof is justified and reasonable.
2. It is considered that the fairness and appropriateness of the terms and conditions of the Transactions (including the offer price in the Tender Offer) are ensured.
3. It is considered that sufficient consideration has been given to the interests of the shareholders of the

Company through fair procedures in the Transactions.

4. It is appropriate for the board of directors to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer, that it recommends that the holders of American Depositary Receipts in respect of the Company Shares tender in the Tender Offer by delivering their American Depositary Receipts to the Depository Bank in advance and receiving delivery of the Company Shares related to American Depositary Shares represented on the American Depositary Receipts, and that it leaves the decision to each of the Share Option Holders whether or not to tender in the tender offer in respect of the share options.
5. In addition to 1 through 4 above, the decision to enter into the Transactions would not be disadvantageous to the minority shareholders of the Company.

(b) Reasons for report

1. Opinions to Matters for Consultation (i) (whether the purpose of the Transactions is justified and reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value))

Based on the following points, with respect to the Matters for Consultation (i), it is considered that the Transactions will contribute to the enhancement of the Company's corporate value and the purpose of the Transactions are justified and reasonable.

A. The Company's projected synergies

It was explained that the following points could be expected as synergies from the Transactions:

(I) Accelerating the transformation to "Real x Tech Convenience" through the use of management resources

- The Company is taking full advantage of Tech to take on the world's fastest delivery service (Quickest E Commerce service: QEC), by utilizing stores as e-commerce centers.
- The Transactions are expected to accelerate the transformation to "Real x Tech Convenience" by making advancements in QEC that can provide products to customers the fastest in the convenience store industry, by strengthening the technology system including system development through the dispatch of human resources such as engineers from the Offeror, and strengthening the digital marketing system by utilizing the Offeror's customer base and big data of high-resolution location information that only a telecommunications carrier can provide.

(II) Strengthening profitability by sharing the customer base

- The Transactions are expected to leverage the Offeror Group's customer base of about 31 million customers and promote high-resolution marketing initiatives.
- Specifically, in addition to expanding consumer reach and customer attraction by attracting new customers from the Offeror Group's economic zone and sending customers to individual stores by utilizing location information, by creating new value in the app and membership domains through the development and provision of new services, and maximizing the value of data through one-stop processing of rich big data collection, aggregation, analysis, and visualization, it becomes possible to consider promotion of cross-selling and development of new businesses and services, leading to the expansion of marketing business.

(III) Coexistence with local communities through provision of social infrastructure utilizing cutting-edge technology

- The Transactions are expected to provide services that support various aspects of daily life, thereby innovating daily life experiences and behaviors in the wake of technological advancements and solving social issues.

- Specifically, for example, the utilization of the Offeror Group’s advanced drone technology can be expected to solve issues related to such as depopulation and ageing of communities by improving the convenience of consumers who are located in areas with no stores.
- In addition, by utilizing the 5G network and satellite communications technology owned by the Offeror which is a telecommunications carrier, it is expected that it will become possible to develop stores and offer products through augmented reality and virtual reality linked to its own apps through metaverse services, such as providing medical services including remote diagnosis by health checks based on vital sensing.

(IV) Strengthening business foundation by utilizing management resources such as highly-skilled human resources and know-how

- By promoting the exchange of human resources between the Offeror Group and MC Group and the Company, and providing each other with human resources support including the secondment and dispatch of employees, such will enable countermeasures against normalization of labor shortages and development of human resources.
- It is expected that the Company Group’s portfolio will be strengthened and synergies will be maximized by the utilization of the Offeror Group’s know-how in financial businesses, collaboration in the entertainment field, and the continued sharing of MC Group’s global network.

(V) Strengthening collaboration in the environmental field to realize a decarbonized society

- The implementation of the Transactions will make it possible to further strengthen and accelerate green and sustainable initiatives in order to achieve the goals of the environmental vision “Lawson Blue Challenge 2050!” set by the Company.
- Specifically, for example, by utilizing the capabilities of the Offeror Group and the MC Group, it is expected that such can promote for example the utilization of renewable energy generated by solar panels, facilitation of the purchase of discounted foods near their expiration dates by making use of vast amounts of location and purchasing information data, as well as the replacement of plastic containers and plastic bottles with biomass materials.

(VI) Growth of group company businesses

- In retail financial business, the collaboration of financial know-how that MC and the Offeror Group possess, including fintech, is expected.
- In the entertainment business also, it is considered that the content and digital tech capabilities that MC and the Offeror Group possess will accelerate the Company’s growth.
- Smart digital capabilities and global expansion capabilities are also essential in the Company’s supermarket and overseas businesses, and it is considered that collaboration with the two companies will accelerate the growth of these businesses.

(VII) Reducing listing maintenance costs and administrative burden and reallocating resources

- The privatization of the Company’s shares through the Transactions will allow resources to be allocated to the various significant initiatives outlined above, while avoiding the increase in human and economic costs associated with maintaining the Company’s listing which has been pointed out in recent years.

B. Alternative transactions

- It is considered that there are no transactions in particular that could be an alternative to the Transactions in terms of enhancing corporate value.

C. Consistence between the Company’s explanation of synergies and the explanation by the Offeror Related

Parties

- The Special Committee also asked the Offeror Related Parties substantially the same questions regarding the Transactions as it did to the Company, in order to confirm whether there was any discrepancy in understanding between the parties to the Transactions.
- As a result, not only were there no responses of the Offeror Related Parties that contradicted with the Company's responses, but also, even taking into consideration the Offeror's understanding as set forth in the Company's Press Release dated February 6, 2024, no discrepancy was found between the Company's understanding regarding the synergies expected from the Transactions.

2. Opinions to Matters for Consultation (iii) (whether sufficient consideration is given to the interests of the shareholders of the Company through fair procedures in the Transactions)

Based on the following points, it is considered that sufficient consideration has been given to the interests of the shareholders of the Company through fair procedures in the Transactions:

A. Establishment of a special committee

- Considering the establishment and operation of the special committee as described below, the Special Committee is considered to be functioning effectively as a measure to ensure fairness.
 - (I) The Special Committee is established before the terms of the transaction are determined between the Offeror and the Company.
 - (II) The Special Committee consists solely of outside directors who are considered most qualified to serve on the Special Committee under the "Fair M&A Guidelines" dated June 28, 2019 prepared by the Ministry of Economy, Trade and Industry ("M&A Guidelines"), and outside corporate auditors who are considered qualified to complement the outside directors.
 - (III) When the Company discusses the Tender Offer Price with the Offeror, it requires confirmation from the Special Committee in advance or promptly after the fact. This ensures that the Special Committee is in a position that may substantially influence the negotiation process regarding the terms of the transaction, by receiving timely reports on the status of the negotiations, expressing its opinion on important aspects, and issuing instructions and requests to the Company.
 - (IV) The Special Committee, after considering the independence, expertise and track records of the candidates for several legal advisors and financial advisors and third-party valuers, on September 13, 2023, appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor independent of the Company and the Offeror Related Parties, and on the same day, appointed Daiwa Securities as its own financial advisor and third-party valuator independent of the Company and the Offeror Related Parties, and has made examinations and judgments based on expertise in the fairness of the procedures and in the evaluation of corporate value.
 - (V) The Special Committee has obtained, on behalf of the minority shareholders, important information including the draft text of the agreement to be entered into by the Company in relation to the Transactions and has made examinations and judgments based on such information, since it is difficult to disclose all details of the contemplated agreements and potential synergies for the Transactions to the public due to such being so wide-ranging.
 - (VI) The board of directors of the Company has resolved that, when making a resolution on the matters for consultation to the Special Committee, the decision-making of the board of directors of the Company regarding the Transactions shall be made with the utmost respect for the Special Committee's judgment and, especially, if the Special Committee deems the transaction terms

regarding the Transactions to be inappropriate, then the board of directors of the Company shall not approve the Transactions under such transaction terms.

B. Decision-making process in the Company

- In the Company, it is expected that the Tender Offer will be deliberated and resolved by three directors (namely Mr. Sadanobu Takemasu and Ms. Miki Iwamura and Ms. Satoko Suzuki, who are members of the Special Committee) excluding Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi, who are officers and employees of MC or its subsidiaries that are Offeror Related Parties.
- Although one of the directors of the Company, Mr. Sadanobu Takemasu, President and CEO, is a former employee of MC, as (a) the M&A Guidelines also provide that if an independent special committee has been established and is functioning effectively, it would suffice to exclude persons who currently concurrently serve as officers and employees of the Offeror, (b) the period of time since his transfer from MC to the Company is sufficiently long, (c) Mr. Sadanobu Takemasu, as President and CEO of the Company, has the knowledge and experience that is indispensable and irreplaceable when considering and negotiating the Transactions from the viewpoint of enhancing the corporate value of the Company, and (d) taking into account the advice of Anderson Mori & Tomotsune, the legal advisor of the Company, and Nakamura, Tsunoda & Matsumoto, the independent legal advisor of the Special Committee, from the viewpoint of independence and fairness, there is no problem with his participation in the examination of the Transactions and the negotiation with the offeror.
- Based on the above, it is considered that there is nothing questionable about the fairness of the decision-making process in the Company.

C. Obtaining professional advice from outside experts

(I) Obtaining advice from legal advisors

- The Company's board of directors receives advice on decision-making from its legal advisors, Anderson Mori & Tomotsune. The Company is considered to have obtained independent advice from its legal advisors.

(II) Obtaining a share valuation report from an independent third-party valuation service provider

- To ensure the fairness of the Tender Offer Price, the Company's board of directors obtained Share Valuation Report (SMBC Nikko Securities) from SMBC Nikko Securities, an independent third-party valuation service provider, as a reference for the value of the Company Shares.
- In addition, in the Share Valuation Report (SMBC Nikko Securities), multiple calculation methods are employed to avoid arbitrary calculation of the price. Furthermore, there is no indication of any arbitrary action by the Offeror's officers or employees in the preparation of the Company's business plan, which is the premise for such calculation, and there is no circumstance that would raise doubts about the fairness of the calculation. The independence of SMBC Nikko Securities has been ensured.
- The Special Committee also retained Daiwa Securities as its own financial advisor and third-party appraiser in connection with review of the Transactions, and received the Share Valuation Report (Daiwa Securities) from Daiwa Securities as a reference for the value of the Company Shares.
- The Special Committee has also confirmed Daiwa Securities' independence as an advisor (including independence from Offeror Related Parties and the Company).
- Based on the above, both Share Valuation Report (SMBC Nikko Securities) and Share Valuation Report (Daiwa Securities) are considered to be the share valuation reports prepared by independent third-party valuation service providers.

(III) Obtaining Fairness Opinion

- In addition, in order to ensure the fairness of the Tender Offer Price, the Special Committee obtained the Fairness Opinion from Daiwa Securities stating that the Tender Offer Price is fair from a financial point of view to the Company's general shareholders, excluding the Offeror related Parties and their affiliates.
- The Special Committee believes that the Fairness Opinion can be evaluated positively as a measure to ensure fairness.

D. Market check

- It is stated in the Company's Press Release dated February 6, 2024 that the Tender Offer period is scheduled to be set at 20 business days, which is the shortest period required by law. The Tender Offer is a so-called pre-announcement type tender offer, and it is also stated that a relatively long period of time is secured before the commencement of the Tender Offer. Considering such period, there is a reasonable opportunity for other potential acquirers to make a counter takeover offer.
- It is also acknowledged that there is no agreement including a transaction protection clause between the Company and Offeror to restrict contact with competing takeover bidders. Hence, in this case, a so-called indirect market check is being implemented by constructing an environment in which other Counter Offeror (as defined "Establishment of measures to ensure purchase opportunities from other purchasers" below) can make counter-proposals after the announcement before conducting the M&A.

E. Majority of Minority

- The concept of Majority of Minority is not adopted regarding the minimum number of shares to be purchased.
- It is admitted that many measures to ensure fairness other than the establishment of Majority of Minority conditions have been adopted in the implementation of the Tender Offer. Therefore, the lack of adoption of the Majority of Minority concept in the implementation of the Tender Offer itself does not necessarily impede the fairness of the terms and conditions of the Transactions.

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

- In the Company's Press Release dated February 6, 2024, certain details regarding the Business Plan have been disclosed which was used as a basis for the valuation by DCF Method in Share Valuation Report (SMBC Nikko Securities) and Share Valuation Report (Daiwa Securities).
- Finally, other information, such as the process leading to the implementation of the M&A and the background to the negotiations, is also deemed to be fully described in the Company's Press Release dated February 6, 2024.

G. Elimination of coerciveness

- The Tender Offer by the Offeror and the series of procedures planned to be carried out after the Tender Offer as described in "(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" under "3. Details of, and grounds and reasons for the opinion on the Tender Offer" (the "Squeeze-out Procedure") in the Transactions will be implemented through reverse stock split scheme. Shareholders are granted the right to file a petition for price determination pursuant to Articles 182-4 and 182-5 of the Companies Act, which is explicitly disclosed in the Company's Press Release dated February 6, 2024.

- The Company's Press Release dated February 6, 2024 also states that the Squeeze-out Procedure will be conducted promptly after the closing of the Tender Offer and that, with respect to the money to be delivered to the minority shareholders in the Squeeze-out Procedure, it will be equivalent to the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder (excluding the Company and the Offeror Related Parties).
- Based on the above, it is acknowledged that measures to eliminate coercion are being taken with regard to the Transactions.

3. Opinions to Matters for Consultation (ii) (whether the fairness and appropriateness of the terms and conditions of the Transactions (including the Tender Offer Price) are ensured)

A. Securing the negotiation process

- As for the actual negotiation process, the Tender Offer Price was fairly negotiated by the Company with the advice of SMBC Nikko Securities, and the final agreement was concluded. The Special Committee was also actively involved in the negotiations by providing its opinions on the negotiations at each meeting.
- Under the above circumstances, the Company, referring to the above valuation calculated by SMBC Nikko Securities and taking into consideration the deliberations of the Special Committee, conducted multiple rounds of price negotiations before reaching a final agreement. The final Tender Offer Price (10,360 yen) was considerably higher than the price (8,650 yen) originally proposed by Offeror, and it is observed that the Company negotiated the Transactions with the aim of making the terms and conditions of the Transactions as favorable as possible to the general shareholders.
- In light of the above, it can be inferred that the agreement reached in the Transactions was based on objective and consistent discussions between the Company and the Offeror, which were at arm's length, and that there were no circumstances that raised doubts about the transparency or fairness of the decision-making process.

B. Relationship between the share value calculation and the Tender Offer Price

- The Business Plan is considered to be reasonable from the viewpoint of the process and method of its formulation, and no arbitrary pressure from Offeror Related Parties was found to have intervened in its formulation due to the following:

(I) Business plan

- The Business Plan admittedly is based on a business plan that was reviewed by the Special Committee on the advice of the Special Committee's own advisors, Daiwa Securities and Nakamura, Tsunoda & Matsumoto, for its development and updating. As a result, no arbitrariness was found in the formulation and revision.
- It is not unreasonable that the Business Plan on a stand-alone basis is also used as the basis for the calculation.
- Furthermore, with regard to the formulation of the Business Plan, the "Challenge 2025" (the three-year plan from FY2023 to FY2025) reported at the Company's board of directors meeting held on April 13, 2023, and the subsequent update of the business plan made in August 2023 are admitted to have been prepared in the course of ordinary business operations unrelated to the Transactions, prior to the start of consideration of the Transactions, even though it is admitted that a person seconded from MC was involved in the preparation. In addition, the two-year plan for FY2026 and FY2027, which was prepared after the consideration of the Transactions started, was prepared without the

involvement of Offeror Related Parties, and is considered to have been prepared with the confirmation of Mr. Sadanobu Takemasu, the president and representative director of the Company. Therefore, the involvement of the person seconded from MC in the process of formulating the Business Plan cannot be considered to have raised doubts about the fairness of the contents of the Business Plan.

- In addition, with respect to the matters that the Company reviewed and considered in the process of developing the Business Plan and the feasibility of the future projections, Daiwa Securities, the Special Committee's own financial advisor, asked the Company necessary questions and provided an opinion that the Business Plan was not considered to be intentionally suppressed to lower the Company's share valuation, and that there were no questionable points.

(II) Relationship between the share value calculation and the Tender Offer Price

- The Tender Offer Price of 10,360 yen per share exceeds the upper limit of the calculation result of the market price method and within the range of the Company's per-share value calculated by the DCF Method, which is considered to represent the intrinsic value of the Company's shares.
- The Special Committee also believes that the Tender Offer Price is not disadvantageous to minority shareholders in terms of comparison with the Company Shares valuation calculated by Daiwa Securities and SMBC Nikko Securities.

(III) Examination of premium

- The Tender Offer Price is equal to the closing price of the Company Shares on the TSE on or before February 5, 2024 (the "immediately preceding day") plus the premium of: 18.79% for the immediately preceding day's closing price; 27.05% for the average closing price over a month before the immediately preceding day; 37.31% for the average closing price over 3 months before the immediately preceding day; 42.62% for the average closing price over 6 months before the immediately preceding day.
- In terms of the comparison of the premium level of the Tender Offer Price with other cases, the premium level of the Tender Offer Price is considered that although it is lower than the average and median value of which an M&A transaction announced after July 2019 after the publication of the M&A Guidelines, completed by December 31, 2023, with a market capitalization of 100 billion yen or more, and whose target stock is over PBR 1 times from before the announcement of the transaction, based on the closing price of the previous day and the average closing price of the past month of the previous day (average and median values based on the closing price of the previous day (31.74% and 30.24%); average and median premium values based on the closing price during the past month of the previous day (33.57% and 34.98%)), it exceeds the average and median price of above eleven deals based on the average closing price for the past three months and six months (average and median premium values based on the average closing price of the past three months of the previous day (35.17% and 34.09%), average and median premium values based on the average closing price of the past six months of the previous day (34.87% and 37.47%)).

C. Reasonableness of the scheme

- The scheme of the Transactions, in which the Offeror acquires all of the Company Shares (including the American Depositary Receipts but excluding the Company Shares owned by the Offeror Related Parties and the treasury shares owned by the Company) and Company Share Options and the Company's minority shareholders are given the opportunity to recoup their investment, is appropriate.

D. Reasonableness of the purchase price of Share Options

- Share Options are also included in the Tender Offer, but the purchase price for Share Options is set at 1 yen.
- According to the Company's Press Release dated February 6, 2024, at the time of publication of the Tender Offer, the Company intends to make a statement to the Share Option Holders that it will leave it to their judgement whether or not to tender their options in the Tender Offer.
- In light of the above, the Special Committee withholds its opinion on the reasonableness of the price of Share Options in the Tender Offer.

4. Opinions to Matters for Consultation (iv) whether it can be considered appropriate for the Company's board of directors to express their opinions in favor of the Tender Offer, recommending that the shareholders of the Company tender their shares in the Tender Offer, recommending that the owners of the American Depositary Receipts deliver the American Depositary Receipts to the Depositary Banks in advance and receive the delivery of the Company Shares related to the American Depositary Shares represented by the relevant American Depositary Receipts to tender their shares in the Tender Offer, and leaving whether or not to tender their shares in the Tender Offer to the judgement of the Share Option Holders; and (v) in addition to (i) through (iv) above, whether it can be considered that conducting the Transactions is not disadvantageous to the Company's minority shareholders

- The Special Committee's deliberations resulted in the conclusion that there are no problems with any of the Matters for Consultation (i) through (iii).
- Accordingly, regarding the Matters for Consultation (iv) and (v), the Special Committee considers it is appropriate for the Company to express its opinion that the board of directors is in favor of the Tender Offer and it recommends to the shareholders of the Company that they tender in the Tender Offer, recommends to the owners of American Depositary Receipts that they tender in the Tender Offer after delivering the American Depositary Receipts to the Depositary Bank in advance and receiving the delivery of the Company Shares concerning the American Depositary Shares that were represented on such American Depositary Receipts, and leaves it to the Share Option Holders to decide whether to tender in the Offer or not.
- However, since the Tender Offer, which is the first phase of the Transactions, is expected to take a reasonable period of time from the announcement to the start of the Tender Offer, the Special Committee plans to conduct additional examinations on these points again at the start of the Tender Offer.

Subsequently, on February 21, 2024, the Company was informed by the Offeror that it expected that the Competition Law Procedures will be completed by late March 2024, and assuming such expectation, it expected the Tender Offer to be commenced on March 28, 2024. Further, on March 22, 2024, the Company was informed by the Offeror that, as the Competition Law Procedures have been completed, the Offeror intends to commence the Tender offer on March 28, 2024, subject to the satisfaction of the Conditions Precedent.

As the Tender Offer is planned to be commenced, on March 25, 2024, the Company requested the Special Committee to consider whether or not the opinion expressed by the Special Committee to the board of directors of the Company as of February 5, 2024 has changed, and if it has not, to inform the board of the directors of the Company to that effect, and if it has changed, to state its changed opinion.

In the 23th Special Committee held on March 25, 2024, the Special Committee confirmed to the Company that it has examined whether or not there has been any material change in the circumstances that could have an impact on the Transactions since February 5, 2024 and studied the requested matters, and confirmed that it found no reason,

which, in light of the circumstances from February 5, 2024 to March 26, 2024, requires any change to the opinion expressed by the Special Committee to the board of directors meeting of the Company on February 5, 2024, and submitted to the Company the Report dated March 26, 2024 stating that, by a unanimous resolution of all members, the Special Committee does not consider any change is necessary to the content of the report submitted by the Special Committee to the board of directors meeting dated February 5, 2024.

(III) Advice from an independent legal advisor at the Company

As described in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company” above, the Company appointed Anderson Mori & Tomotsune as an external legal advisor independent of the Offeror Related Parties and the Company and has received legal advice from Anderson Mori & Tomotsune, including advice on measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures of the Transactions, and the method and process of the Company’s decision-making regarding the Transactions.

Anderson Mori & Tomotsune does not constitute a related party of the Offeror Related Parties and the Company and has no material interest in the Transactions including the Tender Offer. The Company has a legal advisory agreement with Anderson Mori & Tomotsune, which is an external law firm that provides legal services not only to the Company but also to many other clients, and the Company, as one of the clients of the firm, has entered into a legal advisory agreement to receive legal advice on a case-by-case basis based on the field and expertise required. The independence of the firm from the Company is not harmed by the existence of such an agreement, and the firm’s compensation is calculated by multiplying the operating hours by the hourly rate, regardless of the success or failure of the Transactions, and does not include a performance fee subject to the successful completion of the Transactions. Therefore, the Company has determined that there is no problem with the firm’s independence from the Offeror Related Parties and the success or failure of the Tender Offer. The Special Committee also confirmed at its first meeting that there are no problems with the independence and competence of Anderson Mori & Tomotsune as the legal advisor.

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

As described above in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company”, the Company appointed SMBC Nikko Securities as a financial advisor and third-party valuator independent of the Offeror Related Parties and the Company, received advice and assistance from SMBC Nikko Securities from a financial perspective, including advice on valuation of the Company Shares and negotiation policies with the Offeror, and retained the Share Valuation Report (SMBC Nikko Securities) as of February 5, 2024.

In order to ensure the fairness of its decision-making on the Tender Offer Price presented by the Offeror, the Company requested SMBC Nikko Securities, a financial advisor, to calculate the value of the Company Shares as a third-party valuator independent of the Offeror Related Parties and the Company, and received the Share Valuation Report (SMBC Nikko Securities) as of February 5, 2024. SMBC Nikko Securities does not constitute a related party of the Offeror Related Parties or the Company and has no material interest in the Transactions including the Tender Offer. SMBC Nikko Securities is a member of Sumitomo Mitsui Financial Group, Inc., same as Sumitomo Mitsui Banking Corporation, which provides the Lawson Group, the Offeror Group and the MC Group with financing transactions, etc. as part of ordinary banking transactions. However, in light of SMBC Nikko Securities’ track record as a third-party valuator, and based on the fact that as a measure to prevent negative effects, measures to block

information as provided in the internal regulations have been taken between (a) the department responsible for calculating the value of the Company Shares in SMBC Nikko Securities and (b) other departments therein and Sumitomo Mitsui Banking Corporation, that the Company and SMBC Nikko Securities conduct transactions on the same terms and conditions as their general trading partners, thereby the independence as a financial advisor and third-party valuator is ensured, that SMBC Nikko Securities does not constitute a related party of the Company and the Offeror Related Parties and thus it can be considered that there is no particular problem with the Company's request to SMBC Nikko Securities to calculate the value of the Company Shares, the Company has appointed SMBC Nikko Securities as its financial advisor and third-party valuator. At its initial meeting, the Special Committee confirmed that there were no problems with the independence and expertise of SMBC Nikko Securities, and approved SMBC Nikko Securities as a financial advisor and third-party valuator of the Company. The Company has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities, as the Company has determined that measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest have been taken and that the fairness of the Transactions is sufficiently ensured.

In addition, the compensation to SMBC Nikko Securities for the Transactions includes a performance fee to be paid subject to the successful completion of the Transactions or others. Taking into account general practices in similar transactions and the compensation structure that would impose a reasonable financial burden on the Company in the event that the Transactions would be unsuccessful, the Company has determined that the inclusion of a performance fee to be paid on the condition that the Tender Offer is successful does not negate the independence, and has therefore decided to appoint SMBC Nikko Securities as the Company's financial advisor and third-party valuator in accordance with the above compensation structure.

(Note) SMBC Nikko Securities assumed that all of the materials and information on which the Share Valuation Report (SMBC Nikko Securities) was based were accurate and complete, and has not independently verified the accuracy or completeness thereof and assumes no obligation or liability therefor, and assumed that the Company had not been aware of any facts or circumstances that would render any information provided to it inaccurate or misleading. In addition, no independent evaluation, appraisal or assessment of the assets or liabilities of the Company or its affiliates has been conducted, and no request for evaluation, appraisal or assessment thereof has been made to any third-party agent. If any problems are found in the accuracy or completeness of these materials or information, the valuation results may differ significantly. Furthermore, it is assumed that there are no undisclosed lawsuits, disputes, claims and obligations or other contingent or off-balance-sheet liabilities related to the environment or taxation or other matters concerning the Company or its affiliates, and any other facts that could materially affect the Share Valuation Report (SMBC Nikko Securities). It is assumed that the business plans, etc. used by SMBC Nikko Securities in the Share Valuation Report (SMBC Nikko Securities) were prepared by the Company in accordance with reasonable and appropriate procedures based on the best possible estimates and judgments as of the record date of the valuation. In addition, if SMBC Nikko Securities conducted an analysis in the Share Valuation Report (SMBC Nikko Securities) with the presumptions under the materials and information provided to it, SMBC Nikko Securities assumed that such materials, information and presumptions provided were accurate and reasonable. SMBC Nikko Securities has not independently verified the accuracy, adequacy and feasibility of these assumptions and are not under obligation or liability therefor. The valuation results of SMBC Nikko Securities were submitted to the Company by SMBC Nikko Securities, at the Company's request, for the sole purpose of contributing to consideration of the Tender Offer Price by the Company's board of directors, and such valuation results do not constitute an opinion of SMBC Nikko Securities on the fairness of the Tender Offer Price.

SMBC Nikko Securities calculated the value of the Company Shares based on the market share price method because the Company Shares were listed on the TSE Prime Market and had a market share price, and based on the DCF Method to reflect the future business activities in the valuation.

The range of value per share of the Company Shares calculated by SMBC Nikko Securities based on each of the above methods is as follows.

Market share price method:	7,248 yen – 8,039 yen
DCF Method:	9,609 yen – 14,907 yen

Under the market share price method, the value per share of the Company Shares was calculated to be in the range of 7,248 yen to 8,039 yen based on the simple average closing price of the Company Shares on the TSE Prime Market for the most recent one month (8,039 yen), for the most recent three months (7,526 yen), and for the most recent six months (7,248 yen), with the record date of February 2, 2024, the two business days before the announcement date of the planned commencement of the Tender Offer. Under the DCF Method, the value per share of the Company Shares was calculated to be in the range of 9,609 yen to 14,907 yen, following the calculation of corporate value and share value of the Company after the free cash flow that the Company was expected to generate in and after the fourth quarter ending February 2024 was discounted to the present value at a certain discount rate, based on various factors such as the Business Plan prepared by the Company and information disclosed to the general public. The Business Plan prepared by the Company, which SMBC Nikko Securities used for the calculation under the DCF Method, does not include any fiscal year in which a significant increase or decrease in profit is expected on a year-on-year basis. In addition, the synergies expected to be realized as a result of the Transactions are not taken into account in the financial forecast because it was difficult to estimate such synergies specifically as of February 5, 2024.

(V) Advice from an independent legal advisor at the Special Committee

As described above in “(II) Establishment of independent special committee at the Company and procurement of a report from the special committee at the Company”, the Special Committee appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor independent of the Offeror Related Parties and the Company and has received legal advice from Nakamura, Tsunoda & Matsumoto, including advice on measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures of the Transactions, and the method and process of the Company’s decision-making regarding the Transactions.

Nakamura, Tsunoda & Matsumoto does not constitute a related party of the Offeror Related Parties and the Company and has no material interest in the Transactions including the Tender Offer. Nakamura, Tsunoda & Matsumoto’s compensation is calculated by multiplying the operating hours by the hourly rate, regardless of the success or failure of the Transactions, and does not include a performance fee subject to the successful completion of the Transactions.

(VI) Procurement of a share valuation report and the Fairness Opinion from an independent third-party valuator by the Special Committee

In considering the Matters for Consultation, in order to ensure the fairness of the terms and conditions of the Transactions, including the Tender Offer Price, the Special Committee received the Share Valuation Report (Daiwa Securities) from Daiwa Securities, a financial advisor, as a third-party valuator independent of the Offeror Related Parties and the Company. The Special Committee requested Daiwa Securities, a third-party valuator independent of the Offeror Related Parties and the Company, to submit the Fairness Opinion, and obtained it as of February 5, 2024.

Daiwa Securities does not constitute a related party of the Offeror Related Parties or the Company and has no material interest in the Transactions including the Tender Offer. At its initial meeting, the Special Committee confirmed that there were no problems with the independence and expertise of Daiwa Securities, and appointed Daiwa Securities as a financial advisor and third-party valuator of the Special Committee.

The compensation to Daiwa Securities for the Transactions includes only the fixed fee to be paid regardless of the success or failure of the Transactions, and does not include a performance fee to be paid subject to the successful completion of the Transactions.

In considering the Matters for Consultation, the Special Committee requested Daiwa Securities, a financial advisor, to calculate the value of the Company Shares as a third-party valuator independent of the Offeror Related Parties and the Company, and received the Share Valuation Report (Daiwa Securities) as of February 5, 2024.

Based on its judgment that it is appropriate to multilaterally evaluate the value of the Company Shares after considering valuation methods to be adopted in calculating the value of the Company Shares from among various valuation methods and under the assumption that the Company is a going concern, Daiwa Securities analyzed the value per share of the Company Shares based on the market share price method because the Company Shares were listed on the TSE Prime Market and had a market share price, and based on the DCF Method to reflect the Company's financial performance and forecast, etc. in the valuation, and the Special Committee received the Share Valuation Report (Daiwa Securities) as of February 5, 2024.

The range of the value per share of the Company Shares calculated based on each of the above methods is as follows.

Market share price method:	7,264 yen - 8,721 yen
DCF Method:	7,037 yen - 14,514 yen

Under the market share price method, with the calculation record date of February 5, 2024, the value per share of the Company Shares was calculated to be in the range of 7,264 yen to 8,721 yen based on the closing price of the Company Shares on the TSE Prime Market as of the record date (8,721 yen), based on the simple average closing price thereof for the most recent one month (8,154 yen), for the most recent three months (7,545 yen), and for the most recent six months (7,264 yen).

Under the DCF Method, assuming the fact that, based on some factors such as the Business Plan prepared by the Company and any information disclosed to the general public, all business in which the Seijo Ishii business and the China business are excluded from Seijo Ishii business, the China business and Consolidated Business (the "Company Consolidated Business (excluding the Seijo Ishii business and the China business)") are examined, the value per share of the Company Shares was calculated to be in the range of 7,037 yen to 14,514, following the calculation of corporate value and stock value of the Company after the free cash flow that the Company was expected to generate in and after the fourth quarter ending February, 2024 was discounted to the present value at a certain discount rate. The financial projection based on the Business Plan prepared by the Company, which Daiwa Securities used for the calculation under the DCF Method, includes a fiscal year in which a significant increase or decrease in profit is expected on a year-on-year basis. Specifically, in the Company Consolidated Businesses (excluding the Seijo Ishii business and the China business), the Company expects a significant increase in free cash flow (fiscal year ending February 2026: 44,551 million yen, up 57.0% year-on-year, and fiscal year ending February 2026: 60,948 million yen, up 36.8% year-on-year). In addition, the synergies expected to be realized as a result of the Transactions are not taken into account in the financial forecast because it was difficult to estimate such synergies specifically as of February 5, 2024.

The Special Committee received the Fairness Opinion as of February 5, 2024 from Daiwa Securities to the effect that

the purchase price of 10,360 yen per share of the Company Shares in the Tender Offer was fair from a financial point of view, to the Company's shareholders excluding the Offeror Related Parties and their affiliates.

The Fairness Opinion was approved to be prepared and submitted after the analysis and examination of financial information, including business forecasts, and the examination of the valuation of the Company Shares conducted by Daiwa Securities through a question-and-answer session with the Special Committee, as well as a question-and-answer session between the Company and the Special Committee on the circumstances and the background leading to the support for the Tender Offer, and the approval by the Fairness Opinion Approval Meeting at Daiwa Securities.

(Note) In expressing its opinion contained in the Fairness Opinion, Daiwa Securities assumed that all materials and information that Daiwa Securities analyzed and examined are accurate and complete, and, has not independently verified the accuracy or completeness of such materials and information, and assumes no obligation therefor. In expressing its opinion contained in the Fairness Opinion, Daiwa Securities assumed that no events had occurred relating to the Company that had not been disclosed to Daiwa Securities and would affect the corporate value of the Company, as of the date of expressing its opinion. Daiwa Securities has not conducted any independent evaluation, appraisal or assessment of all assets and liabilities (including but not limited to financial derivatives, off-balance-sheet assets and liabilities, or other contingent liabilities) of the Company and its affiliates, including analysis and evaluation of individual assets and liabilities, nor has it requested any third-party agent to conduct any evaluation, appraisal or assessment thereof. Daiwa Securities has not evaluated the solvency or creditworthiness of the Company and its affiliates under any applicable laws and regulations relating to bankruptcy, insolvency or similar matters. Daiwa Securities does not make, and assumes no obligation to make, any on-the-spot inspection of any property or facilities of the Company and its affiliates.

In expressing its opinion contained in the Fairness Opinion, Daiwa Securities assumed that the business plan, financial forecast and other forward-looking information provided to it had been reasonably prepared based on the best possible estimates and judgments at the time of calculation made by the Company's management and, with the consent of the Company and the Special Committee, relied on such information without independent verification. Daiwa Securities assumed that there would be no change in situations that could materially affect the Company's assets, financial condition, business or prospects after the date of preparation or provision of the business plan, financial forecast or other forward-looking information provided to it. In expressing its opinion contained in the Fairness Opinion and conducting analysis underlying therein, Daiwa Securities placed a number of assumptions about industry situations, general business and economic situations and other matters, many of which would be beyond the control of the Company and the Offeror. All forecasts included in such analysis conducted by Daiwa Securities are not necessarily indicative of the future results or actual value, but such results or value may be significantly better or worse than those implied in such forecasts.

Daiwa Securities also assumed that all governmental, regulatory or others' consents and approvals necessary for the successful completion of the Tender Offer would be obtained without adversely affecting the expected benefits of the Tender Offer. Daiwa Securities has not been asked by the Company and the Special Committee to, and does not, review the Company's decision-making regarding the successful completion of the Tender Offer or a comparative evaluation of the Tender Offer and other strategic options. Daiwa Securities is not a legal, accounting or tax expert, and has not independently analyzed or examined the legality or validity of any matters concerning the Tender Offer and the appropriateness of accounting and tax treatment, and does not assume any obligation therefor.

Daiwa Securities will receive fees from the Company as consideration for the provision of advisory service

(the “Advisory Service”) in connection with the Tender Offer, whether or not the Tender Offer is successfully completed. The Company has agreed to indemnify Daiwa Securities against certain liabilities which may arise in connection with the Advisory Service.

Daiwa Securities and its affiliates provide or may in the future provide, for consideration, investment and financial services, including securities-related services, to the Company, the Offeror Related Parties and their affiliates. Daiwa Securities and its affiliates may also trade or hold financial instruments, including securities and financial derivatives, of the Company and its affiliates for their own accounts or for the accounts of customers.

The Fairness Opinion was prepared solely for the purpose of use as reference information for the Special Committee’s consideration of the Tender Offer Price. Daiwa Securities does not recommend to the Special Committee any particular purchase price, nor does it recommend that a particular purchase price be the only appropriate purchase price. The Company and the Special Committee may not disclose or convey the Fairness Opinion to any third party or allow any third party to refer to the Fairness Opinion without the prior written consent of Daiwa Securities. The opinions contained in the Fairness Opinion are not addressed to any third party other than the Special Committee and may not be trusted or relied upon by any such third party for any purpose. Furthermore, the opinions expressed by Daiwa Securities in the Fairness Opinion do not constitute any recommendation or solicitation to the common shareholders of the Company to exercise their voting rights or other shareholder rights in connection with the Tender Offer, or to transfer or accept the Company Shares, or any other related matters.

In the Fairness Opinion, Daiwa Securities expresses its opinion only as to whether the Tender Offer Price is fair, from a financial point of view, to the common shareholders of the Company excluding the Offeror Related Parties and their affiliates, and Daiwa Securities has not been asked to provide an opinion as to whether the Tender Offer Price is fair to third parties other than the shareholders of the Company excluding the Offeror Related Parties and their affiliates, or on any other matters, and has not provided an opinion thereon. In the Fairness Opinion, Daiwa Securities expresses no opinion with respect to each of the premises or assumptions underlying the determination of the Tender Offer Price or the Company’s decision-making regarding the Tender Offer. In addition, Daiwa Securities expresses no opinion in the Fairness Opinion with respect to the price of the common share of the Company to be traded on or after the date of the Fairness Opinion. In connection with the Tender Offer Price, Daiwa Securities expresses no opinion as to the fairness of the amount or nature of any compensation to be received by any officer, director or employee or the same kind of person engaged in the Tender Offer. In preparing the Fairness Opinion, Daiwa Securities has not been authorized by the Company, the Company’s board of directors or the Special Committee to solicit any third party other than the Offeror to express an interest in acquiring all or any part of the Company, nor has solicited in the past.

The opinions expressed by Daiwa Securities in the Fairness Opinion were based on financial, economic, market and other situations as of the date of the Fairness Opinion, and relied on information available to Daiwa Securities as of such date. The opinions expressed by Daiwa Securities in the Fairness Opinion may be affected by future changes in situations, but Daiwa Securities assumes no obligation to update, revise or reaffirm its opinion.

(VII) Establishment of independent review system at the Company

As described in “1. Purposes and reasons for share consolidation” above, the Company has established a system internally to consider, negotiate, and make decisions regarding the Transactions from the standpoint of being

independent from the Offeror Related Parties, considering that the Transactions including the Tender Offer falls under the category of transactions in which there are structural conflict of interest issues and information asymmetry issues with minority shareholders. Specifically, on September 1, 2023, after receiving the Transactions (Initial Proposal) from the Offeror Related Parties, the Company established a project team to consider the Transactions (including the preparation of a business plan that will serve as the basis for the valuation of the Company's shares) and to discuss and negotiate with the Offeror Related Parties. The members of the project team are composed only of the Company's officers and employees who do not concurrently serve as officers and employees of each of the Offeror Related Parties group (excluding Lawson Group other than MC), and such treatment continues.

In addition, the Company's review system (including the scope of the Company's directors, officers and employees involved in the consideration, negotiation, and decision-making regarding the Transactions and their duties) has been approved by the Special Committee that there are no problems from the viewpoint of independence and fairness.

(VIII) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection

As described in "1. Purposes and reasons for share consolidation" above, the Company's board of directors has carefully considered and discussed whether the Transactions, including the Tender Offer, will contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate, taking into consideration the legal advice received from Anderson, Mori and Tomotsune, the advice received from SMBC Nikko Securities, and the details of the Share Valuation Report (SMBC Nikko Securities), while respecting to the fullest extent the judgment of the Special Committee as presented in the Report dated February 5, 2024.

As a result, as described in "1. Purposes and reasons for share consolidation" above, since the Tender Offer Price of 10,360 yen per share is a reasonable price that ensures the benefits that the Company's minority shareholders should enjoy and the other terms and conditions of the Tender Offer are fair, the Company has therefore determined that the Tender Offer will provide the Company's minority shareholders with a reasonable opportunity to sell the Company Shares held by them at a price with an appropriate premium and, at the Company's board of directors meeting held on February 6, 2024, as the Company's opinion as of the same date, the Company resolved to express its opinion in favor of the Tender Offer if the Tender Offer is commenced, to recommend to the shareholders of the Company that they tender in the Tender Offer, to recommend to the owners of American Depositary Receipts that they tender in the Tender Offer after delivering the American Depositary Receipts to the Depositary Bank in advance and receiving the delivery of the Company Shares concerning the American Depositary Shares that were represented on such American Depositary Receipts, and to leave it to the Share Option Holders to decide whether to tender in the Tender Offer or not.

Subsequently, on February 21, 2024, the Company was informed by the Offeror that it expected that the Competition Law Procedures will be completed by late March 2024, and assuming such expectation, it expected the Tender Offer to be commenced on March 28, 2024. Further, on March 22, 2024, the Company was informed by the Offeror that, as the Competition Law Procedures have been completed, the Offeror intends to commence the Tender offer on March 28, 2024, subject to the satisfaction of the Conditions Precedent.

In response to this, on March 25, 2024, the Company requested the Special Committee to consider whether or not the opinion expressed by the Special Committee to the board of directors of the Company as of February 5, 2024 has changed, and if it has not, to inform the board of the directors of the Company to that effect, and if it has changed, to state its changed opinion, and received on March 26, 2024 the submission of the Report dated March 26, 2024 stating that the Special Committee does not consider any change is necessary to the content of the report submitted by the Special Committee to the board of directors meeting dated February 5, 2024. Accordingly, the Company again

carefully discussed and considered the contents of the terms and conditions of the Tender Offer in light of the contents of the Report dated March 26, 2024 as well as the Company's business performance and changes in the market environment, etc. since the board of directors meeting on February 6, 2024.

As a result, the Company still believes as of March 27, 2024 that the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions and the meaning and necessity of achieving such purpose have only been enhanced and never decreased, and that there are no factors that would change the Company's decision about the Tender Offer as of February 6, 2024. Therefore, the Company again resolved at its board of directors meeting held March 27, 2024, that it shall express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, that it recommends that the owners of the American Depositary Receipts tender in the Tender Offer after delivering their American Depositary Receipts to the Depository Bank in advance and receiving delivery of the Company Shares related to American Depositary Shares represented on the American Depositary Receipts, and that it leaves the decision to the Share Option Holders whether or not to tender in the Tender Offer. The Company also reported to the Offeror March 27, 2024 that, as of the same day, there are no undisclosed material facts concerning the Company's businesses or undisclosed facts relating to the implementation of tender offers, etc. concerning the Company's Share Certificates.

At the both meetings of the Company's board of directors above, the Company's three directors (namely Mr. Sadanobu Takemasu, Ms. Miki Iwamura, and Ms. Satoko Suzuki), excluding two directors (Mr. Masayuki Itonaga and Mr. Kiyotaka Kikuchi) out of five directors of the Company deliberated and unanimously passed the above resolutions. At the both meetings of the Company's board of directors above, all five corporate auditors expressed their opinion that they had no objection to the above resolutions.

Furthermore, since Mr. Masayuki Itonaga concurrently served as an officer of Mitsubishi Corporation Financial & Management Services(Japan)Ltd., a subsidiary of MC, until April 1, 2022, and Mr. Kiyotaka Kikuchi concurrently serves as an executive vice president of MC, they did not attend the above meeting of the Company's board of directors and refrained from expressing their opinions from the viewpoint of eliminating as much as possible the possibility of being affected by the structural conflict of interest issues and information asymmetry issues in the Transactions. On the other hand, although Mr. Sadanobu Takemasu is originally from MC, it has been more than 9 years since he transferred from MC to the Company, and he is not in a position to receive instructions from the Offeror Related Parties, nor is he involved in any way in the Transactions from the Offeror Related Parties' side, nor is he in a position to be so involved. Therefore, the Company has found no conflict of interest with respect to the Company's decision-making in the Transactions, and he has participated in the deliberations and resolution at the both meetings of the Company's board of directors above.

(IX) Establishment of measures to ensure purchase opportunities from other purchasers

Since there is a substantial period from February 6, 2024, which is the announcement date of the Tender Offer, until the commencement of the Tender Offer, the Offeror believes that an opportunity for the Company's minority shareholders to make an appropriate decision regarding the tender of the Tender Offer and an opportunity for persons other than the Offeror to purchase the Company Shares are secured.

In addition, the Offeror Related Parties have agreed in the Master Agreement that, until the completion of the Transactions, they will not, directly or indirectly, propose, solicit, provide information about, or discuss the implementation of the tender offer subject to the Company Share Certificates, or make it difficult to implement the Transactions, or which have a concrete possibility of doing so (the "Competing Transactions") with any third party, and will not engage in any agreements regarding competitive transactions or any other acts inconsistent with or in conflict with the Transactions (including the exercise or non-exercise of voting rights at the Company's general shareholders meetings that are inconsistent with or conflict with the Transactions). However, the Offeror Related Parties have not

entered into any agreement with the Company that would restrict anyone other than the Offeror Related Parties (the "Counter Offeror") from contacting the Company, such as any agreement including transaction protection provisions that would prohibit the Company from contacting the Counter Offeror. In this way, together with the period until the commencement of the Tender Offer mentioned above, consideration has been given to secure the fairness of the Tender Offer by ensuring the opportunity for a counter-purchase.

(X) Establishment of measures to ensure opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer

The Offeror (A) plans to request the Company to hold the Extraordinary General Shareholders Meeting, which includes the agenda item to partially amend the articles of incorporation to abolish the provisions of share units subject to the Share Consolidation and the effectuation of the Share Consolidation, promptly after the completion of the settlement of the Tender Offer, and will not adopt any method where appraisal rights or the right to demand determination of price will not be ensured for shareholders of the Company and the owners of the American Depositary Receipts, and (B) the Offeror has clarified that, in the event of the Share Consolidation, the cash to be delivered as consideration to shareholders of the Company will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each such shareholder. Thus, the Offeror ensures an opportunity for shareholders of the Company and the owners of the American Depositary Receipts to make appropriate decisions on whether to tender their shares in the Tender Offer, thereby giving consideration not to create any coercion.

4. Future prospects

As described in "(I) Delisting", "(2) Possibility of delisting" in "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." above, the Company Shares will be delisted in connection with the Share Consolidation.

5. Transactions with controlling shareholders

(1) Applicability of transactions with controlling shareholders and status of compliance with the Policy Concerning Measures to Protect Minority Shareholders

Since the Master Agreement and the Shareholders Agreement dated February 6, 2024 have been executed between MC, the controlling shareholder (parent company) of the Company, and the Offeror, the Tender Offer was conducted and the Capital and Business Alliance Agreement was executed with MC, the controlling shareholder (parent company) of the Company, as a part of the Transactions, the Company deems that the transactions for the Share Consolidation is equivalent to the transactions with controlling shareholders as defined in the Securities Listing Regulations of the TSE.

In the "Policy Concerning Measures to Protect Minority Shareholders upon Conducting Transactions with Controlling Shareholder" section of the Corporate Governance Report disclosed on May 25, 2023, the Company stated that "As a listed company, we ensure certain independence. Even in transactions with parent company, MC, and its group companies, we have determined their terms and conditions like other general transactions after considering prices of other companies and actual prices of the market to prevent minority shareholders from being disadvantageous." and that "the Company has voluntarily established a special committee to deliberate and consider significant transactions and any conduct involving a conflict of interest between MC, the parent company, and minority shareholders. The committee comprises of 5 members including the committee chairperson, all of whom are outside directors and outside corporate auditors independent of the parent company, ensuring a highly independent structure to ascertain the necessity, rationality, appropriateness, and fairness of the significant transactions and conduct in question and report the results to the Board of Directors." (The special committee stated above is a regular committee, which is a different meeting

body from the Special Committee.)

As described in “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” above, the Company has taken measures to ensure the fairness and measures to avoid conflicts of interests of the Tender Offer. Also, since the regular “special committee” stated above reported that it approved the Transactions as of February 6, 2024 and March 27, 2024, the Company believes that these measures conform to the above policy. Since the aforementioned reports dated February 6, 2024 and March 27, 2024 received from the regular “special committee” are related to the Transactions, including the transaction related to the Share Consolidation to be conducted as the Squeeze-out Procedure, the Company has not obtained another opinion from the regular “special committee” in conducting the Transactions related to the Share Consolidation as the Squeeze-Out Procedure.

(2) Measures to ensure fairness and measures to avoid conflicts of interest

Please refer to “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” above.

(3) Summary of opinions procured from a person who has no interest in the controlling shareholders regarding the fact that transactions do not give disadvantages to minority shareholders

The Company procured the report to the effect that the decision to carry out the Transactions does not give disadvantages to the Company’s minority shareholders as of February 5, 2024, from the Special Committee, which is independent of both the Offeror Related Parties and the Company. Also, the Company confirmed the facts regarding whether or not there have been material changes of situation that may affect the Transactions since February 5, 2023, and procured the report from the Special Committee indicating that there is no change to the Special Committee’s opinion that the decision to implement the Transactions is not disadvantageous to the Company’s minority shareholders as of March 26, 2024. Please refer to “(3) Measures to ensure the fairness of the Transactions, and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” above. Since the Reports dated February 5, 2024 and March 26, 2024 are related to the Transactions, including the transaction related to the Share Consolidation to be conducted as the Squeeze-out Procedure, the Company has not obtained another opinion from a person who has no interest in the controlling shareholders in conducting the Transactions related to the Share Consolidation as the Squeeze-Out Procedure.

II. Abolition of the provision concerning share unit number

1. Reasons for abolition

It is because if the Share Consolidation takes effect, the total number of issued shares of the Company will be 2 shares, and it, thus, becomes unnecessary to set the share unit number.

2. Scheduled date of abolition

July 26, 2024 (scheduled)

3. Conditions for abolition

Abolition is subject to the proposal on the Share Consolidation and the proposal on the partial amendments to the articles of

incorporation to abolish the provision concerning the share unit number being approved and adopted at the Extraordinary General Shareholders Meeting as originally proposed and to the Share Consolidation taking effect.

III. Partial amendments to the articles of incorporation

1. Purpose of amendments to articles of incorporation

- (1) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation takes effect, the total number of authorized shares of the Company will be decreased to 8 shares pursuant to the provisions of Article 182, Paragraph 2 of the Companies Act. Article 5 (Total number of authorized shares) of the articles of incorporation will be amended in order to clarify it, subject to the Share Consolidation taking effect.
- (2) If the proposal on the Share Consolidation is approved and adopted as originally proposed, the Company Shares are to be delisted and can no longer be traded on the TSE after delisted. Hence, Article 7 (Acquisition of own shares) of the articles of incorporation will be deleted in its entirety and certain necessary amendments are made such as adjusting the article numbers according to such amendment.
- (3) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will be 2 shares and it becomes unnecessary to set the share unit number. Thus, subject to the Share Consolidation taking effect, Article 6 (Share unit number) and Article 8 (Purchase of additional shares for fractional shares less than one share unit) of the articles of incorporation will be deleted in their entirety to abolish the provisions of the share unit number of the Company Shares under which one share unit currently consists of 100 shares, and the article numbers will be adjusted according to such amendment.
- (4) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation takes effect, the Company Shares will be delisted and the MC becomes the only one who holds one or more Company Shares, and as a result of the treatment of fractional shares following the Share Consolidation, the Offeror Related Parties become the only shareholder of the Company. Thus, the provision concerning a record date for an ordinary general shareholders meeting and the provision concerning electronic provision of shareholders meeting materials will become unnecessary. Therefore, Article 12 (Record date for ordinary general shareholders meeting) and Article 14 (Measures for electronic provision, etc.) of the articles of incorporation will be deleted in their entirety subject to the Share Consolidation taking effect and the article numbers will be adjusted according to such amendments.

2. Details of amendments to articles of incorporation

Details of the amendments are as follows:

(The portions underscored indicate changes)

Current articles of incorporation	Proposed amendments
Articles 1-4 (omitted)	Articles 1-4 (remain unchanged)
Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>409,300,000</u> shares.	Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>8</u> shares

<p><u>Article 6 (Share unit number)</u> <u>The share unit number of the Company shall be 100 shares</u></p>	(Deleted)
<p><u>Article 7 (Acquisition of own shares)</u> <u>The Company may acquire its own shares through market trading or other means pursuant to a resolution of the board of directors in accordance with Article 165, Paragraph 2 of the Companies Act.</u></p>	(Deleted)
<p><u>Article 8 (Purchase of additional shares for fractional shares less than one share unit)</u> <u>A shareholder of the Company may, pursuant to the Share Handling Rules, request the Company sell such number of shares as will, together with the number of shares less than one share unit held by the shareholder, constitute one share unit.</u></p>	(Deleted)
<p>Articles <u>9-11</u> (omitted)</p>	Articles <u>6-8</u> (remain unchanged)
<p><u>Article 12 (Record date for ordinary general shareholders meeting)</u> <u>A record date for voting rights at an ordinary general shareholders meeting of the Company shall be the last day of February of each year.</u></p>	(Deleted)
<p>Article <u>13</u> (omitted)</p>	Article <u>9</u> (remain unchanged)
<p><u>Article 14 (Measures for electronic provision, etc.)</u> <u>(i) When convening a general shareholders meeting, the Company shall take measures to electronically provide information to be contained in reference materials for the shareholders meeting.</u> <u>(ii) The Company may omit all or some of the matters that are to be electronically provided and are permitted by the applicable Ordinance of the Ministry of Justice not to be contained in documents to be delivered to the shareholders who have made a request for delivery of the documents before the record date for the voting rights.</u></p>	(Deleted)
<p>Articles <u>15-40</u> (omitted)</p>	Article <u>10-35</u> (remain unchanged)

3. Schedule of amendments to the articles of incorporation

July 26, 2024 (scheduled)

4. Conditions for amendments to the articles of incorporation

Amendments to the articles of incorporation shall be subject to the Share Consolidation being approved and adopted at the Extraordinary General Shareholders Meeting as originally proposed and the Share Consolidation taking effect.

End