

July 28, 2025

To whom it may concern:

Company Name: Topcon Corporation
Representative: Takashi Eto,
President and CEO
(Code Number: 7732; TSE Prime Market)
Contact: Haruhiko Akiyama,
Director, Senior Managing Executive
Officer, General Manager, Accounting &
Finance Division
(TEL 03 (3558) 2532)

Company Name: TK Co., Ltd.
Representative: Burke Malek, Representative Director

Notice Regarding the Commencement of Tender Offer for
the Shares of Topcon Corporation (Securities Code: 7732)
by TK Co., Ltd. as part of MBO Implementation

TK Co., Ltd. announces that, as of today, it has published the attached “Notice Regarding the Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) as part of MBO Implementation”

End

This press release is published by TK Co., Ltd. (Tender Offeror) in accordance with Article 30, paragraph (1), item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act based on a request made by Topcon Corporation (the Target Company in the Tender Offer).

(Attachment)

“Notice Regarding the Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) as part of MBO Implementation” dated July 28, 2025

July 28, 2025

To whom it may concern:

Company Name: TK Co., Ltd.
Representative: Burke Malek, Representative Director

**Notice Regarding the Commencement of Tender Offer for
the Shares of Topcon Corporation (Securities Code: 7732)
as part of MBO Implementation**

As announced in the “Notice Regarding the Planned Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) by TK Co., Ltd. as part of the MBO Implementation and Capital Participation by KKR and JICC” published on March 28, 2025 (“March 28, 2025 Tender Offeror Press Release”), TK Co., Ltd. (“Tender Offeror”) decided on March 28, 2025 to acquire the common shares (“Target Company Shares”), Share Options (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below) and the ADRs (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below; the same shall apply hereinafter; the “Target Company Shares”, the “Share Options” and the “ADRs” are referred to collectively as the “Target Company Securities”) of Topcon Corporation (Securities Code: 7732); Prime Market of the Tokyo Stock Exchange, Inc. (“TSE”); “Target Company”) through a tender offer (“Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; “Act”) and relevant laws and regulations.

With respect to the Tender Offer, as completing the procedures and responses necessary under domestic and overseas laws and regulations pertaining to competition (Japan, the United States, the European Union, Vietnam, Morocco, Taiwan, Turkey, Albania, Egypt, Germany, Ukraine, United Arab Emirates, Brazil, Australia and Austria) and inward direct investment (Japan, the United States, Australia, Austria, Belgium, France, Germany, Italy, Spain, Canada and the United Kingdom) (the “Clearance Procedures; and with respect to the Clearance Procedures, the expiration of a statutory waiting period, if any, and a decision from a judicial or administrative agency if required, the “Clearance Acquisition”), will require a certain period of time, pursuant to the tender offer agreement entered into by the Tender Offeror, the Tender Offeror Parent Company (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below), and the KKR Fund (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below) with the Target Company on March 28, 2025 (“Tender Offer Agreement”), it was aimed that the Tender Offer would commence on the day separately agreed to by the parties to the Tender Offer Agreement, which is within 10 business days of the satisfaction or waiver of the Condition Precedent, once conditions precedent, such as the completion of such procedures and responses (“Conditions Precedent”) (Note 1) are satisfied or waived (limited to waivers permitted by laws and regulations, and waiver of Conditions Precedent (1) and (2) (limited to the Supporting Opinion and Supporting Report), and (8) will require the consent of the Target Company), specifically, around the end of July 2025, considering discussions with local law firms regarding such procedures.

(Note 1) It was planned that the Tender Offer will commence promptly once the following Conditions Precedent are satisfied or waived:

- (1) the Target Company’s board of directors has adopted a resolution expressing its opinion in support of the Tender Offer (“Supporting Opinion”), and its opinion recommending that the Target Company shareholders and Seventh Series Share Option holders tender in the Tender Offer (“Tender Recommendation Opinion”), and the contents of which have been published by the Target Company, and not been changed or withdrawn;
- (2) the Strategic Special Committee (as defined in “(II) Discussion Between the Tender Offeror and the

Target Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” in “1. Purpose of the Purchase” below; the same shall apply hereinafter) established in connection with the Transaction (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below; the same shall apply hereinafter) has reported to the board of directors of the Target Company that it is appropriate to express the Supporting Opinion (“Supporting Report”) and the Tender Recommendation Opinion (“Tender Recommendation Report”), and that report has not been changed or withdrawn;

- (3) there are no lawsuits pending before judicial or administrative authorities seeking to restrict or prohibit the Transaction, and no judgements have been made by a judicial or administrative authority restricting or prohibiting any of the Transactions, and there are no specific risks of the foregoing;
- (4) all of the representations and warranties of the Target Company set forth in the Tender Offer Agreement (Note 2) are true and accurate in material respects;
- (5) obligations to be performed or complied with by the Target Company by the commencement date of the Tender Offer under the Tender Offer Agreement (Note 3) have been performed or complied with in all material respects;
- (6) no circumstances have arisen that would permit the withdrawal of the Tender Offer under Tender Offer Agreement (Note 4);
- (7) there are no material facts (those set forth in Article 166, paragraph (2) of the Act) concerning the business or other particulars related to the Target Company that have not been disclosed (having the meaning set forth in Article 166, paragraph (4) of the Act) by the Target Company or facts concerning the implementation and cancellation (having the meaning set forth in Article 167, paragraph (2) of the Act) of a tender offer, etc. for the shares, etc. of the Target Company that have not been disclosed (having the meaning in paragraph (4) of the same article); and
- (8) acquisition of all Clearance has been completed;

(Note 2) For details of the representations and warranties of Target Company under the Tender Offer Agreement, please refer to “(I) Tender Offer Agreement” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” in “1. Purpose of the Purchase” below.

(Note 3) For details of the obligations of the Target Company under the Tender offer Agreement to be performed or complied with by the commencement date of the Tender Offer, please refer to “(I) Tender Offer Agreement” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” in “1. Purpose of the Purchase” below.

(Note 4) The circumstances that would permit the withdrawal of the Tender Offer under the Tender Offer Agreement are a material change in the business or assets of the Target Company or its subsidiaries as set forth in the proviso of Article 27-11, Paragraph 1 of the Act or other circumstances that would seriously impede the achievement of the purpose of a tender offer (limited to the occurrence of any of the matters set forth in Article 14, paragraph (1), item (i) (a) through (i) as well as (l) through (r) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; “Order”), the matters set forth in Article 14, paragraph (1) item (iii), (a) through (h) and (j) of the Order (refers to (i) where it was discovered that any of the statutory disclosure documents submitted by the Target Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Tender Offeror is unaware of the false statement or omission and could not become aware of the same despite having used a reasonable degree of care, and (ii) the occurrence of any of the matters set forth in (a) through (g) of the same item with respect to an important subsidiary of the Target Company) and the matters set forth in Article 14, paragraph (2), items (iii) through (vi) of the Order,

excluding the circumstances contemplated in the Tender Offer Agreement).

Subsequently, as announced in the (Amendment) Partial Amendment to “Notice Regarding the Planned Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) by TK Co., Ltd. as part of the MBO Implementation and Capital Participation by KKR and JICC” published by the Tender Offeror on April 16, 2025 (“April 16, 2025 Tender Offeror Press Release”), the Tender Offeror, TK Holdings Co., Ltd. and TK Investment L.P. (“KKR Fund”) entered into an agreement with ValueAct Japan Master Fund, L.P. (number of shares as of the same date: 9,754,700, Ownership Ratio (Note 5): 9.25%) and ValueAct Strategic Master Fund II, L.P. (number of shares as of the same date: 5,671,100, Ownership Ratio: 5.37%), shareholders of the Target Company, whereby VAC (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below; the same shall apply hereinafter) will tender all of its Target Company Shares (15,425,800 shares, Ownership Ratio: 14.62%. “Agreed Tender Shares”) in the Tender Offer, and subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer.

(Note 5) “Ownership Ratio” means the percentage (figures are rounded to the nearest two decimal places) of the number of shares (105,512,012 shares) (hereinafter referred to as the “Total Shares Outstanding on a Fully Diluted Basis”), obtained by (i) the total number of outstanding shares of the Target Company as of March 31, 2025 (108,382,642 shares), as stated in the Annual Securities Report for the 132nd Fiscal Year (“Target Company Annual Securities Report”) submitted by the Target Company on June 26, 2025, less (ii) the number of treasury shares owned by the Target Company as of March 31, 2025 as reported in the Target Company Annual Securities Report (2,970,630 shares) (such amount being 105,412,012 shares), and adding (iii) the number of shares subject to the Share Options (1,000 options) remaining as of the submission date of this Statement, reported by the Target Company (100,000 shares); the same shall apply hereinafter.

Subsequently, as described in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below, the Tender Offeror determined that the Tender Offer could be commenced and decided today to commence the Tender Offer on July 29, 2025.

1. Purpose of the Purchase

(1) Outline of the Tender Offer

The Tender Offeror is a stock company established on March 25, 2025, the principal business of which is to acquire and own the Target Company Shares and Share Options (the Target Company Shares, the Share Options and the ADRs are referred to collectively as the “Target Company Securities”) through the Tender Offer, and to control and manage the business activities of the Target Company after the completion of the Tender Offer. As of today, all of its issued shares are owned by TK Holdings Co., Ltd. (“Tender Offeror Parent Company”), a stock company established on March 26, 2025. In addition, as of today, TK Investment L.P. (“KKR Fund”), a limited partnership established under the laws of Ontario, Canada on March 7, 2025, which is indirectly operated by Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds; “KKR”), an investment advisory firm established under the laws of Delaware, U.S., owns all of the issued shares of the Tender Offeror Parent Company. The Tender Offeror, the Tender Offeror Parent Company, KKR and the KKR Fund do not own Target Company Shares as of today.

KKR is an international investment company that was established in 1976, which has approximately 601 billion dollars in assets under management throughout the world, including private equity investments; the shares of KKR are listed on the New York Stock Exchange. KKR has an investment philosophy that focuses on investing with a long-term perspective based on partnerships with management. As a partner to companies and their management with excellent

business foundations and potential, KKR aims to create a leading company in the industry by utilizing the various management resources, knowledge, and networks of KKR.

Since the opening of its Tokyo office in 2006, KKR has been expanding its investment activities in the Japanese market actively; it is operated by employees who are well aware of commercial business practices in Japan and have a range of backgrounds. In particular, with respect to tender offers, it is considered that KKR leverages the strengths of its global network and has leading operational experience as a private equity fund in Japan, for example, having achieved tender offers for FUJI SOFT INCORPORATED (total purchase amount: 601.5 billion yen), announced in 2024 and the largest M&A deal ever in the Japanese IT services sector, Hitachi Transport System, Ltd. (currently LOGISTEED, Ltd.) in 2022 (the largest M&A transaction in Japan in 2022) (total purchase amount: 449.2 billion yen), Calsonic Kansei Corporation (currently Marelli Corporation) (total purchase amount: 345.5 billion yen), Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) (total purchase amount: 88.2 billion yen) and Hitachi Kokusai Electric Inc. (currently KOKUSAI ELECTRIC CORPORATION; “KE”) (total purchase amount: 143.9 billion yen) in 2017. In particular, with respect to KE, after a corporate split following its delisting, in partnership with KKR, as a specialized manufacturer of semiconductor manufacturing equipment, KE deals in the manufacture and sale of coating equipment and treatment equipment for front-end processes, and has established a rock-solid management base, for example, by having the No. 1 worldwide share in the batch ALD equipment field (2023) (Source: “TI_ALD Tools_Yearly” by TechInsights Inc. (VLSI) in April 2024). Thereafter, considering not only the recovery in the semiconductor cycle, but also that the market environment in which the demand for coating/treatment technology of which KE takes advantage is expected to continue to increase, given an industry environment in which semiconductor devices become smaller and more complex at an accelerating rate, KE achieved re-listing of its shares on the Prime Market of the TSE in October 2023. The support provided to KE is believed to be precisely an example of KKR’s aspiration to “create a leading company in the industry by utilizing the various management resources, knowledge and networks of KKR.”

KKR has positioned the healthcare sector, including eye care, which is related to the Target Company’s business, as a key investment area, and it is believed that it has extensive experience, knowledge and networks globally. KKR has invested in companies that have business relationships with the Target Company or where future synergies are expected, including in April 2024, Nexteye, an eye care and hearing care service company that sells eyeglasses and hearing aids in Europe; in January 2024, Medical Sigon Group, Vietnam’s largest eye clinic chain; in May 2021, Lenskart, India’s largest omnichannel (Note 1) eyewear company; and in February 2014, National Vision, the largest eyeglass and contact lens retail chain in the United States. In addition, KKR also owns the Healthcare Strategic Growth Fund, which makes growth investments in the healthcare sector, and also makes growth investments in start-ups in the ophthalmology field. In February 2019, KKR launched Falcon Vision, an investment platform specializing in the ophthalmology field, and has made investments in more than six start-ups to date. In terms of manufacturing industry investments, KKR also has investment experience in companies such as CICOR International in 2023, a United States manufacturer of flow control products, and GeoStabilization in 2018, a United States ground maintenance management services company.

In addition, starting with its 2010 investment in Intelligence, Ltd., which provides comprehensive human resources services, in 2014, KKR supported Panasonic Healthcare Co., Ltd. (“PHC”) in achieving independence from Panasonic Corporation, in 2015, KKR invested in the DJ equipment business (currently, Pioneer DJ Corporation), a division of Pioneer Corporation, in 2016, PHC acquired the diabetes care business of Bayer Aktiengesellschaft and its subsidiary, Bayer Healthcare, and in 2019, KKR acquired the anatomical pathology business (currently EpreDia) of Thermo Fisher Scientific, Inc. and acquired LSI Medience Corporation, a major Japanese clinical laboratory under the umbrella of Mitsubishi Chemical Holdings Corporation. In 2021, KKR acquired Seiyu Co., Ltd., a major supermarket company under the umbrella of Walmart Inc, and in 2022 it acquired Yayoi Co., Ltd., a company that provides business software. Thus, by expanding its investment activities in the Japanese market and leveraging its global knowledge best practices

and network to promote both organic (i.e., a method using existing management resources) and inorganic (i.e., via an alliance with another company, acquisition of another company, or other means) growth strategies, as well as promoting improvement of profitability and business efficiency, KKR is working to support business growth and enhance the corporate value of its investee companies.

(Note 1) “Omnichannel” refers to a marketing technique that combines and links all customer touchpoints, including physical and online, such as e-commerce, to promote sales.

As announced in the March 28, 2025 Tender Offeror Press Release (which together with the April 16, 2025 Tender Offeror Press Release is collectively referred to as the “Initial Announcement Press Release), the Tender Offeror decided to implement the Tender Offer, if the Conditions Precedent are satisfied or waived, in which the Tender Offeror is made the sole shareholder of the Target Company, as part of a series of transactions aimed at delisting the Target Company Shares listed on the TSE’s Prime Market (“Transaction”), to which all of the Target Company Shares (including the Target Company Shares to be delivered upon the exercise of the Seventh Series Share Options issued based on the resolution of the Target Company board of directors meeting held on June 25, 2021 (the exercise period is from April 1, 2024 to March 31, 2029) (“Share Options”), excluding the treasury shares held by the Target Company; the same shall apply hereinafter), all of the Share Options, and all of the American Depositary Shares (“ADS”) representing American Depositary Receipts (“ADR”) issued in the U.S. by Citibank, N.A (“Depository Bank”) for the Target Company Shares, deposited with the Depository Bank, are subject, and aimed to commence the Tender Offer on the day separately agreed to by the parties to the Tender Offer Agreement, which is within 10 business days of the satisfaction or waiver of the Conditions Precedent, specifically around the end of July 2025, taking into account discussions with local law firms regarding such procedures.

(Note 2) According to the registration statement for the ADRs (Form F-6EF) filed by the Depository Bank with the U.S. Securities and Exchange Commission on June 22, 2022 (“ADR Registration Statement”), ADRs have been issued for the Target Company Shares, however the Target Company is not involved in the issuance of the ADRs. As the Tender Offeror aims to acquire all of the Target Company Shares in the Tender Offer, the Tender Offeror is required to solicit offers for the sale of all of the shares, etc., issued by the Target Company pursuant to the provisions of Article 27-2, Paragraph 5 of the Act, and Article 8, Paragraph 5, item 3 of the Order, and has therefore included the ADRs in the class of shares, etc. to be purchased. On the other hand, the ADRs are securities issued in the U.S., and in practice, in connection with the acquisition of the ADRs, there are no financial instruments business operators, etc. that can act as a tender offer agent for the Tender Offeror, which is a resident of Japan, in the Tender Offer being conducted outside the U.S. Therefore, it has become apparent that it would be difficult for the Tender Offeror to acquire the ADRs themselves in the Tender Offer. For this reason, in the Tender Offer, only tenders for the Target Company Shares and Share Option Rights will be accepted, and tenders for the ADRs themselves will not be accepted, but tenders for the Target Company Shares relating to the ADS represented by ADRs will be accepted. Accordingly, holders of ADRs who wish to tender in the Tender Offer must, before tendering in the Tender Offer, surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to the ADS represented by such ADRs. According to the ADR Registration Statement, one ADS is equivalent to one Target Company Share.

Subsequently, based on further discussions with local law firms, the Tender Offeror confirmed that clearance procedures under the competition laws of Egypt and the United Arab Emirates would not be required, and except for competition law Clearance Procedures for the European Union, Vietnam, Albania and Ukraine, and inward direct investment Clearance Procedures for Japan, the United States, Italy and Spain (collectively, “Unobtained Clearance”),

the Clearance Acquisition would be obtained by July 29, 2025, that it was certain that all of the Conditions Precedent other than the Clearance Acquisition will have been satisfied by that date, and that, after confirming with local law firms, taking into account the status of review in each country, Clearance is expected to be obtained by around mid-to-late August 2025 for the European Union competition law Clearance Procedures, by around the end of July to early August 2025 for the Vietnam competition law Clearance Procedures, by around the end of July to early August 2025 for the Albania competition law Clearance Procedures, by around early August 2025 for the Ukraine competition law Clearance Procedures, by around early August 2025 for the Japan inward direct investment Clearance Procedures, by around early August 2025 for the United States inward direct investment Clearance Procedures, by around the end of July to early August 2025 for the Italy inward direct investment Clearance Procedures, and by around early August 2025 for the Spain inward direct investment Clearance Procedures, and even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance, it is expected that all Unobtained Clearance will be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act. As a result, the Tender Offeror determined that the Tender Offer could be commenced, and contacted the Target Company to inform them that it intended to waive, by mutual agreement with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025. If the Unobtained Clearance is obtained, an amendment statement to this Statement shall be filed immediately, pursuant to Article 27-8, Paragraph 2 of the Act.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund reached an agreement with the Target Company on July 28, 2025 to waive the Condition Precedent of obtaining Clearance for the Unobtained Clearance.

As a result of the above process, on July 28, 2025, the Tender Offeror confirmed that all of the Conditions Precedent have been satisfied (other than obtaining the Unobtained Clearance, which was waived by mutual agreement between the Tender Offeror, the Tender Offeror Parent Company, the KKR Fund, and the Target Company), and decided to commence the Tender Offer on July 29, 2025. There are no changes to the key purchase terms as announced in the Initial Announcement Press Release, including the tender offer price, other than the change to the minimum number of shares to be purchased due to the change in the number of treasury shares held by the Target Company.

In connection with the Tender Offer, the KKR Fund entered into an agreement with Takashi Eto, President & CEO of the Target Company (“Mr. Eto”) on March 28, 2025, regarding the main terms of a management services agreement which provides for the management of the Target Company after the Transaction (“Agreement (Mr. Eto)”). Subsequently, on July 28, 2025, the Tender Offeror entered into a management services agreement with Mr. Eto (“Management Services Agreement”), which provides for the management of the Target Company after the Transaction. For an overview of the Management Services Agreement, please refer to “(III) Management Services Agreement” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below. In addition, on March 28, 2025, the KKR Fund confirmed that Mr. Eto intends to tender all of his Target Company Shares (however, this does not include 44,000 shares of Restricted Shares (as defined below)) in the Tender Offer and has reached an agreement with Mr. Eto that Mr. Eto will subscribe for shares of the Tender Offeror Parent Company and reinvest a portion of the consideration received for tendering in the Tender Offer in the Tender Offeror Parent Company (“Reinvestment”), however, details of the Reinvestment, such as the terms and timing, have yet to be determined at this time. (Note 3) (Note 4). The Transaction constitutes a so-called Management Buyout (MBO) (Note 5).

In addition, the KKR Fund has reached an agreement with JIC Capital, Ltd. (“JICC”) that JICC shall, through a fund it manages and operates, make a capital contribution of 95 billion yen in total to directly or indirectly subscribe for the Class A Preferred Shares, and Class B Preferred Shares of the Tender Offeror Parent Company, which is to be made on

or after the business day following the completion of the Tender Offer and by the business day before the commencement of settlement of the Tender Offer (“Investment”) (Note 6) (Note 7), and received an Equity Commitment Letter from JIC PE Fund No. 1 Investment Limited Partnership and JIC PE Co-Investment Fund No. 1 Investment Limited Partnership (collectively, “JIC Fund”) for the Investment dated March 28, 2025 (“ECL (JICC)”). In addition, KKR entered into an agreement with JICC on March 28, 2025, which provides for the terms of the Investment, an overview of the Class A Preferred Shares and Class B Preferred Shares, the management of the Tender Offeror Parent Company, the Tender Offeror and the Target Company after the Transaction, and the main terms of the shareholders agreement that stipulates the handling of the Tender Offeror Parent Company shares (“Agreement (JICC)”). The reason why the Investment is made in the form of Class A Preferred Shares and Class B Preferred Shares rather than common shares is that, in order to meet the investment objective of supporting the business growth of the Target Company from a long term perspective while providing the necessary enhancement of quantitative funding and credit worthiness, it was necessary for the Investment to be designed differently based on a different time frame and return than investments using common shares by private funds. Subsequently, on July 28, 2025, the Tender Offeror entered into a shareholders agreement with the JICC Fund, which provides for the terms of the Investment, an overview of the Class A Preferred Shares and Class B Preferred Shares, the management of the Tender Offeror Parent Company, the Tender Offeror and the Target Company after the Transaction, and the handling of the Tender Offeror Parent Company shares (“Shareholders Agreement”). For an overview of the Shareholders Agreement, please refer to “(II) Shareholders Agreement” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below.

Furthermore, on March 17, 2025, the KKR Fund entered into a confidentiality agreement with VAC, shareholder of the Target Company and KKR, and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering the Agreed Tender Shares in the Tender Offer. Subsequently, taking into account that as VAC has owned the Target Company Shares over a medium- to long-term period, and is considered to have a certain level of knowledge about the business of the Target Company and measures to increase its corporate value, VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into an agreement with VAC on April 16, 2025 (“Tender Agreement (VAC)”), whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund (“LP Interest Acquisition”). Subsequently, as 283,152 Target Company Shares held by ValueAct Strategic Master Fund II, L.P. (Ownership Ratio: 0.27%) were scheduled to be transferred to ValueAct Strategic Master Fund IV, L.P., the Tender Offeror, the Tender Offeror Parent Company, the KKR Fund and VAC entered into amendment to the Tender Agreement (VAC) on June 3, 2025, which included the addition of ValueAct Strategic Master Fund IV, L.P. as a party to the Tender Agreement (VAC), and a memorandum of understanding to change the timing of the execution of the agreement concerning the LP Interest Acquisition (“LP Interest Acquisition Agreement (VAC)”) on June 30, 2025. In addition, on July 27, 2025, KKR Fund, its general partner TK Investment GP LLC, and TK Investment Capital L.P., a limited partner of the KKR Fund newly established by KKR (“KKR Fund 2”) entered into the LP Interest Acquisition Agreement (VAC) with ValueAct Japan Master Fund, L.P., ValueAct Strategic Master Fund IV, L.P. and ValueAct Strategic Global Master Fund, L.P. (ValueAct Japan Master Fund, L.P., ValueAct Strategic Master Fund II, L.P., ValueAct Strategic Master Fund IV, L.P. and ValueAct Strategic Global Master Fund, L.P. are collectively referred to as “VAC”). For an overview of the Tender Agreement (VAC) and LP Interest Acquisition Agreement (VAC) please refer to “(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below (Note 3) (Note 8).

- (Note 3) The valuation of the Target Company Shares, which is the basis for determining the price per share for the Tender Offeror Parent Company shares in the Reinvestment, and the price for the limited partner interests in the KKR Fund in the LP Interest Acquisition, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price (as defined in “(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” below; the same shall apply hereinafter), so as not to conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act) (however, a formal adjustment is planned to be made based on the consolidation ratio of the Target Company Shares in the Share Consolidation (as defined in “(II) Share Consolidation” in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below; the same shall apply hereinafter) to be implemented as part of the Squeeze-out Procedure (as defined below; the same shall apply hereinafter)). The issuance of shares at a valuation lower than this amount, that is, at a price lower than the Tender Offer Price, is not planned.
- (Note 4) The reason that Mr. Eto will make the Reinvestment in the Tender Offeror Parent Company is that after the Transaction, it is expected that Mr. Eto will, as President & CEO of the Target Company, continue to lead the overall management of the Target Company Group towards its long-term growth, while playing a responsible role in formulating and promoting the management policies of the Target Company, its capital policies and overseas strategies, as well as deepening cooperation and business relationships with key business partners. It is intended that, even after the Transaction, Mr. Eto in such position will have a shared incentive to increase the corporate value of the Target Company. Given that the Reinvestment by Mr. Eto was considered independently of whether Mr. Eto would tender in the Tender Offer, it is considered that this this does not conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act).
- (Note 5) “Management Buyout (MBO)” generally refers to a tender offer in which the tender offeror is an officer of the tender offer target company (including a tender offer in which the tender offeror makes the tender offer at the request of the tender offer target company’s officers and has a common interest with the tender offeror’s officers).
- (Note 6) The valuation of the Target Company Shares, which is the basis for determining the price per share for the Class A Preferred Shares and Class B Preferred Shares of the Tender Offeror Parent Company in the Investment, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price, so as not to conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act) (however, a formal adjustment is planned to be made based on the consolidation ratio of the Target Company Shares in the Share Consolidation to be implemented as part of the Squeeze-out Procedure). The issuance of shares at a valuation lower than this amount, that is, at a price lower than the Tender Offer Price, is not planned.
- (Note 7) The reason that the JICC Fund will make the Investment in the Tender Offeror Parent Company is that JICC will provide continued support for the business of the Target Company in order to promote the sustainable development of the Target Company’s business, and enhance its long-term corporate value, and realize the medium- to long-term growth strategy of the Target Company.
- (Note 8) The reason that VAC will make the LP Interest Acquisition in the KKR Fund is that VAC has held the Target Company Shares over a medium- to long-term period, and as it is considered to have a certain degree of insight about the Target Company’s business and measures to increase its corporate value, it would be able to share such insight with KKR. Thus, given that the LP Interest Acquisition by VAC was considered independently of whether VAC would tender in the Tender Offer, it is considered that this this does not conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of

the Act).

In the Tender Offer, the Tender Offeror has set 52,861,519 shares (Ownership Ratio: 50.10%) as the minimum number of shares to be purchased, and if the total number of the shares, etc. tendered in the Tender Offer (“Tendered Securities”) is less than the minimum number of shares to be purchased (52,861,519 shares), the Tender Offeror will not purchase any of the Tendered Securities. On the other hand, as the Tender Offeror aims to take the Target Company private by acquiring all of the Target Company Shares, all of the Share Options, and all of the ADRs, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Securities equals to or exceeds the minimum number of shares to be purchased, which is 52,861,519 shares, the Tender Offeror will purchase all of the Tendered Securities.

With respect to the reason for setting the minimum number of shares to be purchased at 52,861,519 shares, the “Fair M&A Guidelines”, published by the Ministry of Economy, Trade and Industry on June 28, 2019, state that “in recent years, especially in Japan's capital market trends, the scale of passive index management funds (Note 9) has been expanding, and some investors do not, in principle, tender their shares in a tender offer regardless of the suitability of the transaction conditions.” As indicated in the guidelines, the Tender Offeror is aware that there are some passive index management funds that, in general, have a tendency to not tender their shares in a tender offer, in principle, regardless of the suitability of the terms of the tender offer, but intend to vote in favor of the proposal on the share consolidation at the general shareholders meeting in the subsequent squeeze-out procedure, and that such a tendency is also shared by some passive index management funds that hold Target Company Shares. Against this background there have been several cases of take-private deals where the number of shares held by passive index funds have been deducted from the minimum number of shares to be purchased, and among these, several cases where share consolidation proposals were passed at the shareholders meeting for the squeeze-out procedure despite the voting rights ownership ratio of the tender offeror being less than two-thirds after the completion of the tender offer. For this reason, in the Transaction, if the number of voting rights representing the total number of Target Company Shares to be acquired through the Tender Offer and the number of Restricted Shares (Note 10) (151,200 shares) for directors that supported the Tender Offer can be added to the number of voting rights representing the total number of Target Company Shares held by passive index management funds to amount to more than two-thirds of the total voting rights of all shareholders of the Target Company, the Tender Offeror believes that it is highly likely that the proposal for the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting (as defined in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition); the same shall apply hereinafter), and this will increase the certainty of the completion of the Tender Offer, while reducing the possibility that the proposal for the Share Consolidation will not be approved at the Extraordinary General Shareholders Meeting after the completion of the Tender Offer. In addition, the Tender Offeror reviewed a survey conducted by the Target Company to identify institutional investors among the shareholders of the Target Company as of March 31, 2025, which was shared with the Tender Offeror on July 8, 2025, and even if limited to domestic passive index funds, the Tender Offeror is aware that at that time a total of 16,774,800 Target Company Shares (Ownership Ratio: 15.90%) are held by passive index management funds. As a result, the Tender Offeror believes that the Target Company Shares held by the Target Company shareholders who will decide whether or not to tender in the Tender Offer based on their judgement as to whether the terms of the Transaction, including the terms of the Tender Offer, are appropriate, will remain at 83.96%, which is calculated by subtracting the Ownership Ratio of the Restricted Shares held by the directors that supported the Tender Offer (0.14%) from 100%, which is 99.86%, minus the above 15.90%. In this situation, if a minimum Ownership Ratio for the Tender Offeror is set at two-thirds, even if the Ownership Ratio of the Target Company shareholders who deem the terms of the Transaction, including the terms of the Tender Offer, to be appropriate exceed two-thirds, the Tender Offeror believes there is a possibility that the Transaction will not be completed, and the Target Company shareholders will not be provided with a reasonable opportunity to sell their shares on the economic terms

determined through discussions and negotiations with the Target Company, after taking into consideration all of the factors in “(I) Basis for Calculation” in “(4) Basis for Calculation of Purchase Price in “2. Outline of the Purchase” below.

Based on the above considerations, the Tender Offeror has determined that it should set a minimum limit for the Tender Offer to maximize the possibility of achieving the purpose of the Tender Offer, which is the take-private of the Target Company, while respecting the decision of the general shareholders of the Target Company to tender their shares.

In addition, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio (Note 11) at past ordinary general shareholders meetings of the Target Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.14%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be 15.90%) (the sum total of such expected minimum Ownership Ratios in that case would be 66.14%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches 99.21%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed.

(Note 9) “Passive index management funds” are funds that aim to secure a return on par with market averages by managing the fund for the purpose of linking investment results with indices, such as stock price indices, which serve as benchmarks for the market of stocks and other investment assets.

(Note 10) Although the restricted shares of the Target Company granted to the directors of the Target Company as restricted stock compensation (the “Restricted Shares”) cannot be tendered in the Tender Offer due to transfer restrictions attached thereto, at the meeting of the board of directors of the Target Company held on March 28, 2025, a resolution was adopted expressing an opinion in support of the Tender Offer, on the assumption of the delisting of the Target Company Shares. It is therefore expected that after the Tender Offer is completed, if a proposal regarding the Share Consolidation is made at the Extraordinary General Shareholders Meeting, it is expected that the directors that supported the Tender Offer will vote in favor, and thus in determining the minimum number of shares to be purchased, the number of voting rights for the Restricted Shares held by directors is deducted (151,200 shares, Ownership Ratio: 0.14%).

(Note 11) According to the Annual Securities Report for the 132nd Fiscal Year submitted by the Target Company on June 26, 2025, the number of voting rights as of the record date for the 132nd Ordinary General Meeting of Shareholders held in June 2025 was 1,053,712 rights. However, according to the Extraordinary Report submitted on June 27, 2025, the average number of voting rights actually exercised for all proposals was 729,774 rights (figures are rounded to the nearest whole number), which corresponds to approximately 69.26% of the total number of voting rights (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of the voting rights exercise ratio unless otherwise specified). If the voting rights exercise ratio is similarly calculated, it would be approximately 85.38% for the 131st Ordinary General Meeting of Shareholders, and approximately 79.21% for the 130th Ordinary General Meeting of Shareholders, and thus the maximum voting rights exercise ratio for the three most recent ordinary general meetings of shareholders of the Target Company is approximately 85.38%.

The Tender Offeror plans to finance the funds required for the settlement of the Tender Offer by borrowing from financial institutions and through capital contributions from the Tender Offeror Parent Company (including appropriation of the amount paid by the JICC Fund to the Tender Offeror Parent Company in the Investment).

If the Tender Offeror is unable to acquire all of the Target Company Shares, all of the Share Options, and all of the ADRs through the Tender Offer, the Tender Offeror intends to implement a series of procedures after the completion of the Tender Offer to make the Tender Offeror the sole shareholder of the Target Company (“Squeeze-out Procedure”; for details, please refer to “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)”.

According to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for the Company Share Certificates by TK Co., Ltd. as part of the Implementation of MBO, and Capital Participation by KKR Japan and JIC Capital, Ltd.”, which the Target Company released on March 28, 2025 (“March 28, 2025 Target Company Press Release”), the Target Company resolved at a meeting of its board of directors held on March 28, 2025, as the opinion of the Target Company as of the same date, to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option holders (“Share Option Holders”) tender in the Tender Offer, and for the ADR holders (“ADR Holders”) to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, the Tender Offer is scheduled to commence promptly if all of the Conditions Precedent are satisfied or waived, and as of March 28, 2025, the Tender Offer was scheduled to commence around the end of July 2025. However, since it is difficult to accurately estimate the period of time required for the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, the Target Company resolved at the above-mentioned board of directors meeting that at the time of commencement of the Tender Offer, the board of directors of the Target Company will request that the Strategic Special Committee examine whether there has been any change in the opinion stated in the report submitted by the Strategic Special Committee to the Target Company’s board of directors on March 28, 2025 (“March 28, 2025 Report”), and if there is no change in the previous opinion, to report as such to the Target Company’s board of directors, and if there is any change, to report the opinion of the Strategic Special Committee after such change. The Target Company also resolved that, taking into account such opinion, it will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, which includes the implementation of the LP Interest Acquisition, and as a result, while respecting to the utmost the contents of the supplemental report received from the Strategic Special Committee dated April 16, 2025 (“April 16, 2025 Supplemental Report”). For the specific contents of the April 16, 2025 Supplemental Report, please refer to the (Amendment) Partial Amendment to “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and Capital Participation by KKR Japan and JIC Capital, Ltd.” published by the Target Company on April 16, 2025 (“April 16, 2025 Target Company Press Release”) and “B. The April 16, 2025 Supplemental Report” in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below), the Target Company again carefully discussed and examined the terms of the Tender Offer. As a result, as there are no circumstances that would lead to the determination that the execution of the Tender Agreement (VAC) and the LP Interest Acquisition would undermine the appropriateness or fairness of the terms and procedures of the Transaction, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and

receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

Subsequently, according to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and Capital Participation by KKR Japan and JIC Capital, Ltd.” published by the Target Company on July 28, 2025 (“July 28, 2025 Target Company Press Release”, which together with the March 28, 2025 Target Company Press Release, and the April 16, 2025 Target Company Press Release, is collectively referred to as the “Target Company Press Release”), on July 24, 2025, the Target Company was notified by the Tender Offeror that it had confirmed that the Clearance Acquisition other than the Unobtained Clearance will be obtained by July 29, 2025, and that it was certain that all of the Conditions Precedent, other than the Clearance Acquisition will have been satisfied by the same date, and that all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance. As a result, it had determined the Tender Offer could be commenced and that it intended to waive, by mutual consent with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025, and an agreement was reached with the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund on July 28, 2025 to waive the Condition Precedent of obtaining Clearance for the Unobtained Clearance.

Subsequently, on July 28, 2025, the Strategic Special Committee examined whether any significant changes in circumstances of the Target Company have occurred since March 28, 2025 that may affect the Transaction and considered the matters for consultation. As a result, it confirmed that, even taking into account the circumstances from March 28, 2025 through July 28, 2025, there were no circumstances that would require the contents of the March 28, 2025 Report and the April 16, 2025 Supplemental Report to be amended. On July 28, 2025, by unanimous resolution of the committee, it submitted a supplemental report to the Target Company's board of directors stating that it does not believe it is necessary to amend the contents of both of the above-mentioned reports (“July 28, 2025 Supplemental Report”). For an overview of the July 28, 2025 Supplemental Report and the specific activities of the Strategic Special Committee, please refer to “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

Based on the above, as described in “(ii) Reasons Leading to Target Company Decision to Support Tender Offer” in “(III) Decision-making Process and Reasons Leading to the Target Company’s Support of the Tender Offer” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” below, the Target Company carefully reconsidered the terms of the Tender Offer, taking into account the business condition of the Target Company and the environment surrounding the Transaction, while respecting to the utmost the contents of the July 28, 2025 Supplemental Report submitted by the Strategic Special Committee, and as a result, determined that, as of July 28, 2025, there are no factors that would cause it to change its opinion regarding the Tender Offer as of March 28, 2025, and April 16, 2025, and resolved to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer.

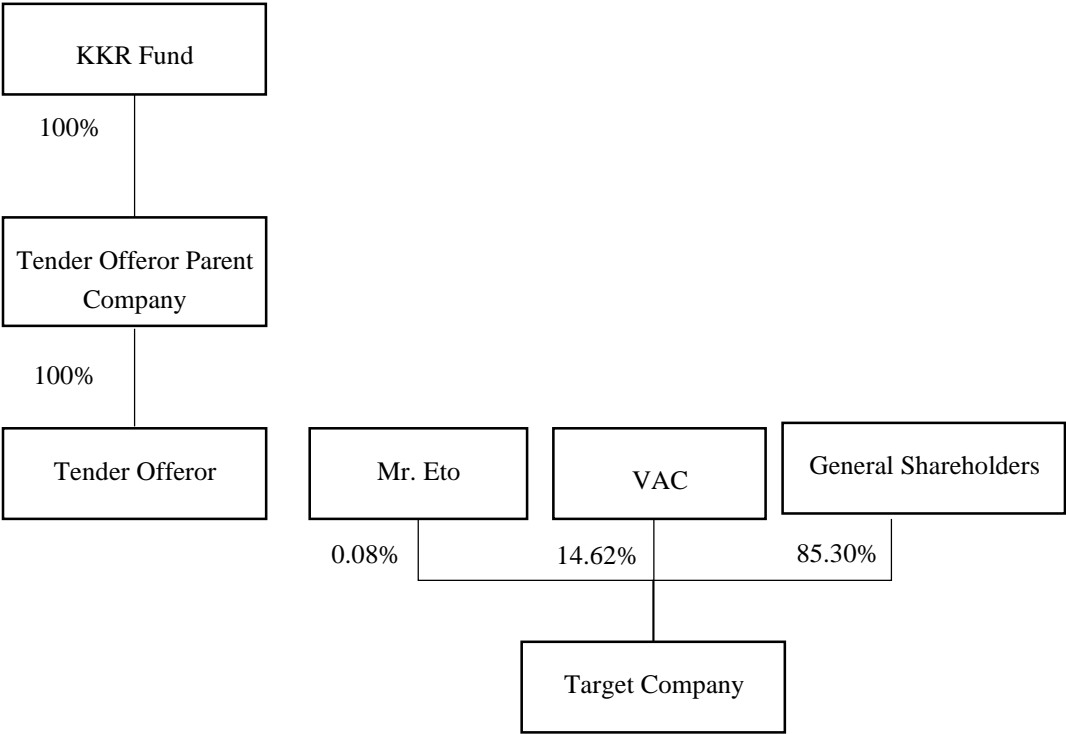
For details of the resolutions of the meetings of the board of directors of the Target Company held on March 28, 2025, April 16, 2025 and July 28, 2025 mentioned above, please refer to the Target Company Press Release and “(VI)

Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

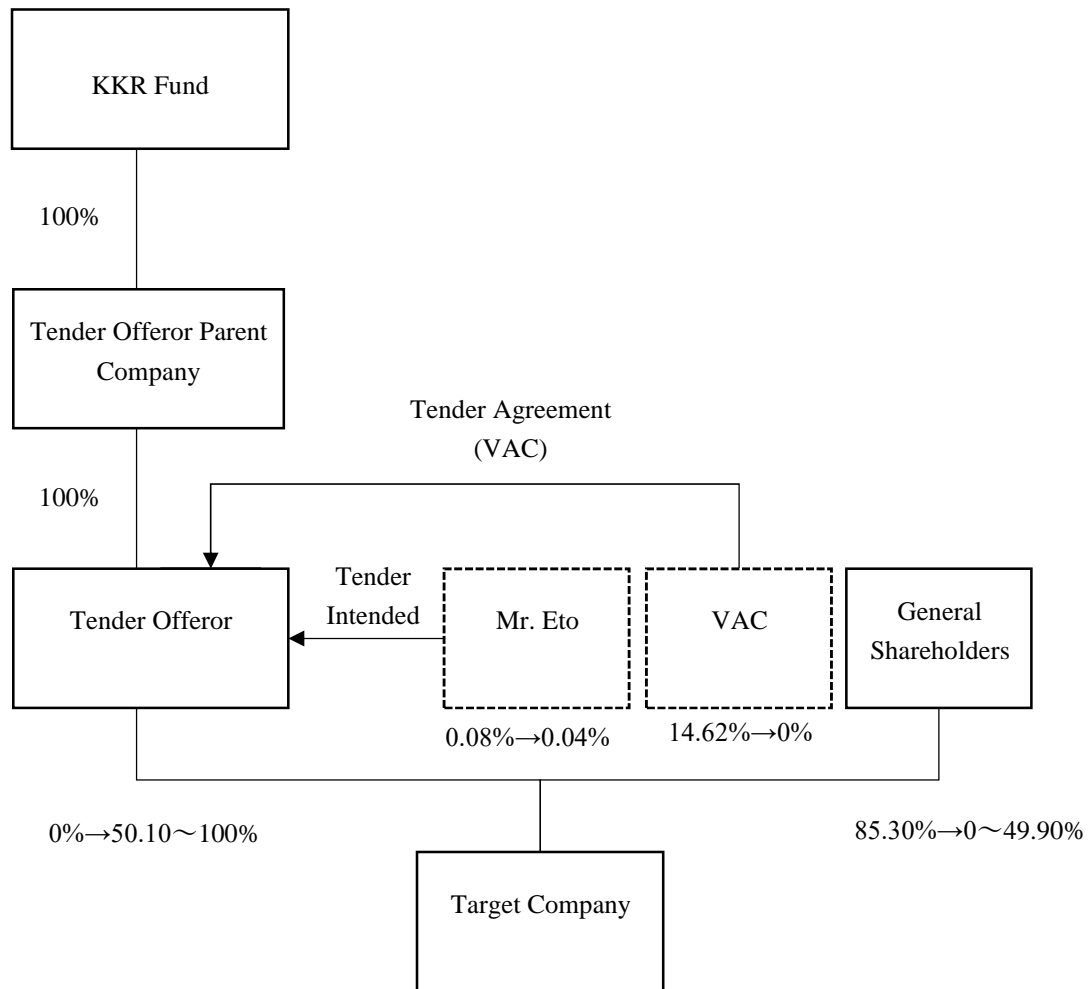
<Overview of Structure of the Tender Offer and Anticipated Subsequent Procedures>

The following charts outline the structure of the Tender Offer and each of the anticipated subsequent procedures.

I. Current State (as of today)

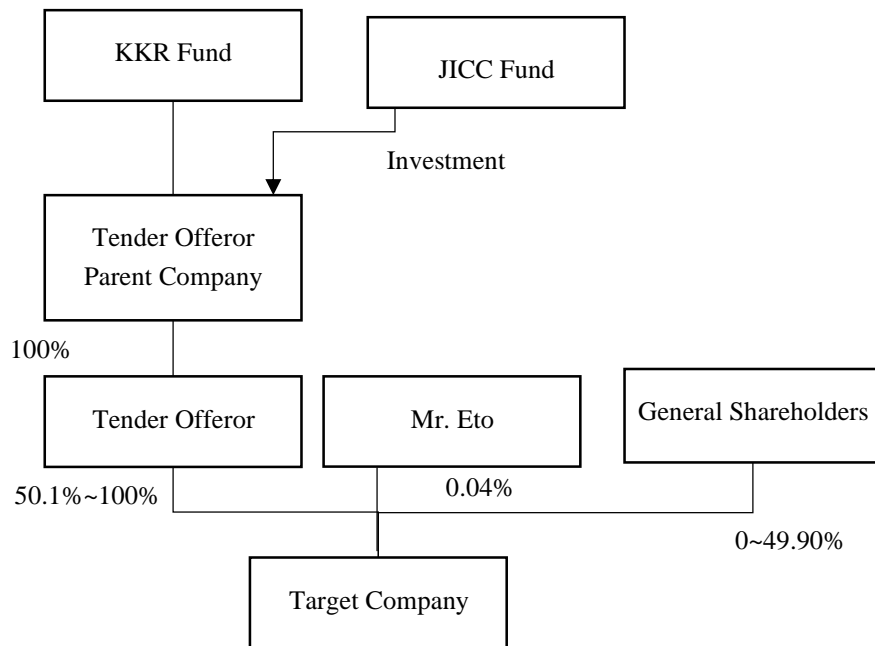


II. Tender Offer (July 29, 2025 to September 9, 2025)

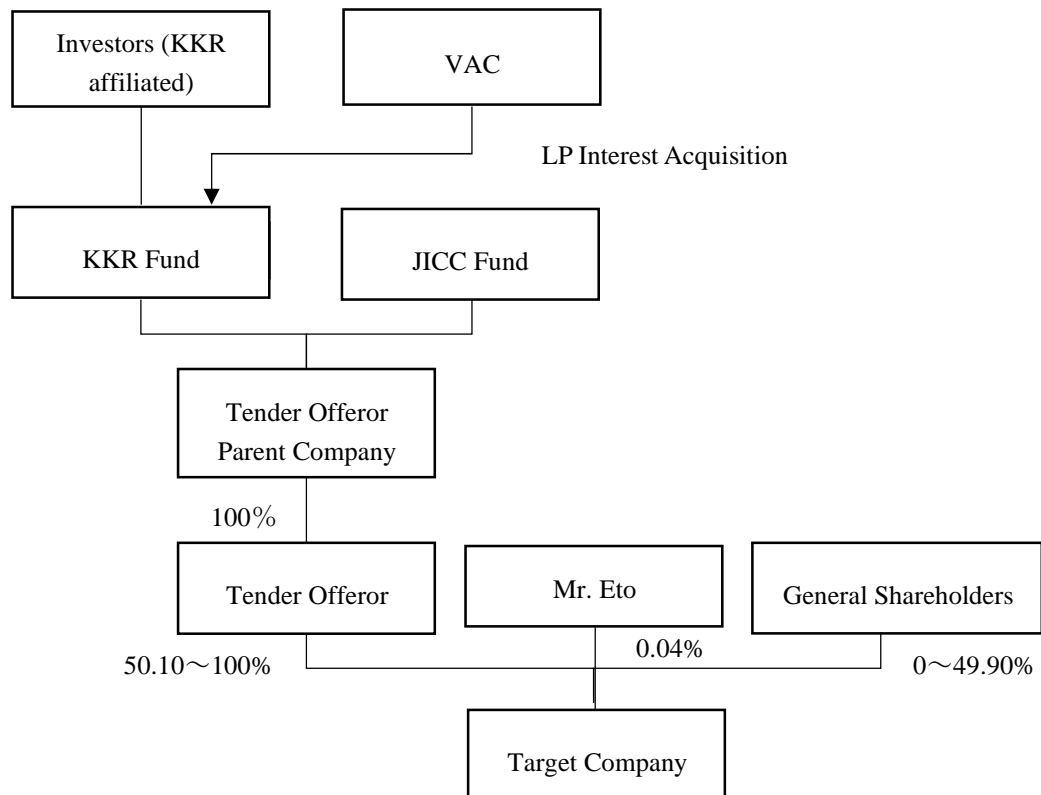


III. After Completion of the Tender Offer (around early September, 2025)

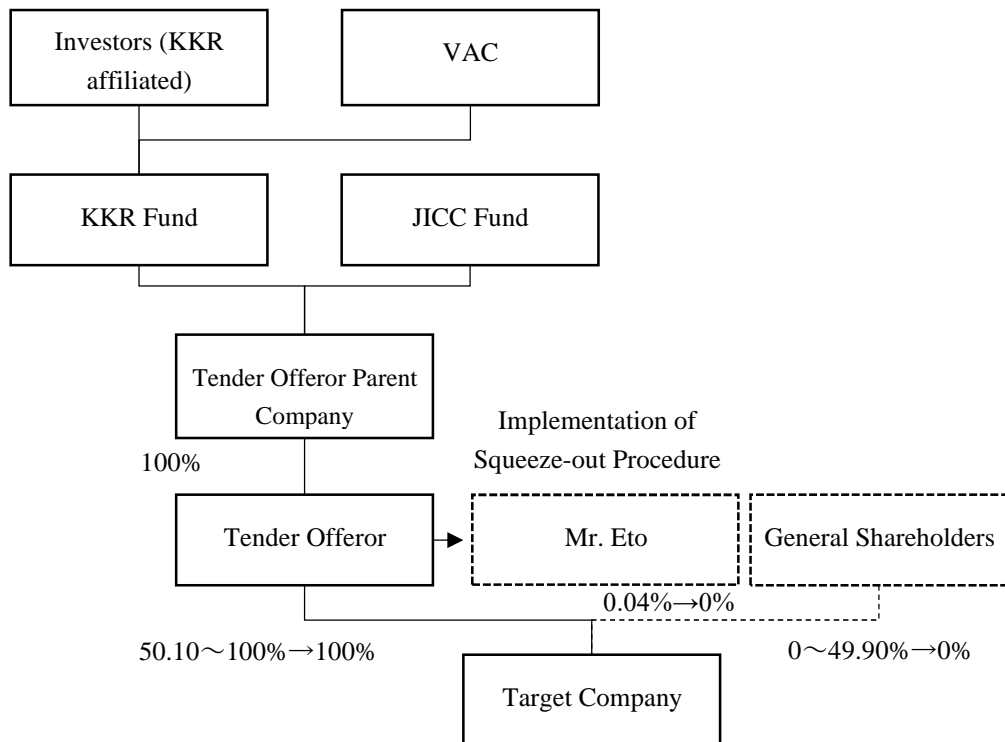
(1) The Investment



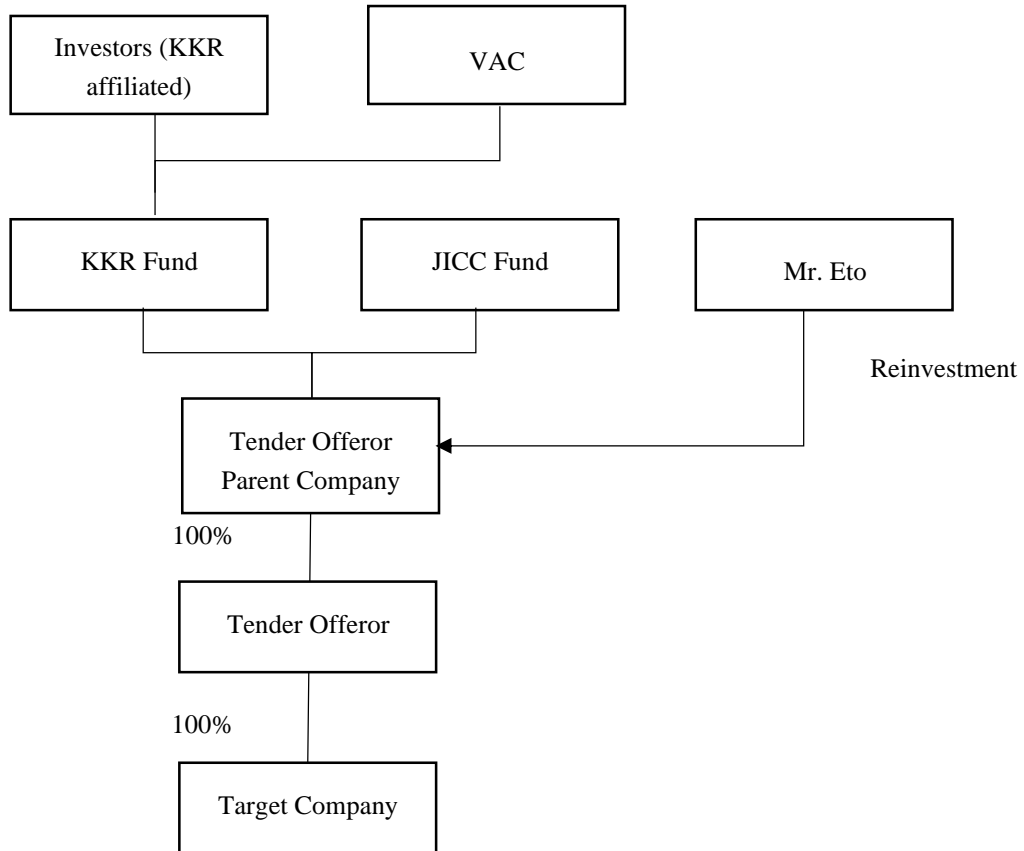
(2) The LP Interest Acquisition



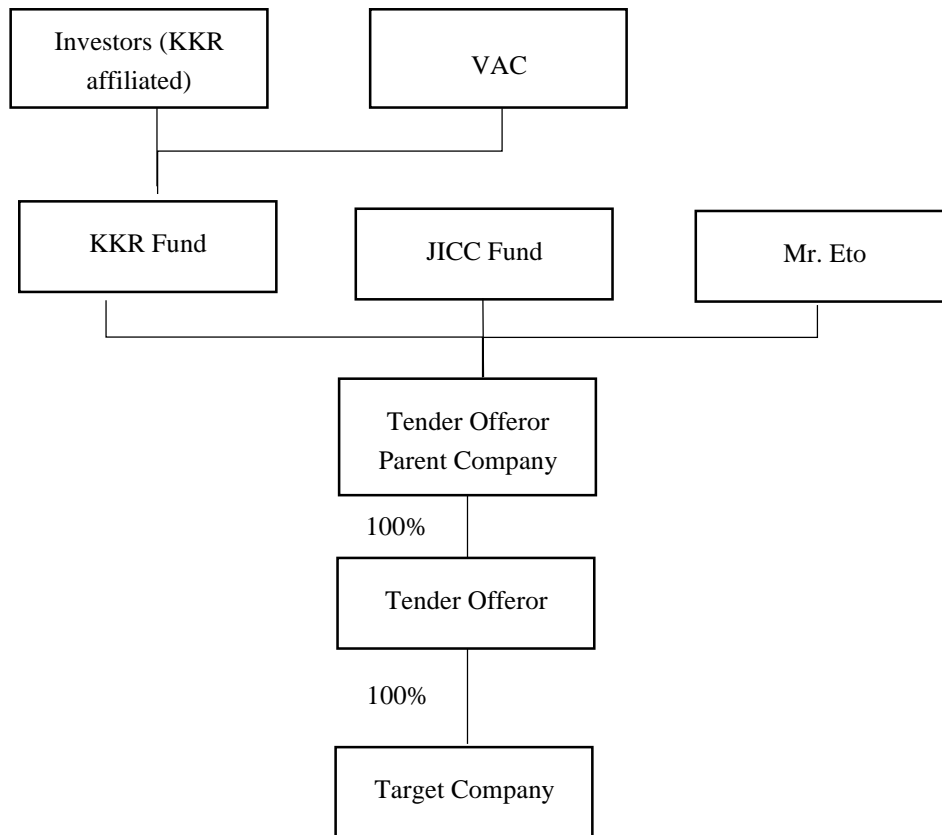
(3) (After Implementation of the Investment and the LP Interest Acquisition) The Squeeze-out Procedure



(4) (After Completion of the Squeeze-out Procedure) Reinvestment



(5) (After Implementation of the Reinvestment)



(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer

(I) Business Environment Surrounding the Target Company, etc.

The Target Company was established in September 1932 under the trade name of Tokyo Kogaku Kikai Kabushiki Kaisha (Tokyo Optical Co., Ltd.) for the purpose of domestically producing surveying instruments at the request of the Army Ministry, and its foundation originated from the surveying instrument division of K. Hattori & Co., Ltd. (currently Seiko Group Corporation). In 1989, the Target Company's trade name was changed to its current name, Topcon Corporation. In May 1949, the Target Company was listed on the Tokyo Stock Exchange and the Osaka Securities Exchange ("OSE"), and in September 1986, it was designated for listing on the First Sections of both exchanges. Following its delisting from the OSE in March 2009, the Target Company changed its listing to the Prime Market of the TSE in April 2022, as a result of a restructuring of the Tokyo Stock Exchange market classification, where it remains listed to date. As of today, the Target Company, together with its 59 consolidated subsidiaries, five equity method affiliates and one non-consolidated subsidiary, comprises a corporate group ("Target Company Group").

The Target Company Group has set forth its most important values shared globally across the group in writing as the "TOPCON WAY" (Note 1), and has adopted as its management philosophy the goal of contributing to the enrichment of human life by solving the societal challenges within healthcare, agriculture, and infrastructure. As societal values continue to diversify, the Target Company is committed, through its business activities, to achieving a sustainable society by providing products and services that help to solve societal issues, while simultaneously pursuing a management policy that emphasizes the interests of all diverse stakeholders associated with the Target Company Group. In accordance with this management policy, the Target Company Group primarily engages in the following businesses.

(Note 1) The "TOPCON WAY" represents the Target Company's commitment to addressing societal issues related to healthcare, agriculture, and infrastructure through its business activities, thereby contributing to the creation of a prosperous society. To this end, the Target Company is committed to continuous innovation through cutting-edge technology, operating as a global company that respects diversity, and making compliance a top priority in order to remain a trusted entity among all its stakeholders.

(1) Positioning Business

The Positioning Business provides machine control products and GNSS (Note 2) products that automatically control construction and agricultural machinery to construction companies (civil engineering and building), farmers, and manufacturers of construction and agricultural machinery. The Target Company believes that there are social issues such as a shortage of skilled workers in construction due to the increase in global infrastructure demand, food shortages in agriculture due to the global population increase, and an aging population and a decrease in skilled workers, and based on Target Company core technologies such as ICT automation construction technology (Note 3), precision 3D position measurement (Note 4), and sensing (Note 5), the Target Company will contribute to improving productivity and quality in the construction and agricultural fields, and to resolving the shortage of skilled workers, through ICT automation construction in the construction field and IT agricultural solutions (Note 6) that realize digitization and automation in the agricultural field.

In order to achieve this, the Target Company develops and offers a range of products that incorporate its proprietary technologies, including surveying instruments and laser products that incorporate the advanced optical technologies the smart infrastructure business has (Note 7), the cutting-edge GNSS receivers, machine control products designed to automate construction and agricultural machinery the positioning company has (Note 7), as well as related software and cloud-based solutions (Note 8).

- (Note 2) “GNSS” refers to the Global Navigation Satellite System.
- (Note 3) “ICT automated construction technology” refers to technology that uses information and communication technology to automate and improve the efficiency of construction work carried out by construction machinery at construction sites.
- (Note 4) “Precise 3D position measurement” refers to technology that precisely measures the dimensions, shape, and positional relationships of objects in three-dimensional space.
- (Note 5) “Sensing” refers to technology that uses sensors to collect information on the state of objects.
- (Note 6) “IT agricultural solutions” specifically refers to solutions that aim to automate and improve the efficiency of agriculture by using IT technology to automate the operation of agricultural machinery, etc.
- (Note 7) “Smart infrastructure business” and “positioning company” refer to the existing reporting segments that make up the Positioning Business.
- (Note 8) “Related software and cloud solutions” specifically refers to cloud data management services that can be used to manage data such as the operating status of construction machinery and the progress of construction work at construction sites, and the operating status of agricultural machinery and the growth of crops in agriculture.

(2) Eye Care Business

The Eye Care Business provides ophthalmologists and opticians with ophthalmic examination and diagnostic equipment and related services. The Target Company believes that there are social issues in healthcare, such as the increase in eye diseases due to the aging of the population and changes in lifestyle, the rising cost of medical care, and the shortage of doctors. To solve these issues, the Target Company will contribute to the early detection and early treatment of eye diseases by using the unique fully-automatic screening equipment (Note 9) and digital optometry system to easily obtain the fundus images and examination data necessary for diagnosis, and furthermore, by building a new system that integrates and manages the acquired images and test data using a data management system (Note 10) that utilizes the cloud.

As a product group that utilizes the Target Company’s unique technology to achieve the above, the Target Company is developing various ophthalmic instruments for ophthalmologists and opticians, testing and diagnostic instruments such as fully-automatic fundus cameras and OCT (Note 11), and related software and cloud solutions.

- (Note 9) “Fully automatic screening equipment” refers to ophthalmic examination and optometry equipment that can be used to automatically perform tests with simple operations such as pressing a button, even if the user is not an expert.
- (Note 10) “Cloud-based data management systems” specifically refer to data management solutions such as Topcon Harmony, which can manage ophthalmological examination data, including fundus images, on the cloud.
- Note (11) “OCT” refers stands for Optical Coherence Tomography (a medical device that captures a tomographic image of the retina using the reflected light obtained by illuminating it with near-infrared light).

In addition, the Target Company Group has leveraged the optical technologies common to all of its businesses to design, manufacture, and sell optical products and device products for the cutting-edge space and defense industries that the Target Company Group has cultivated since its founding. Specific examples include the Target Company Group’s research, development, and manufacturing of optical units for LIDAR mounted on the Small Lunar Lander for Investigating Moon (SLIM) (Note 12), optical units for Flash LIDAR mounted on the new H-II Transfer Vehicle (HTV-X) (Note 13), direct-aiming devices mounted on Japan Ground Self-Defense Force tanks, and optical units for infrared detection devices mounted on Japan Maritime Self-Defense Force patrol aircraft. In the interests of Japan’s national security, and for the purpose of restricting investment in the Target Company by foreign investors, the Target Company’s

space and defense business is classified among the designated sectors under the Foreign Exchange and Foreign Trade Act requiring prior notification (i.e., sectors subject to regulation for inward direct investment where there is a risk of undermining national security, disrupting public order, or hindering the protection of public safety).

(Note 12) “Optical units for LIDAR” refers to the optical components used in LIDAR (a technology that uses laser light to measure the distance to objects and generate a 3D map of the surrounding environment).

(Note 13) “Optical units for Flash LIDAR” refers to the optical components used in Flash LIDAR (a technology that, like a camera flash, illuminates a wide area at once and generates a 3D map of the surrounding environment instantly by receiving the reflected light with a sensor).

Looking ahead to 2032, when the Target Company will commemorate its 100th anniversary, it has adopted a vision of transforming itself into a “a 100-year venture positioned for sustainable growth,” and has identified the following two areas as the key sources of the Target Company Group’s competitiveness, in respect of which it is further accelerating its efforts:

(i) Preserving strength as a manufacturer while simultaneously pursuing the global expansion of the solutions business

The Target Company will maximize mutual synergies between Japan and the U.S. by establishing an organizational structure that optimally integrates Japan’s hardware-focused product development and manufacturing capabilities with the development and deployment capabilities of new solutions businesses that evolve in response to market needs, primarily in the U.S.

(ii) Ensuring sustainable business growth across all business segments, continuing to make appropriate upfront investments and reinvestments aimed at creating new businesses

The Target Company will continue to make appropriate investments in the creation of new businesses that will serve as the foundation for future growth and in the research and development of new technologies, and plans to maximize business growth across all business segments.

Currently, the Target Company Group is promoting sustainable growth in each business in line with the three pillars of its “Medium-Term Management Plan 2025,” a three-year plan whose implementation began in fiscal year 2023, which are as follows: “Deepening Customer Orientation” (i.e., to remain a company indispensable to its customers), “Fundamental Reform” (i.e., to establish an efficient organization and strengthen profitability), and “DX Acceleration” (i.e., to continue developing the next wave of growth businesses).

At the same time, the Target Company believes that the operating environment surrounding the Target Company Group remains uncertain due to the prolonged monetary tightening in various countries, particularly in Europe and the U.S., declining expectations for monetary easing, and the impact of geopolitical risks and other factors. The Eye Care Business continues to perform well, particularly in North America and Europe. However, the Target Company believes that the deteriorating financial situation of hospitals in China and a decline in tenders due to anti-corruption measures in China are expected to adversely affect performance. In the Positioning Business, the Target Company believes that investment restraint by agricultural machinery manufacturers due to sustained global inflation and the prolonged decline in grain prices is expected to continue in the near term. Additionally, the Target Company believes that the continued uncertainty surrounding trade, finance, and industrial policies under the new U.S. administration has led to further investment caution. As a result, instability in the business market is expected to continue.

In addition to this business environment, the Target Company believes that the Positioning Business is expected to

face a slowdown in the growth of OEM and aftermarket markets due to major manufacturers increasingly internalizing their production, as well as product commoditization and intensifying price competition driven by the rise of emerging manufacturers. Given this business environment and market changes, the Target Company recognizes the following as its management challenges for the purpose of enhancing corporate value over the medium to long term: developing and launching new products for small and medium-sized construction machinery and mid-range products; implementing further structural reforms to enhance and stabilize profitability; and accelerating growth investments in the Eye Care Business in order to develop new services and cultivate new markets.

(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.

In light of the above-mentioned management issues, the Target Company has considered and implemented various measures to realize its growth strategies. However, the Target Company has come to believe that in order to achieve further growth and increase the corporate value of the Target Company, it is necessary to promote long-term, sustainable business transformation. In order to accelerate fundamental initiatives that go beyond conventional business transformation measures, the Target Company Group considered its capital policy, including the delisting of the Target Company Shares. As a result, the Target Company Group concluded that, while resolving the management issues it faces is expected to increase the corporate value of the Target Company Group in the long term, continuous, long-term investment will be required, and there are uncertain risks in business execution, particularly in the creation of new businesses, which may lead to a negative impact on the earnings and cash flow of the Target Company Group in the short-term. Were the Target Company to implement such measures while remaining listed, it was considered that in the short-term, the capital markets might not fully appreciate them, which could have a negative impact, such as a decline in the market price of the Target Company Shares, and the possibility of disadvantage to the current shareholders of the Target Company could not be ruled out. Therefore, the Target Company came to believe from around July 2024, that a viable option would be the take-private of the Target Company and the distancing of itself from the capital markets, while at the same time revamping its shareholder structure and building a strong and stable management structure that brings together shareholders and management, enabling agile and flexible decision-making. In addition to the Target Company's own management efforts, it would utilize external management resources to address the aforementioned management issues. The Target Company believes that the disadvantages of delisting its shares generally include (i) the inability to raise funds through equity financing on the capital markets and (ii) the inability to enjoy the benefits of being a listed company, such as increased name recognition and social credibility. However, with respect to item (i), even after the Transaction is completed, it will be possible for the Target Company to secure funds by using its own funds and through borrowing from financial institutions, and taking into account the current financial situation of the Target Company, there is no immediate need to do so, at least for the time being. With respect to item (ii), given that the Target Company already enjoys sufficient name recognition and social credibility in its relationships with business partners as it has operated as a listed company for a long period of time, the impact of the delisting is considered to be limited, and the Target Company has therefore determined that the advantages expected from the take-private outweigh the disadvantages of its implementation.

Furthermore, as the business environment surrounding the Target Company continues to change as described above, in order for the Target Company Group to respond to such changes, it would be beneficial for Mr. Eto, as President & CEO of the Target Company, to continue to lead the overall management of the Target Company Group towards its long-term growth, while playing a responsible role in formulating and promoting the management policies of the Target Company, its capital policies and overseas strategies, as well as deepening cooperation and business relationships with key business partners, and if the Target Company were to be taken private, a viable option would be a Management Buyout (MBO) in which after the take-private, the interests of Mr. Eto would align with the Tender Offeror, and Mr. Eto would continue to be involved in management for a certain period of time. After repeated discussions with all of

the key management members and some of the outside directors of the Target Company other than Mr. Eto, these views were agreed upon around mid-July, 2024. Therefore, in order to begin specific consideration of multifaceted and long-term measures to enhance corporate value, including a Management Buyout (MBO), after confirming there were no issues with their independence, in July 2024, the Target Company appointed J.P. Morgan Securities Japan Co., Ltd. (“J.P. Morgan Securities”) as its financial advisor and third-party valuation firm for the consideration of measures to enhance corporate value, and appointed Nagashima Ohno & Tsunematsu as its legal advisor. In addition, the Target Company has been in discussions with three investment funds with extensive track records in Japan and overseas, including KKR, regarding the Target Company’s growth strategy, including the possibility of a capital transaction for the Target Company Shares, towards being a partner for promoting the long-term improvement of the corporate value of the Target Company. Furthermore, at the board of directors meeting held on July 30, 2024, the Target Company resolved to establish a strategic special committee (“Strategic Special Committee”), which is recognized as independent from the Tender Offeror, its other affiliated companies and other parties specified in the Enforcement Regulations for the Securities Listing Regulations (TSE) (“Enforcement Regulations”), as well as from the success or failure of the Transaction, composed of five independent directors of the Target Company (outside directors Ms. Naoko Yamazaki (Outside Director of FANUC CORPORATION, 12th Space Development and Utilization Committee of Ministry of Education, Culture, Sports, Science and Technology, Japan (Provisional Member, Council for Science and Technology)), Mr. Yoshiharu Inaba (Director, Chairman of FANUC CORPORATION), Mr. Naoki Hidaka (former Representative Director, Executive Vice President of Sumitomo Corporation, Outside Director of BROTHER INDUSTRIES, LTD.), Mr. Katsuhiro Teramoto (former Representative Director, President and CEO of Nabtesco Corporation), and Mr. Hajime Nakai (former Managing Executive Officer, Mizuho Securities Co., Ltd., and former Representative Director, Senior Executive Managing Officer, Central Glass Co., Ltd.), on the premise that it is important to ensure the fairness and transparency of the deliberation process when considering management options for the improvement of the long-term corporate value of the Target Company, and that if a take-private of the Target Company is selected, it may be carried out through a Management Buyout (MBO) and involve a squeeze-out procedure. In addition, at the meeting of the Strategic Special Committee held on July 30, 2024, the Strategic Special Committee approved the appointment of Nagashima Ohno & Tsunematsu as legal advisor of the Target Company and J.P. Morgan Securities as financial advisor and third-party valuation firm for the Target Company in the Transaction, who are independent of the Transaction and the potential partner candidates to the Target Company. Furthermore, as described in “(i) Background of Examinations and Negotiations with the Target Company” in (III) Decision-making Process and Reasons Leading to the Target Company’s Support of the Tender Offer” below, at the meeting of the Strategic Special Committee held on November 27, 2024, Nakamura, Tsunoda & Matsumoto was appointed as external legal advisor to the Strategic Special Committee.

In addition, it was determined that it would be desirable to select a partner after conducting a bidding process with multiple potential candidates that are likely to be interested in acquiring the Target Company Shares, from the perspective of further increasing the corporate value of the Target Company and maximizing the interests of the Target Company shareholders, and on July 30, 2024, the Strategic Special Committee deliberated on and approved this policy. In light of this, in mid-August 2024, with the aim of selecting a desirable partner for the Target Company, the Target Company decided to implement a bidding procedure (“Take-Private Process”), inviting three investment funds with extensive track records in Japan and overseas, including KKR (collectively, “Candidates”), to participate in a take-private transaction (“Take-Private Transaction”) through a tender offer for the Target Company, on the premise of a Management Buyout (MBO) in which the interests of Mr. Eto would align with the Tender Offeror, and Mr. Eto would continue to be involved in management for a certain period of time after the take-private, and such process was commenced. In selecting the Candidates, the Target Company initially compiled a list of more than 50 potential candidates, including investment funds and operating companies, and narrowed down the list based on certain selection criteria and interviews with potential candidates, such as investment track record in the healthcare field, which is the pillar of the Target Company’s growth strategy, in the Japanese manufacturing industry, and in global companies. As a

result, three investment funds were selected.

On the other hand, in early July 2024, the Target Company, who was considering tackling management issues with the use of external management resources, consulted with KKR regarding its financial and business strategies, and from early July 2024, KKR has held ongoing discussions with the Target Company on multiple occasions regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. On August 19, 2024, KKR was approached by J.P. Morgan Securities, financial advisor to the Target Company, to participate in the process to take the Target Company private through the Take-Private Process, and KKR began considering whether to participate in the Take-Private Process. KKR has extensive investment experience in the global eye care (Note 14) and industrial fields, and through its discussions with the Target Company to date, KKR strengthened its view that there is significant room for accelerating the Target Company's business growth and increasing its corporate value for future growth by utilizing KKR's global network, and in mid-August 2024, it decided to participate in the Take-Private Process. Subsequently, pursuant to the confidentiality agreement entered into between KKR and the Target Company on August 13, 2024 in order for KKR to proceed with consideration of the Take-Private Process, and based on the sales and operating income results of the Target Company Group as a whole and by segment, past performance and future plans for major cash flow items, the status of the Target Company assets and liabilities as disclosed by the Target Company, and based on various publicly available information, KKR conducted an initial review. Although it was still at a preliminary stage prior to the conducting of due diligence based on information provided by the Target Company, KKR came to believe that the Target Company has strong competitiveness, growth potential, and high potential, primarily in the Eye Care Business, based on deepening its understanding of the industry characteristics and growth potential of the market for each business segment to which the Target Company belongs, the competitive advantage that the Target Company has established in the market for each business segment, the direction of the Target Company's growth strategy, and the potential for improving corporate value and stock value, and on September 13, 2024, KKR submitted a non-legally binding proposal ("Take-Private Process Proposal Dated September 13") to J.P. Morgan Securities. In the Take-Private Process Proposal Dated September 13, KKR proposed the implementation of the Target Company Take-Private Transaction with a tender offer price of 3,000 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated September 13 includes a premium of 105.55% (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of premiums) on the closing price of the Target Company Shares on the TSE Prime Market on September 12, 2024 (such date being the business day immediately preceding September 13, 2024) (1,459.5 yen), 100.53% on the simple average of the closing prices for the preceding one month (from August 13, 2024 to September 12, 2024) (1,496 yen), 83.37% on the simple average of the closing prices for the preceding three months (from June 13, 2024 to September 12, 2024) (1,636 yen), and 76.99% on the simple average of the closing prices for the preceding six months (from March 13, 2024 to September 12, 2024) (1,695 yen) (figures are rounded to the nearest three decimal places; the same shall apply hereinafter in the calculation of simple average of closing prices).

(Note 14) "Global eye care field" refers to a field which includes business and support activities related to the provision of ophthalmic care on a global scale.

Subsequently, from mid-September 2024 until late November 2024, KKR continued to engage in constructive discussions with the management of the Target Company regarding business strategies that would contribute to maximizing the corporate value of the Target Company. In light of the content of the discussions with the management of the Target Company to date, KKR submitted a non-legally binding proposal to the Target Company Strategic Special Committee and board of directors on November 26, 2024, which included a description of the tender offer price on the

assumption that the Target Company Shares will be delisted (“Take-Private Process Proposal Dated November 26”). In the Take-Private Process Proposal Dated November 26, KKR set a tender offer price of 3,200 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated November 26 includes a premium of 104.60% on the closing price of the Target Company Shares on the TSE Prime Market on November 25, 2024 (such date being the business day immediately preceding November 26, 2024) (1,564 yen), 106.05% on the simple average of the closing prices for the preceding one month (from October 28, 2024 to November 25, 2024) (1,553 yen), 106.85% on the simple average of the closing prices for the preceding three months (from August 26, 2024 to November 25, 2024) (1,547 yen), and 98.27% on the simple average of the closing prices for the preceding six months (from May 27, 2024 to November 25, 2024) (1,614 yen).

Subsequently, from late November 2024 until early January 2025, KKR continued to engage in constructive discussions with the management of the Target Company regarding business strategies that would contribute to maximizing the corporate value of the Target Company. In light of the content of the discussions with the management of the Target Company to date, KKR submitted a non-legally binding proposal to the Target Company Strategic Special Committee and board of directors on January 6, 2025, which included a description of the tender offer price on the assumption that the Target Company Shares will be delisted (“Take-Private Process Proposal Dated January 6”). In the Take-Private Process Proposal Dated January 6, KKR set a tender offer price of 3,800 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated January 6 includes a premium of 33.87% on the closing price of the Target Company Shares on the TSE Prime Market on December 30, 2024 (such date being the business day immediately preceding January 6, 2025) (2,838.5 yen), 54.53% on the simple average of the closing prices for the preceding one month (from December 12, 2024 to December 30, 2024) (2,459 yen), 103.43% on the simple average of the closing prices for the preceding three months (from October 1, 2024 to December 30, 2024) (1,868 yen), and 119.53% on the simple average of the closing prices for the preceding six months (from July 1, 2024 to December 30, 2024) (1,731 yen). In addition, a premium of 116.34% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when speculative reports were made by some news outlets that the Target Company was conducting the Take-Private Process, having invited multiple investment funds, including KKR, which triggered a fluctuation in the Target Company’s stock price (“Take-Private Process Speculative Reports”), a premium of 139.45% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 142.50% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 136.32% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, from late January to early February 2025, KKR conducted due diligence of the Target Company’s business, finance and legal affairs, etc., taking into account the downward revision in the Target Company’s business plan announced on January 30, 2025, and conducted interviews, etc. with the Target Company’s management regarding its business strategy, and proceeded with considering the acquisition of Target Company Shares. KKR has come to believe that substantial growth of the Target Company is possible through the Transaction and it expected that there will be synergies, but no dyssynergies, by forming a strategic partnership between the Target Company, which it believes has advanced technology, abundant human capital, and a solid customer base, and KKR, which it believes has abundant human and capital resources, experience in both the eye care and industrial fields, and a global network, with, in the eye care field in particular, expansion of sales channels through collaboration with major eye care retailers and

eye clinic chains in which KKR has invested, and the utilization of KKR's global network of experts with extensive knowledge in the field, by delisting the Target Company Shares, based on further deepening its understanding of the Target Company's medium- to long-term growth and future vision, in addition to deepening its understanding of the industry characteristics and growth potential of the each business segment to which the Target Company belongs, the competitive advantage that the Target Company has established in the markets for each business segment, the direction of the Target Company's medium- to long-term growth strategy, and the potential for improving corporate value and stock value. On February 25, 2025, based on a multifaceted and comprehensive analysis of the Target Company's business and financial status, and upon analyzing the value of the Target Company Shares in comparison with the market share prices and profitability of multiple listed companies that are relatively similar to the Target Company in terms of business contents, business scale, earnings status, etc., KKR submitted a non-legally binding proposal regarding this matter ("Take-Private Process Proposal Dated February 25") to the Target Company, including a description of the tender offer price. In the Take-Private Process Proposal Dated February 25, KKR set a tender offer price of 3,100 to 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 25 includes a premium of 8.85% to 15.87% on the closing price of the Target Company Shares on the TSE Prime Market on February 21, 2025 (such date being the business day immediately preceding February 25, 2025) (2,848 yen), 8.47% to 15.47% on the simple average of the closing prices for the preceding one month (from January 22, 2025 to February 21, 2025) (2,858 yen), 20.44% to 28.21% on the simple average of the closing prices for the preceding three months (from November 22, 2024 to February 21, 2025) (2,574 yen), and 51.07% to 60.82% on the simple average of the closing prices for the preceding six months (from August 22, 2024, to February 21, 2025) (2,052 yen). In addition, a premium of 76.49% to 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 95.34% to 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 97.83% to 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 92.79% to 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

As KKR subsequently received a request from the Target Company to resubmit its proposal by February 28, 2025, including a revision to the tender offer price proposed in the Take-Private Process Proposal Dated February 25, KKR submitted a revised, non-legally binding proposal to the Target Company Strategic Special Committee and board of directors on February 28, 2025, which included a description of the tender offer price on the assumption that the Target Company Shares will be delisted ("Take-Private Process Proposal Dated February 28"). In the Take-Private Process Proposal Dated February 28, KKR set a tender offer price of 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 28 includes a premium of 16.71% on the closing price of the Target Company Shares on the TSE Prime Market on February 27, 2025 (such date being the business day immediately preceding February 28, 2025) (2,827.5 yen), 15.99% on the simple average of the closing prices for the preceding one month (from January 28, 2025 to February 27, 2025) (2,845 yen), 24.25% on the simple average of the closing prices for the preceding three months (from November 28, 2024 to February 27, 2025) (2,656 yen), and 58.05% on the simple average of the closing prices for the preceding six months (from August 28, 2024, to February 27, 2025) (2,088 yen). In addition, a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 107.94% was

given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target Company from early to late March 2025 regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Target Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, KKR submitted a final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the tender offer price of the Target Company Shares at 3,300 yen per Target Company Share (“Tender Offer Price”), and a purchase price per Share Option at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Target Company Share by the number of the Target Company Shares underlying each Share Option (“Share Option Purchase Price”). On March 28, 2025, KKR reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by ADRs at the same price as the Tender Offer Price, and the Tender Offeror decided to implement the Tender Offer.

Furthermore, on March 17, 2025, the KKR Fund entered into a confidentiality agreement with shareholder of the Target Company and KKR, VAC, and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering the Agreed Tender Shares in the Tender Offer. Subsequently, taking into account that VAC has owned the Target Company Shares over a medium- to long-term period, and the fact that VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund. For an overview of the Tender Agreement (VAC), please refer to “(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below.

Subsequently, on July 24, 2025, the Tender Offeror confirmed that, except for the Unobtained Clearance, the Clearance Acquisition would be obtained by July 29, 2025, that it was certain that all of the Conditions Precedent other than the Clearance Acquisition will have been satisfied by that date, and that all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance. As a result, the Tender Offeror determined that the Tender Offer could be commenced, and contacted the Target Company to inform them that it intended to waive, by mutual agreement with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025. Subsequently, the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund reached an agreement with the Target Company on July 28, 2025 to waive the Condition Precedent of obtaining Clearance for the Unobtained Clearance. As a result of the above process, as described in “(1) Outline of the Tender Offer” above, the Tender Offeror confirmed that all of the Conditions

Precedent have been satisfied (other than obtaining the Unobtained Clearance, which was waived by mutual agreement between the Tender Offeror, the Tender Offeror Parent, the KKR Fund, and the Target Company), and decided on July 28, 2025 to commence the Tender Offer on July 29, 2025. The Tender Offeror determined that, taking into account the circumstances from March 28, 2025, when the March 28, 2025 Tender Offeror Press Release was published, until July 28, 2025, there are no significant changes in the factors taken into account when determining the Tender Offer Price and has therefore determined that it is unnecessary to change the Tender Offer Price determined on March 28, 2025.

(III) Decision-making Process and Reasons Leading to the Target Company's Support of the Tender Offer

According to the Target Company Press Release, the decision-making process and reasons for the Target Company's support of the Tender Offer are as follows.

(i) Background of Examinations and Negotiations with the Target Company

As described in "(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc." above, the Target Company has been in discussions with operating companies and investment funds, including KKR, regarding strategic options, which include capital transactions. The Target Company engaged in ongoing discussions multiple times with KKR between late July 2024 and early August 2024 regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. Under these circumstances, in mid-August 2024, the Target Company commenced the Take-Private Process after entering into confidentiality agreements with the Candidates with the aim of selecting a desirable partner that is likely to be interested in acquiring the Target Company Shares, from the perspective of further increasing the corporate value of the Target Company and maximizing the interests of the Target Company shareholders. On September 13, 2024, the Target Company received initial non-legally binding proposals from the Candidates (collectively, "Initial Proposals"). Among these, in the Take-Private Process Proposal Dated September 13, an Initial Proposal submitted by KKR, KKR proposed a tender offer price of 3,000 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. Such tender offer price includes a premium of 105.55% on the closing price of the Target Company Shares on the TSE Prime Market on September 12, 2024 (such date being the business day immediately preceding September 13, 2024) (1,459.5 yen), 100.53% on the simple average of the closing prices for the preceding one month (from August 13, 2024 to September 12, 2024) (1,496 yen), 83.37% on the simple average of the closing prices for the preceding three months (from June 13, 2024 to September 12, 2024) (1,636 yen), and 76.99% on the simple average of the closing prices for the preceding six months (from March 13, 2024 to September 12, 2024) (1,695 yen).

The Target Company and Strategic Special Committee reviewed the proposals in each of the Initial Proposals from the perspective of whether they would protect or enhance the corporate value of the Target Company, and therefore, the common interests of its shareholders, as well as the feasibility of the proposals. On the other hand, at that time, Mr. Eto had not yet reached the final conclusion that the take-private of the Target Company through a Management Buyout (MBO) would be the best measure to increasing the corporate value of the Target Company. Furthermore, because the Initial Proposals were prepared based on limited information, and there was room for further discussion regarding the details, the Target Company at this stage did not immediately select candidates, but instead continued discussions with the Candidates regarding business strategies that would contribute to maximizing the corporate value of the Target Company, taking into account the Initial Proposals.

Subsequently, between early and late November 2024, the Target Company received non-legally binding proposals updating the Initial Proposals from two Candidates, including KKR. Among these, the Target Company received the Take-Private Process Proposal Dated November 26 from KKR. In the Take-Private Process Proposal Dated November 26, KKR set a tender offer price of 3,200 yen per Target Company Share, and a purchase price per Share Option at the

amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. Such tender offer price includes a premium of 104.60% on the closing price of the Target Company Shares on the TSE Prime Market on November 25, 2024 (such date being the business day immediately preceding November 26, 2024) (1,564 yen), 106.05% on the simple average of the closing prices for the preceding one month (from October 28, 2024 to November 25, 2024) (1,553 yen), 106.85% on the simple average of the closing prices for the preceding three months (from August 26, 2024 to November 25, 2024) (1,547 yen), and 98.27% on the simple average of the closing prices for the preceding six months (from May 27, 2024 to November 25, 2024) (1,614 yen).

The Target Company and Strategic Special Committee carefully considered and compared the proposals received from the Candidates from the perspective of whether they would protect or enhance the corporate value of the Target Company, and therefore, the common interests of its shareholders, and continued further discussions with the Candidates. Under these circumstances, Mr. Eto came to the final conclusion that the take-private of the Target Company through a Management Buyout (MBO) would be the best measure to increasing the corporate value of the Target Company, in comparison with a scenario in which the Target Company continues to remain listed under its current shareholder composition and takes measures to increase its corporate value, which is expected to increase the Target Company's corporate value in the long-term, but may have a negative impact on the earnings and cash flow in the short term and may not be fully appreciated by the capital markets, and from the perspective of ensuring management stability for the execution of long-term strategies and pursuing an organizational structure that can develop the strengths of the Target Company. As a result of discussions with all of the key management members and outside directors of the Target Company, such views with agreed upon, and at the Strategic Special Committee meeting held in mid-November 2024, Mr. Eto expressed his intention to proceed with the take-private of the Target Company through a Management Buyout (MBO). In response to this statement, the Strategic Special Committee, in light of the structural conflict of interest situation in the consideration of the Take-Private Process, decided at the Strategic Special Committee meeting held on November 27, 2024, to appoint Nakamura, Tsunoda & Matsumoto as an external legal advisor to the Strategic Special Committee in order to secure a system in place whereby the Strategic Special Committee can obtain expert support more directly.

Subsequently, between December 2024 and early January 2025, the Target Company received non-legally binding proposals updating the Initial Proposals from two Candidates, including KKR. Among these, the Target Company received the Take-Private Process Proposal Dated January 6 from KKR. In the Take-Private Process Proposal Dated January 6, KKR set a tender offer price of 3,800 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. Such tender offer price includes a premium of 33.87% on the closing price of the Target Company Shares on the TSE Prime Market on December 30, 2024 (such date being the business day immediately preceding January 6, 2025) (2,838.5 yen), 54.53% on the simple average of the closing prices for the preceding one month (from December 12, 2024 to December 30, 2024) (2,459 yen), 103.43% on the simple average of the closing prices for the preceding three months (from October 1, 2024 to December 30, 2024) (1,868 yen), and 119.53% on the simple average of the closing prices for the preceding six months (from July 1, 2024 to December 30, 2024) (1,731 yen). In addition, a premium of 116.34% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 139.45% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 142.50% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 136.32% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

In light of the above-mentioned process of deliberation, and after confirming the opinion of the Strategic Special Committee, in January 2025, the Target Company decided to provide the Candidates with the information necessary to more precisely calculate and verify the corporate value and share value of the Target Company, on the premise of the take-private of the Target Company through a Management Buyout (MBO). The Target Company also decided, from the perspective of determining the final candidate, to conduct a second bidding procedure ("Final Bidding Procedure"), which included due diligence of the Target Company's business, finance and legal affairs, etc., and management interviews with the Target Company's management regarding its business strategy ("Due Diligence"), and such procedure was commenced. The Target Company notified all Candidates about the Final Bidding Procedure, but one Candidate expressed its intention not to participate in the procedure, and therefore, two Candidates, including KKR ("Final Candidates") participated in the procedure.

The Due Diligence was conducted between late January to early February 2025, and on February 25, 2025, the Target Company received final proposals from the Final Candidates, including KKR. Among these, in the Take-Private Process Proposal Dated February 25 received from KKR, KKR set a tender offer price of 3,100 to 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. Such tender offer price includes a premium of 8.85% to 15.87% on the closing price of the Target Company Shares on the TSE Prime Market on February 21, 2025 (such date being the business day immediately preceding February 25, 2025) (2,848 yen), 8.47% to 15.47% on the simple average of the closing prices for the preceding one month (from January 22, 2025 to February 21, 2025) (2,858 yen), 20.44% to 28.21% on the simple average of the closing prices for the preceding three months (from November 22, 2024 to February 21, 2025) (2,574 yen), and 51.07% to 60.82% on the simple average of the closing prices for the preceding six months (from August 22, 2024, to February 21, 2025) (2,052 yen). In addition, a premium of 76.49% to 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 95.34% to 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 97.83% to 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 92.79% to 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen). The aforementioned tender offer price represents a discount of up to 700 yen compared to the tender offer price proposed in the Take-Private Process Proposal Dated January 6. This is due to the fact that subsequent to the submission of the Take-Private Process Proposal Dated January 6, on January 30, 2025, the Target Company revised its earnings forecast downward for the fiscal year ending March 31, 2025, and additionally, prior to the commencement of the Final Bidding Procedure, the business plan of the Target Company was revised based on the latest performance and future outlook, and such revised business plan was provided to the participants in the Final Bidding Procedure. As a result, KKR reviewed and revised its proposed price in light of these developments. The revised business plan was explained at the meeting of the Strategic Special Committee held on January 30, 2025, and was approved by the Strategic Special Committee. Subsequently, the Target Company further discussed the tender offer price and other terms and conditions of the Transaction with the Final Candidates that had submitted final proposals and requested the Final Candidates to revise their best proposals and resubmit them by February 28, 2025. On February 28, 2025, responses were received from the Candidates. Among these, the Target Company received the Take-Private Process Proposal Dated February 28 from KKR. In the Take-Private Process Proposal Dated February 28, KKR set a tender offer price of 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 28 includes a premium of 16.71% on the closing price of the Target Company Shares on the

TSE Prime Market on February 27, 2025 (such date being the business day immediately preceding February 28, 2025) (2,827.5 yen), 15.99% on the simple average of the closing prices for the preceding one month (from January 28, 2025 to February 27, 2025) (2,845 yen), 24.25% on the simple average of the closing prices for the preceding three months (from November 28, 2024 to February 27, 2025) (2,656 yen), and 58.05% on the simple average of the closing prices for the preceding six months (from August 28, 2024 to February 27, 2025) (1,774 yen). In addition, a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen). As a result of comprehensive comparison and consideration of the final proposals, KKR's proposed price at 3,300 yen per Target Company Share was higher than the other Final Candidate, and KKR's proposal was also deemed to be the most superior from the standpoint of both the likelihood of the Transaction being completed and the strategies and measures aimed at improving long-term corporate value. As a result, on March 3, 2025, KKR was selected as the final candidate and was granted exclusive negotiating rights until March 21, 2025, and further discussion and considerations towards the implementation of the Transaction commenced.

Subsequently, from early to late March 2025, the Target Company had continuing discussions with KKR regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Target Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, and negotiated the terms of the Tender Offer Agreement with KKR. On March, 2025, the Target Company received a legally-binding proposal from KKR (in light of the status of the negotiations regarding the Agreement (JICC) between KKR and JICC, and with the approval of the Strategic Special Committee, on March 12, 2025, the exclusive negotiation period for the above-mentioned exclusive negotiation rights was extended until March 28, 2025). The Tender Offer Price and Share Option Purchase Price in the final proposal remained unchanged from the Take-Private Process Proposal Dated February 28, with the Tender Offer Price at 3,300 yen per Target Company Share, and the Share Option Purchase Price at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Target Company Share by the number of the Target Company Shares underlying each Share Option, and in addition, with respect to the ADS whose existence the Tender Offeror became aware of after the submission of the Take-Private Process Proposal Dated February 28, a purchase price per Target Company Share for the ADS represented by ADRs was set at the same price as the Tender Offer Price. The Tender Offer Price of 3,300 yen in the legally binding final proposal dated March 26, 2025 includes a premium of 10.89% on the closing price of the Target Company Shares on the TSE Prime Market on March 25, 2025 (such date being the business day immediately preceding March 26, 2025) (2,976 yen), 15.22% on the simple average of the closing prices for the preceding one month (from February 26, 2025 to March 25, 2025) (2,864 yen), 16.07% on the simple average of the closing prices for the preceding three months (from December 26, 2024 to March 25, 2025) (2,843 yen), and 43.85% on the simple average of the closing prices for the preceding six months (from September 26, 2024 to March 25, 2025) (2,294 yen). In addition, a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen). The Target Company and the Strategic Special Committee continued to consider the implementation

of the Transaction through negotiations on the terms of the Tender Offer Agreement, even during the exclusive negotiation period regarding the exclusive negotiation rights, and at the meetings of the board of directors and the Strategic Special Committee held on March 28, 2025, decided to set the Tender Offer Price at 3,300 yen, the Share Option Purchase Price at 193,400 yen, and the purchase price per Target Company Share for the ADS at 3,300 yen, and reached an agreement with KKR to implement the Transaction.

In the course of the above considerations and negotiations with the Candidates, the Strategic Special Committee has been involved in the negotiation process by receiving reports on the status of the considerations and negotiations as appropriate from the Target Company and its financial advisor and legal advisor, and by expressing its opinions thereon. In addition, in negotiating with KKR, the Target Company conducted its negotiations in accordance with the negotiation policy discussed and determined by the Strategic Special Committee.

In addition, the Target Company believes that the strengths of the Target Company Group lie in its organizational structure, which is adept at combining the development, product design, and manufacturing capabilities it has cultivated in Japan, with its advanced software services business in overseas markets, particularly the United States, which have ample room for growth (“Topcon Model”). In addition to these considerations, given that the overall technological capabilities of the Target Company Group are believed to have been derived from the advanced optical technology required for the space and defense businesses, the Target Company had been exploring ways to maintain the Topcon Model and how to keep the space and defense businesses going after the take-private of the Target Company. In light of these considerations, in order to promote the sustainable development of the Target Company’s business and enhance its long-term corporate value through efforts aimed at creating a success story for Japanese hardware companies acting as a solutions company in the global market, the Target Company has been in discussions with JICC since around March 2024 regarding providing continued support for the business of the Target Company in order to realize the medium- to long-term growth strategy of the Target Company. As a result of the discussions, it was decided that although the Target Company was conducting the Take-Private Process through a private investment fund in parallel, JICC’s participation alongside the private investment fund would assist in qualitatively supplementing the necessary funds and enhancing creditworthiness. In addition, considering that a certain period of time would be required to complete the growth strategies for the main businesses, and the realization of structural reform of the Target Company is necessary, it could be expected that JICC would provide more longer-term and neutral funding, which is essential for these efforts, and thus the Target Company requested JICC participate. JICC ultimately agreed that although it would not participate in the Target Company Take-Private Process, it would make an indirect minority investment in the Target Company in consultation with the partner candidate to be ultimately selected in the Take-Private Process. Therefore, after the Target Company selected KKR as the final candidate on March 3, 2025, discussions began between JICC and the Tender Offeror, leading to the execution of the Agreement (JICC).

In relation to the above considerations, on January 30, 2025, the board of directors of the Target Company consulted with the Strategic Special Committee on the rationality of the purpose of the Transaction, and the appropriateness and fairness of the terms and procedures of the Transaction, taking into account the fact that the Tender Offer is being conducted as part of a Management Buyout (MBO), there is a structural conflict of interest issue, and that it involves a squeeze-out (for the composition of the committee and other specific consultation matters, please refer to “A. The March 28, 2025 Report” in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). In addition, the Tender Offeror has taken each of the measures described in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”, and has obtained from its financial advisor, J.P. Morgan Securities, an opinion to the effect that the Tender

Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective (“Fairness Opinion”), under the assumptions described in the note to “(II) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Firm” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”. In addition, the Target Company has received necessary legal advice from Nagashima Ohno & Tsunematsu concerning the decision-making methods and processes of the board of directors of the Target Company, including the procedures for the Transaction, and other points that should be noted, and received the March 28, 2025 Report from the Strategic Special Committee (for the specific contents of the March 28, 2025 Report and the activities of the Strategic Special Committee, please refer to “A. The March 28, 2025 Report” in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, which includes the implementation of the LP Interest Acquisition, and as a result, the Target Company received the April 16, 2025 Supplemental Report from the Strategic Special Committee (for the specific contents of the April 16, 2025 Supplemental Report, please refer to “B. April 16, 2025 Supplemental Report” in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below).

(ii) Reasons Leading to Target Company Decision to Support Tender Offer

As a result of the above deliberations and consideration, as set forth below, the Target Company has determined that the Tender Offer Price of 3,300 yen, the Share Option Purchase Price of 193,400 yen, and the purchase price per Target Company Share for the ADS of 3,300 yen are appropriate prices that ensure that the Target Company’s shareholders, Share Option Holders and ADR Holders receive benefits that they ought to enjoy, respectively, and that the Tender Offer provides the Target Company’s shareholders, Share Option Holders and ADR Holders with an opportunity to reasonably sell their Target Company Securities at a price with a reasonable premium.

(a) The Tender Offer Price is the highest price proposed in the final proposal submitted by the Candidates.

(b) The Tender Offer Price has been agreed upon after implementing each of the measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, which are described in in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, and as a result of conducting sufficient negotiations with KKR over a long period of time under the competitive environment of the Take-Private Process, with sufficient involvement of the Strategic Special Committee.

(c) The Tender Offer Price exceeds (i) the maximum value of the calculation result of the average market price method, and (ii) the median value of the DCF method, which represents the intrinsic value of the Target Company Shares, from among the valuation results of the Target Company Shares in the share valuation report (“Share Valuation Report”) that the Target Company received from J.P. Morgan Securities on March 28, 2025. Also, the Target Company received the Fairness Opinion dated March 28, 2025 from J.P. Morgan Securities under the assumptions set forth in the note in “(ii) Outline of Fairness Opinion” in “(II) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Firm” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(d) The Tender Offer Price includes a premium of 3.45% on the closing price of the Target Company Shares on the TSE Prime Market on March 27, 2025 (such date being the business day immediately preceding March 28, 2025) (3,190 yen), 14.15% on the simple average of the closing prices for the preceding one month (from February 28, 2025 to March 27, 2025) (2,891 yen), 15.79% on the simple average of the closing prices for the preceding three months (from December 30, 2024 to March 27, 2025) (2,850 yen), and 42.30% on the simple average of the closing prices for the preceding six months (from September 30, 2024 to March 27, 2025) (2,319 yen). The share price of the Target Company has increased significantly by 51.24% from the closing price on December 9, 2024 (1756.5 yen), when the initial take-private process speculative reports were made, to the closing price on December 11, 2024 (2656.5 yen), the business day after such speculative reports were made. It is reasonable to consider that this has significantly factored in expectations as to the implementation of the Transaction, and a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the initial take-private process speculative reports were made, and a premium of 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and a premium of 105.22% was given on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen). The Tender Offer Price is higher relative to the level of premium added when determining the purchase price of tender offers, etc. in the 74 (excluding cases where tender offers were not implemented or failed) other recent Management Buyout (MBO) cases (those that targeted domestic listed companies and were announced between June 28, 2019, when the “Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholders’ Interests” were published by the Ministry of Economy, Trade and Industry, and March 17, 2025) (the average and median of the premiums on the closing price on the business day preceding the date of announcement were 46.56% and 41.97%, respectively; the simple average and median of the premiums on the simple average of closing prices for the preceding one month were 49.68% and 44.20%, respectively; the simple average and median of the premiums on the simple average of closing prices for the preceding three months were 52.21% and 45.79%, respectively; and the simple average and median of the premiums on the simple average of closing prices for the preceding six months were 52.17% and 47.28%, respectively). In addition, the share price of the Target Company has increased by 7.4% from the closing price on March 26, 2025 (2,970 yen), the business day preceding when the second speculative reporting regarding the Take-Private Process was made, to the closing price on March 27, 2025 (3,190 yen), the business day after such speculative reports were made. It is reasonable to consider that this has further factored in expectations as to the implementation of the Transaction. The Tender Offer Price represents a premium of 11.11% on the closing price on the TSE on March 26, 2025 (2,970 yen), which is the business day immediately preceding March 27, 2025 when the second speculative reporting regarding the Take-Private was made, and a premium of 14.90% on the simple average of the closing prices for the preceding one month (from February 27, 2025 to March 26, 2025) (2,872 yen), 15.99% on the simple average of the closing prices for the preceding three months (from December 27, 2024 until March 26, 2025) (2,845 yen), and 43.10% on the simple average of the closing prices for the preceding six months (from September 27, 2024 to March 26, 2024) (2,306 yen).

(e) The Tender Offer Price has been determined to be appropriate in the March 28, 2025 Report obtained from the Strategic Special Committee, as described in “A. The March 28, 2025 Report” in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Strategic Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(f) As the Share Option Purchase Price has been determined to be the difference between the Tender Offer Price of 3,300 yen and the exercise price per Target Company Share for each Share Option multiplied by the number of Target Company Shares to be issued for each Share Option, and the purchase price per Target Company Share for the ADS at

3,300 yen, the same as the Tender Offer Purchase Price, it can be said that sufficient consideration was given to the interests of the Share Option Holders and ADR Holders, for the same reasons as the Tender Offer Price.

(g) With respect to the Tender Offer Period, although the Tender Offer Period is, in principle, planned to be set at 21 business days, as it is expected to take around 4 months from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, it can be said that, in addition to ensuring that the Target Company's shareholders, Share Option Holders and ADR Holders will have an opportunity to make an appropriate decision as to whether to tender in the Tender Offer, persons other than the Tender Offeror are being given the opportunity to make competing tender offers for the Target Company Securities.

(h) The Tender Offeror is planning to implement the Securities Cash-out Demand (as defined in "(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)"; the same shall apply hereinafter) or the Share Consolidation promptly after the completion of the settlement of the Tender Offer, and it has been made clear that, in the case that cash is paid to Target Company shareholders, Share Option Holders and ADR Holders who did not tender in the Tender Offer, the price will be calculated so that it will be the same as the price they would have received if they had tendered in the Tender Offer. In addition, in the case where the Securities Cash-out Demand is implemented, it will be ensured that the Target Company's shareholders, Share Option Holders and ADR Holders who have received Target Company Shares relating to their ADS will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Target Company's shareholders will have the right to demand the buyback of their shares and the accompanying right to file a petition with the court to determine the price, thereby ensuring that there is no coercion.

Based on the above, the Target Company resolved at a meeting of its board of directors held on March 28, 2025, as the opinion of the Target Company as of the same date, to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, which includes the implementation of the LP Interest Acquisition, and as a result, while respecting to the utmost the contents of the April 16, 2025 Supplemental Report received from the Strategic Special Committee (for the specific contents of the April 16, 2025 Supplemental Report, please refer to the Target Company Press Release and "B. The April 16, 2025 Supplemental Report" in "(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below), the Target Company again carefully discussed and examined the terms of the Tender Offer. As a result, as there are no circumstances that would lead to the determination that the execution of the Tender Agreement (VAC) and the LP Interest Acquisition would undermine the appropriateness or fairness of the terms and procedures of the Transaction, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, on July 24, 2025, the Target Company was notified by the Tender Offeror that it had confirmed that the

Clearance Acquisition other than the Unobtained Clearance will be obtained by July 29, 2025, and that it was certain that all of the Conditions Precedent, other than the Clearance Acquisition will have been satisfied by the same date, and that all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance. As a result, it had determined the Tender Offer could be commenced and that it intended to waive, by mutual consent with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025. Subsequently, on July 28, 2025, the Strategic Special Committee examined whether any significant changes in circumstances of the Target Company have occurred since March 28, 2025 that may affect the Transaction and considered the matters for consultation. As a result, it confirmed that, even taking into account the circumstances from March 28, 2025 through July 28, 2025, there were no circumstances that would require the contents of the March 28, 2025 Report and the April 16, 2025 Supplemental Report to be amended. On July 28, 2025, by unanimous resolution of the committee, it submitted the July 28, 2025 Supplemental Report to the Target Company's board of directors stating that it does not believe it is necessary to amend the contents of both of the above-mentioned reports (for an overview of the July 28, 2025 Supplemental Report, please refer to the Target Company Press Release and "C. The July 28 Supplemental Report" in "(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below). Based on the above, the Target Company carefully reconsidered the terms of the Tender Offer, taking into account the business condition of the Target Company and the environment surrounding the Transaction, while respecting to the utmost the contents of the July 28, 2025 Supplemental Report submitted by the Strategic Special Committee, and as a result, determined that, as of July 28, 2025, there are no factors that would cause it to change its opinion regarding the Tender Offer as of March 28, 2025, and April 16, 2025.

Based on the above, at the board of directors meeting held on July 28, 2025, the Target Company resolved, by all directors who participated in the deliberations and the resolution, (among all 10 directors, 9 directors, excluding Mr. Eto), to enter into an agreement on the same day with the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund to waive the Clearance Acquisition for the Unobtained Clearance, which is a Condition Precedent, and to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer. In addition, all four auditors who attended the board meeting (including two external auditors) stated they had no objections to such resolution.

(IV) Management Policy after the Tender Offer

After the Transaction, KKR, together with the officers and employees of the Target Company, will pursue the further growth of the Target Company's business and corporate value through the promotion of both organic (i.e., a method using existing management resources) and inorganic (i.e., via an alliance with another company, acquisition of another company, or other means) growth strategies, by utilizing the solid business foundation that the Target Company has been building, the global human and capital resources of KKR, and KKR's know-how and network. After the completion of the Transaction, KKR will discuss optimal portfolio strategy with the management of the Target Company and consider implementing measures to improve the Target Company's sales growth and profitability.

The Tender Offeror currently intends to appoint one or more candidate(s) designated by KKR as the Target Company's director(s) after the completion of the Transaction in order to improve management efficiency. The number of candidates, timing, designation of candidate(s) and other details of such appointment have not been decided as of yet. In addition, at this time the Tender Offeror has no specific plans or preferences regarding the management structure

or composition of the board of directors after the completion of the Transaction.

The Tender Offeror plans to introduce incentive plans, such as stock options, to the officers and employees of the Target Company, and to establish a system in which the Tender Offeror and the officers and employees of the Target Company will work together to enhance the long-term corporate value of the Target Company. The details of such incentive plans and the timing of their introduction have not been decided.

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

Taking into consideration that the Tender Offer is being conducted as part of a so-called Management Buyout (MBO) and that there is a structural conflict of interest issue, as the Tender Offeror and Target Company have taken the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, it is considered that due consideration has been given to the interests of the minority shareholders of the Target Company.

The Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer by the so-called Majority of Minority, as setting a minimum number equivalent to the Majority of Minority may destabilize the Tender Offer and may not be in the interests of the minority shareholders of the Target Company who wish to tender in the Tender Offer. However, it is considered that due consideration has been given to the interests of the minority shareholders of the Target Company, as the Tender Offeror and Target Company have implemented the following measures to ensure the fairness of the Tender Offer.

(I) Receipt and Review of Proposals from Multiple Potential Purchasers

The Target Company, as advised by the Strategic Special Committee, is conducting a so-called “proactive market check” (including bidding procedures prior to the public announcement of the Transaction) in the course of the consideration of the Transaction to investigate and consider whether there are other potential purchasers in the market. The Target Company has endeavored to foster and maintain a competitive environment among potential purchasers by receiving proposals from multiple potential purchasers through the bidding process, and proceeding with negotiations while comparing and considering these proposals.

(II) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Firm

The Target Company, in expressing its opinion regarding the Transaction, including the Tender Offer, has requested J.P. Morgan Securities, the Target Company’s financial advisor, to act as a third-party valuation firm independent of the parties of the Tender Offer, to evaluate the value of the Target Company Shares and to submit the Fairness Opinion to the effect that the Tender Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective, in order to ensure the fairness of the Tender Offer Price and the Transaction, including the Tender Offer. The Target Company obtained the Share Valuation Report and the Fairness Opinion on March 28, 2025. The Target Company’s board of directors found that, as of July 28, 2025, there is no need to change or update the contents of the Share Valuation Report and the Fairness Opinion, because there are no unreasonable points in the explanation by J.P. Morgan Securities that a change to the contents of the Share Valuation Report is not necessary, and considering the situation from March 28, 2025, on which the board of directors meeting was held, to July 28, 2025, there are no significant changes in the assumptions that may affect the Share Valuation Report and the Fairness Opinion, there are no particular changes in the business environment surrounding the Target Company group or the industry, and there is no need for the Strategic

Special Committee to request changes or updates to the contents of the Share Valuation Report as stated in “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” below. J.P. Morgan Securities is a financial advisor and third-party valuation firm independent of the Tender Offeror, the Tender Offeror Parent Company, KKR, and the Target Company, and is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company, and has no material interest in the Tender Offer.

The compensation paid to J.P. Morgan Securities for the Transaction includes a success fee contingent upon the successful completion of the Transaction. The Target Company has determined that, taking into account general business practices in similar transactions and the demerits of adopting a compensation structure that would result in significant financial burden for the Target Company even if the Transaction were to fail, the inclusion of a success fee payable on the condition that the Transaction is successful does not negate its independence, and also, has a certain level of economic rationality for the Target Company. Therefore, based on the above compensation structure, J.P. Morgan Securities has been appointed as the financial advisor and third-party valuation firm of the Target Company. In addition, the Strategic Special Committee has approved the financial advisor and third-party valuation firm appointed by the Target Company as the financial advisor and third-party valuation firm of the Target Company, as there are no issues with its independence or expertise and has confirmed that the Strategic Special Committee can also receive advice from them as necessary.

(i) Outline of Valuation

The Target Company obtained the Share Valuation Report from J.P. Morgan Securities on March 28, 2025, under the assumptions set forth in the note in “(ii) Outline of Fairness Opinion” below. In addition, the Target Company obtained the Fairness Opinion from J.P. Morgan Securities on March 28, 2025 to the effect that the Tender Offer Price is fair to the Target Company's common shareholders (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective, subject to the relevant assumptions.

J.P. Morgan Securities reviewed the Target Company's financial condition and trends in the market price of the Target Company Shares and other factors, and concluded that it would be appropriate to use a multifaceted approach, and considered which valuation methods should be adopted from among multiple share valuation methods. J.P. Morgan Securities evaluated the value of the Target Company Shares using the average market price method, since there is a market price for the Target Company Shares, and the DCF method, in order to reflect the future business activities in the valuation. The Share Valuation Report and the Fairness Opinion were prepared solely for the purpose of providing information and support to the board of directors of the Target Company in its consideration of the Transaction.

The ranges of the per share value of the Target Company Shares calculated by J.P. Morgan Securities based on the above methods are as follows:

Average market price method:	2,319 yen to 3,190 yen
DCF method:	2,790 yen to 3,512 yen

Under the average market share price method, the range of the per share value of the Target Company Shares has been calculated to be 2,319 yen to 3,190 yen, with March 27, 2025 as the reference date, based on the closing price of the Target Company Shares on the Prime Market of the TSE on the reference date (3,190 yen), the simple average of the closing prices of the Target Company Shares for the most recent one month (from February 28, 2025 to March 27, 2025) (2,891 yen), the simple average of the closing prices for the most recent three months (from December 30, 2025 to March 27, 2025) (2,850 yen), and the simple average of the closing prices for the most recent six months (from

September 30, 2025 to March 27, 2025) (2,319 yen).

Under the DCF method, J.P. Morgan Securities conducted a sum-of-the-parts analysis by categorizing the businesses of the Target Company Group into the Positioning Business and the Eye Care Business, and evaluating the value of each business respectively. For the Positioning Business, the business plan prepared by the Target Company for the purpose of the Transaction for the fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2031 was used. For the Eye Care Business, the business plan prepared by the Target Company for the purpose of the Transaction for the fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2033 was used (these two business plans are hereinafter collectively referred to as the "Business Plan"). Based on the earnings projections and investment plans in the Business Plan (Note 1), the free cash flow expected to be generated by each of the Target Company's businesses from the fiscal year ending March 2026 onwards is discounted to its present value using a specific discount rate applied to each business, which provides the business value of each business. By summing the business values of the two businesses, the overall business value of the Target Company was determined, resulting in the range of the per share value of the Target Company Shares calculated to be 2,790 yen to 3,512 yen. The discount rate used is the weighted average cost of capital (WACC), which is the weighted average of the cost of equity capital and the cost of debt, with a range of 8.0% to 8.5% for the Positioning Business, and 10.5% to 11.0% for the Eye Care Business. For the calculation of terminal value (Note 2), a perpetual growth rate method was used for both the Positioning Business and the Eye Care Business, taking into consideration the medium to long-term market growth rate of each business, the GDP growth rate and inflation rate of each country, etc. The range of perpetual growth rates applied to the Positioning Business were 2.0% to 3.0%, and 2.5% to 3.5% for the Eye Care Business.

(Note 1) In the Business Plan, the projection period for the Positioning Business was set from the fiscal year ending March 2026 to the fiscal year ending March 2031, covering six years, while the projection period for the Eye Care Business was set from the fiscal year ending March 2026 to the fiscal year ending March 2033, covering eight years. This difference in the length of projection period is because the Target Company has determined that for the Positioning Business, the period during which it can reasonably forecast and expect performance to stabilize is six years. In contrast, for the Eye Care Business, which anticipates the development of new services and the exploration of new markets, the Target Company has determined that such period is eight years.

(Note 2) The terminal value of each business at the end of the business plan period under the DCF method is as follows.

	Positioning Business	Eye Care Business
Terminal Value (unit: millions of yen)	158,251~197,333	391,316~475,461

The Business Plan was newly prepared by the Target Company's management in connection with the execution of the Transaction for the purpose of objectively and rationally verifying the appropriateness of the Transaction terms and conditions. In addition, as Mr. Eto plans to acquire the common shares of the Tender Offeror Parent Company using a portion of the consideration received for tendering his Target Company Shares in the Tender Offer if the Tender Offer is successfully completed, in order to avoid any suspicion of a conflict of interest, Mr. Eto has not participated in the preparation of the Business Plan.

In the Positioning Business under the Business Plan, sales are expected to increase throughout the target period due to the launch of new products in the smart infrastructure business, sales expansion into the Asian region, and expansion of OEM for small and medium-sized construction and agricultural machinery manufacturers at the positioning company.

In addition, operating profit margins are expected to expand throughout the target period due to reductions in manufacturing costs, optimization of the supply chain, and organizational restructuring and the associated reductions in selling, general and administrative expenses. In the Eye Care Business, sales are expected to increase throughout the target period due to the launch of new medical examination and optometry equipment, the launch of Healthcare from the Eye (Note 3) from the fiscal year ending March 31, 2026 in partnership with Microsoft, and the associated expansion of sales of screening equipment such as OCT and fundus cameras. In addition, the operating profit margin is expected to expand throughout the target period due to the expansion of the profitable solutions business and the acquisition of economies of scale associated with the increase in sales.

(Note 3) “Healthcare from the Eye” refers to a solution that uses AI and other technologies to perform eye examinations and diagnose systemic diseases other than eye diseases, enabling early detection of diseases and reducing medical costs. By realizing Healthcare from the Eye, it will be possible to expand the screening business to a market that includes not only ophthalmologists but also family doctors.

The financial projections in the Business Plan are not based on the assumption of executing the Transaction, and do not reflect the synergy effects expected to be realized through the execution of the Transaction, as it is currently difficult to specifically estimate their impact on earnings. The Business Plan covers the fiscal years for the Positioning Business where a significant increase in free cash flow is anticipated (a 57.2% increase in the fiscal year ending March 2030 compared to the previous fiscal year). This is because the increase in free cash flow for that fiscal year is expected as a result of ongoing efforts to reduce selling, general and administrative expenses in the Positioning Business. Additionally, for the Eye Care Business, the fiscal years where a significant increase in operating profit is anticipated (an increase of 85.9%, 58.3%, and 36.8% compared to the previous year in the fiscal years ending March 2027, March 2029, and March 2031, respectively) are covered. This is because continuous sales growth and improvement in operating profit margins are expected throughout the planning period for the Eye Care Business, including the current fiscal year, driven by the expansion of customer markets and service areas.

With respect to the Business Plan, the financial forecasts for the fiscal year ending March 2026 are below some of the planned figures for the fiscal year ending March 2026 set out in the Target Company's Medium-Term Management Plan published on May 12, 2023 (Positioning Business: sales of 166,000 million yen, operating profit margin of 16% or more; Eye Care Business: sales of 83,000 million yen, operating profit margin of 10% or more). This is because the Business Plan was newly prepared in connection with the execution of the Transaction as an objective and reasonable financial forecast in line with the current situation, taking into account changes in the business environment since the formulation of the above-mentioned Medium-Term Management Plan and current business conditions.

The financial projections for each of the Target Company's businesses, which were used as assumptions in the DCF method, are as follows:

Positioning Business (unit: millions of yen)

	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030	FY ending March 2031
Revenue	131,510	145,355	157,682	169,698	181,417	188,475
Operating income	9,091	11,079	13,317	15,308	16,666	17,460
EBITDA	21,617	24,592	26,169	24,621	29,690	26,305
Free Cash flow	11,500	9,924	9,751	7,139	11,221	8,550

Eye Care Business (unit: millions of yen)

	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030	FY ending March 2031	FY ending March 2032	FY ending March 2033
Revenue	87,798	106,125	124,856	140,699	155,532	177,485	200,581	223,019
Operating income	5,223	9,709	10,807	17,112	21,252	29,067	37,374	46,419
EBITDA	9,912	14,946	16,600	23,565	28,877	37,014	45,854	55,432
Free Cash flow	2,691	5,719	5,909	11,880	15,681	17,925	23,253	29,540

(ii) Outline of Fairness Opinion

As stated above, on March 28, 2025, the Target Company obtained a Fairness Opinion from J.P. Morgan Securities, which stated that the Tender Offer Price of 3,300 yen per share is fair to the Target Company common shareholders (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective, based on the assumptions outlined below. The Fairness Opinion was issued by J.P. Morgan Securities following its analysis and review of the Business Plan and other financial information submitted by the Target Company, as well as question and answer sessions with the Target Company and the Strategic Special Committee. The preparation of the Fairness Opinion also involved a review of the valuation results of the Target Company Shares conducted by J.P. Morgan Securities, question and answers sessions with the Target Company and the Strategic Special Committee regarding the background and reasons for supporting the Tender Offer, and approval by a committee of J.P. Morgan Securities composed of professionals from J.P. Morgan's Investment Banking Division and other departments, in accordance with J.P. Morgan Securities' internal procedures.

(Note) In expressing the opinions stated in the Fairness Opinion and evaluating the value of the Target Company Shares in the Share Valuation Report upon which those opinions are based, J.P. Morgan Securities assumed that all information, including public information, information provided by the Strategic Special Committee, the Target Company, and the Tender Offeror, and information discussed with the Strategic Special Committee, the Target Company, and the Tender Offeror, as well as any other information that J.P. Morgan Securities reviewed or had reviewed on its behalf, is accurate, reasonable and complete. J.P. Morgan Securities has not independently verified the accuracy, reasonableness and completeness of that information (nor does it assume any responsibility or obligation to do so). J.P. Morgan Securities has not conducted any evaluation or assessment of any assets or liabilities of the Tender Offeror or the Target Company, or their respective affiliates, and no such evaluation or assessment has been conducted on its behalf. Additionally, J.P. Morgan Securities has not evaluated the creditworthiness of the Tender Offeror or the Target Company under any laws or regulations related to insolvency, suspensions of payments, or similar matters. In relying on the financial analyses and forecasts submitted by the Target Company or derived therefrom, J.P. Morgan Securities assumed that those analyses and forecasts were reasonably prepared based on the best estimates and judgments of the management of the Target Company regarding the future performance and financial condition of the Target Company as of the time of the preparation of the Share Valuation Report and the Fairness Opinion. J.P. Morgan Securities does not express any opinion on those analyses or forecasts or on the assumptions on which they are based. Additionally, J.P. Morgan Securities assumes that the Transaction, including the Tender Offer, will be executed as described in the Tender Offer Agreement, and that the final version of the Tender Offer Agreement will not differ in any material respect from the draft submitted to J.P. Morgan Securities. J.P. Morgan Securities has also assumed that the representations and warranties made by the Target Company, the Tender Offeror, the Tender Offeror Parent, KKR and their respective affiliates in the Tender Offer Agreement and related agreements are and will be true and accurate in all respects material to J.P. Morgan Securities' analysis.

J.P. Morgan Securities is not an expert in legal, regulatory, tax, accounting, or similar matters and has relied on the judgment of the advisors of the Target Company on those matters. Further, J.P. Morgan Securities assumes that all important consents and approvals from governments, regulatory authorities, and other parties required for the execution of the Transaction will be obtained without adversely affecting the Target Company or the benefits expected to be enjoyed from the execution of the Transaction.

The Fairness Opinion and the underlying valuation results in the Share Valuation Report are necessarily based on the information available to J.P. Morgan Securities as of the date of the Fairness Opinion and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the content of the Fairness Opinion and the underlying valuation results set out in the Share Valuation Report. However, J.P. Morgan Securities is under no obligation to revise, change, or reaffirm its analysis or opinions. The Fairness Opinion only expresses an opinion that the Tender Offer Price is fair to the Target Company common shareholders (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective under certain conditions. It does not express an opinion on the fairness of the Tender Offer Price to the holders of any type of the Target Company's securities, creditors, or other stakeholders of the Target Company, nor does it express any opinion on the appropriateness of the Target Company's decision to proceed with the Transaction. Additionally, the Fairness Opinion and the underlying valuation results in the Share Valuation Report do not constitute a recommendation to the Target Company or its board of directors, or to the purchaser or its board of directors, regarding any specific tender offer price, nor do they recommend that any specific tender offer price is the only appropriate price. Furthermore, J.P. Morgan Securities does not express any opinion on the amount or nature of any compensation related to the Tender Offer Price in the Transaction for any officers, directors, employees, or any parties involved in the Tender Offer or any related parties in any position, nor does it express an opinion on the fairness of any such compensation. Further, J.P. Morgan Securities does not express any opinion regarding the future trading price of the Target Company Shares.

The business plans and financial projections of the Target Company furnished to J.P. Morgan Securities by the Target Company (the "Financial Forecasts") were prepared by the management of the Target Company. The Target Company has not publicly disclosed the Financial Forecasts provided to J.P. Morgan Securities in connection with J.P. Morgan Securities' preparation of the Fairness Opinion, and its evaluation of the value of the Target Company Shares on which the Fairness Opinion was based, nor were the Financial Forecasts prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of the Target Company's management. These include, but are not limited to, factors related to general economic conditions, competitive conditions, and prevailing interest rates. Therefore, actual performance might differ significantly from the Financial Forecasts. The opinions expressed in the above-mentioned Fairness Opinion, and the results of the evaluation of the value of the Target Company Shares and the summary of the valuation methods outlined in the Share Valuation Report upon which those opinions are based, do not encompass all the analyses conducted or data referenced by J.P. Morgan Securities. The Fairness Opinion and the Share Valuation Report were prepared through a complex process, so any partial or summarized description of certain analysis results in those documents will not necessarily accurately represent the entirety of the analysis. The results of the analysis by J.P. Morgan Securities must be considered as a whole, and relying on only a part or a summary of those results without considering the analysis results in their entirety might result in an incorrect understanding of the processes underlying the analysis and opinions of J.P. Morgan Securities. In expressing its opinion, J.P. Morgan Securities has considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor. Moreover, J.P. Morgan Securities does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion, or the extent to which any individual analysis or factor contributed to its opinion.

J.P. Morgan Securities is a financial advisor and third-party valuation firm of the Target Company in connection with the Transaction, including the Tender Offer, and is expected to receive compensation from the Target Company for its

services as financial advisor and third-party valuation firm. A substantial portion of this compensation will become payable only if the Transaction, including the Tender Offer, is completed. Further, the Target Company has agreed to indemnify J.P. Morgan Securities for certain liabilities that might arise out of its services. During the two years preceding the date of the Fairness Opinion, J.P. Morgan Securities and its affiliates have had investment banking relationships with the Target Company for which J.P. Morgan Securities and its affiliates have received customary compensation. During that period, J.P. Morgan Securities or its affiliates acted as financial advisor to the Target Company but did not otherwise provide any significant financial advisory services or other significant commercial or investment banking services to the Target Company. In addition, during the same period, J.P. Morgan Securities and its affiliates have engaged in commercial and investment banking services for KKR and certain of its affiliates and portfolio companies, for which J.P. Morgan Securities and its affiliates have received customary compensation. Such services during such period have included providing financial advisory services, debt syndication, debt underwriting services and equity underwriting services to these entities. In addition, J.P. Morgan Securities commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of the Tender Offeror, KKR and its portfolio companies, for which it receives customary compensation or other financial benefits. During the two years preceding the date of the Fairness Opinion, J.P. Morgan Securities and its affiliates have had investment banking relationships with JICC for which J.P. Morgan Securities and its affiliates have received customary compensation. Such services during such period have included acting as buy-side financial advisor to JICC in its acquisition of JSR Corporation, which transaction closed in June 2024. In addition, J.P. Morgan Securities and its affiliates hold, on a proprietary basis, less than 1% of outstanding common stock of each of the Target Company and KKR. In the ordinary course of their businesses, J.P. Morgan Securities and its affiliates may trade the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Target Company or KKR and their respective affiliates for its own account or for the accounts of customers and, accordingly, J.P. Morgan Securities and those affiliates may at any time hold long or short positions in such securities.

(iii) Outline of Valuation of the Share Options

The Share Options are priced such that the purchase price of the Share Options was set at the amount obtained by multiplying the difference between the Tender Offer Price, 3,300 yen, and the exercise price of the Share Options per Target Company Share by the number of the Target Company Shares to be issued upon exercise of one unit of each such Share Option. As a result, the Target Company has not obtained a valuation report or Fairness Opinion regarding the purchase price of the Share Options from a third-party valuation firm.

In addition, all of the Share Options require approval from the board of directors of the Target Company for their acquisition by way of transfer as stipulated in the terms of issuance of the Share Options. Further, the transfer of the Share Options is prohibited under the Share Option allotment agreements. To enable the transfer of the Share Options, the Target Company resolved at a meeting of the board of directors held on March 28, 2025 to provide a blanket approval for the transfer of the Share Options to the Tender Offeror by having the Share Options Holders tender their Share Options in the Tender Offer on the condition that the Tender Offer is successfully completed. The Target Company also resolved to amend the Share Option allotment agreements with the Share Options Holders that wish to transfer their Share Options, allowing for those transfers.

(iv) Outline of Valuation of ADRs

As the purchase price per Target Company Share for the ADS has been determined to be 3,300 yen, the same as the Tender Offer Price, the Target Company has not obtained a valuation report or Fairness Opinion regarding the purchase price per Target Company Share for the ADS from a third-party valuation firm.

(III) Advice From an Independent Law Firm Obtained by the Target Company

To ensure fairness, objectivity, and appropriateness in the decision-making process of the board of directors of the Target Company regarding the Transaction, including the Tender Offer, the Target Company appointed Nagashima Ohno & Tsunematsu as an external legal advisor that is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company. The Target Company has received necessary legal advice from that law firm concerning the decision-making methods and processes of the board of directors of the Target Company, including the procedures for the Transaction, and other points that should be noted. Nagashima Ohno & Tsunematsu is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company, and has no material interest in the Tender Offer. The compensation to be paid to Nagashima Ohno & Tsunematsu is calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and does not include any success fee contingent upon the successful completion of the Transaction. The Strategic Special Committee has confirmed that there are no issues with the independence or expertise of the legal advisor appointed by the Target Company.

(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee

A. The March 28, 2025 Report

(i) Background to Establishment

As described in “(ii) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” above, the Target Company believes that, in evaluating management options for long-term enhancement of its corporate value, it is essential to ensure the fairness and transparency of such evaluation process. Furthermore, if the Target Company were to decide to be taken-private, it would also consider doing so through a Management Buyout (MBO), on the assumption that such a transaction would involve a squeeze-out procedure. Accordingly, by resolution of the board of directors at its meeting held on July 30, 2024, the Target Company established the Strategic Special Committee, which is recognized as independent from the Tender Offeror, its other affiliated companies and other parties specified in the Enforcement Regulations, as well as from the success or failure of the Transaction, composed of five of the Target Company’s outside directors (Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiro Teramoto, and Mr. Hajime Nakai). The members of the Strategic Special Committee are expected to receive compensation for their services as committee members, in addition to their regular compensation as directors. However, such compensation is fixed and payable regardless of the content of its report, thereby ensuring the independence of the members of the Strategic Special Committee from the outcome of the Transaction. Subsequently, following Mr. Eto’s expression of his intention to pursue the take-private of the Target Company through a Management Buyout (MBO) at the Strategic Special Committee, and given that the proposal for the Transaction is being developed on the basis of a Management Buyout (MBO), the board of directors of the Target Company, at its meeting held on January 30, 2025, resolved to consult the Strategic Special Committee on the following matters (collectively, “Matters for Consultation”):

1. The reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the Target Company’s corporate value);
2. The appropriateness of the terms and conditions of the Transaction;
3. The fairness of the procedures related to the Transaction;
4. Whether the Transaction would be disadvantageous to the Target Company’s general shareholders; and
5. Whether the Target Company’s board of directors should express an opinion in support of the Tender Offer and

recommend that the Target Company's shareholders tender in the Tender Offer.

In addition, in referring the Matters for Consultation to the Strategic Special Committee, the Target Company's board of directors also resolved that: (i) in making its decision regarding the Transaction, it would fully respect the Strategic Special Committee's conclusions, and if the Strategic Special Committee determines that the terms of the Transaction are not appropriate and that the board of directors should not approve the Transaction, the board of directors would not approve the Transaction; (ii) the Strategic Special Committee may collect any information necessary to examine the Matters for Consultation (including requiring the attendance of directors, employees, and any other persons it deems necessary to attend its meetings); (iii) at the Target Company's expense, the Strategic Special Committee may independently retain or appoint financial advisors, legal advisors, third-party valuation firms, and any other advisors (and may also seek professional advice from the Target Company's advisors); (iv) the Strategic Special Committee has the authority to negotiate with the Tender Offeror; and (v) the Strategic Special Committee is granted such other authority as is necessary to examine the Matters for Consultation.

(ii) Process of Consideration

The Strategic Special Committee held 17 meetings between July 30, 2024, and March 28, 2025 to deliberate on the Matters for Consultation.

Specifically, the Strategic Special Committee reviewed various materials, including the Share Valuation Report, the Fairness Opinion, the Target Company Press Release, the draft Tender Offer Agreement, and a series of other materials distributed to the Strategic Special Committee in connection with its review of the Transaction and the negotiation of the Tender Offer Price, including the proposal documents received from each Candidate during the Take-Private Process.

In addition, in order to examine the Matters for Consultation, the Strategic Special Committee conducted multiple rounds of interviews with the Target Company regarding the Transaction, during which it confirmed the Target Company's current assessment of its business, the significance and purpose of the Transaction, and the potential impact of the Transaction on the Target Company. The members of the Strategic Special Committee also interviewed Mr. Eto regarding the significance and purpose of the Transaction and the status of discussions with the Candidates during the Take-Private Process.

In addition, the members of the Strategic Special Committee received an explanation from the Target Company regarding the Business Plan, conducted a question-and-answer session, and interviewed J.P. Morgan Securities, from which it received a detailed explanation of the share valuation methods and processes used in the valuation of the Target Company's Shares, as well as the considerations taken into account in such valuation.

Furthermore, in relation to the background of the negotiations on the terms and conditions of the Tender Offer (including the Tender Offer Price), J.P. Morgan Securities and the Target Company provided the Strategic Special Committee with detailed explanations of the content of the Take-Private Process and the status of negotiations between the Target Company and the Candidates in the Take-Private Process. The members of the Strategic Special Committee themselves also took an active role in such negotiations by expressing their views on the negotiations each time an explanation was provided.

Separately, the Strategic Special Committee received explanations from Nagashima Ohno & Tsunematsu, the Target Company's legal advisor, regarding the contemplated structure of the Transaction, the measures implemented in the Target Company's decision-making process to avoid conflicts of interest, and the implementation status of such measures, as well as the status and details of the negotiations on the Tender Offer Agreement. The Strategic Special Committee also received legal advice from Nakamura, Tsunoda & Matsumoto, its legal advisor, on matters such as the manner in which the Strategic Special Committee should be managed.

(iii) Details of Determination

In light of the background above and after careful deliberation and consideration of the Matters for Consultation, on March 28, 2025, the Strategic Special Committee, with the unanimous consent of all committee members, submitted the March 28, 2025 Report to the Target Company's board of directors outlining, in essence, the following:

a) Content of the Report

1. The Transaction will contribute to the enhancement of the Target Company's corporate value, and its purpose is reasonable.
2. The fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementing the Transaction and the adequacy of the consideration) have been ensured.
3. The fairness of the procedures for the Transaction has been ensured.
4. In light of items 1. through 3. above, the decision to implement the Transaction is not considered to be disadvantageous to the Target Company's general shareholders.
5. It is considered reasonable for the Target Company's board of directors to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer.

Although item 5. above reports on the Share Options and ADRs, which are not explicitly stated in the Matters for Consultation, the Strategic Special Committee has determined the details of Matters for Consultation item 5 include the advisability of the Share Option Holders and ADR Holders being recommended to tender, and has therefore reported as such in item 5 as above.

b) Reasons for the Report

1) Reasonable of the Purpose of the Transaction

Based on the following considerations, the Transaction is considered to contribute to the enhancement of the Target Company's corporate value, and its purpose is considered to be reasonable.

- In order to achieve further growth and enhance the Target Company's corporate value, it is necessary to pursue a long-term, sustainable business transformation. However, such transformation may adversely affect the Target Company Group's earnings and cash flow in the short term and may not be fully appreciated by the capital markets, which tend to prioritize short-term performance. Accordingly, in order to accelerate fundamental transformation initiatives, it is also considered reasonable to take the Target Company private, thereby establishing a management structure under which specific shareholders, serving as partners, and management are aligned.
- Among the possible methods of taking the Target Company private, with regard to proceeding under the premise of a Management Buyout (MBO), sophisticated management expertise is particularly important to cultivate new businesses, such as the eye care solutions business, which require the careful management of various risks. Given that Mr. Eto is well-versed in the Target Company's business characteristics, it is believed to be a beneficial option for enhancing the Target Company's corporate value that he remains involved in the Target Company's management post-Transaction and lead the business transformation efforts.
- KKR has expressed its intention to support the Target Company's management policy following the Transaction, which involves protecting the Target Company's strengths as a manufacturer, the source of its corporate value,

while simultaneously pursuing global expansion of its solution business and aiming for sustainable business growth in each sector through appropriate up-front investments and reinvestments for new business creation.

- In addition, as JICC is expected to make an indirect minority investment in the Target Company through the Transaction, the Target Company is also expected to receive ongoing support from JICC for its businesses, including those in the space and defense sectors.
- As for the potential disadvantages associated with the Transaction, they typically include those associated with taking a company private, such as (1) the inability to raise capital through equity financing from the capital markets and (2) the loss of benefits typically enjoyed by listed companies, such as enhanced name recognition and public trust. However, in relation to (1), given the Target Company's current financial situation and related circumstances, it is believed that the Target Company can secure the necessary funding through its internal resources and borrowings from financial institutions. Therefore, at least in the short term, there is no pressing need for equity financing. In relation to (2), given the Target Company's long history as a listed company, it has already established sufficient name recognition and public trust in its relationships with its business partners. Accordingly, the impact of delisting is considered limited. As a result, the benefits expected from implementing the Transaction are considered to outweigh the potential disadvantages.

II) Appropriateness of the Terms and Conditions of the Transaction

Taking into consideration the points set out below, the fairness and appropriateness of the terms and conditions of the Transaction (including its method of implementation and the adequacy of the consideration) are considered to be ensured from the perspective of the Target Company's general shareholders.

A) Ensuring the Status of Negotiations

It is presumed that the agreement on the Transaction was reached as a result of objective and consistent discussions between the Target Company and KKR, equivalent to those between independent parties, with the active involvement of the Strategic Special Committee. No circumstances were found that would call into question the transparency or fairness of the decision-making process.

B) Relationship between the Share Price Valuation and the Tender Offer Price

(a) Business Plan

Given that the valuation results provided by J.P. Morgan Securities, which served as the main source of information in evaluating the fairness and appropriateness of the Tender Offer Price, were based on the Business Plan, the Strategic Special Committee reviewed both (i) the procedures involved in preparing the Business Plan, including confirming that no parties with a conflict of interest in relation to the Transaction were involved in preparing the Business Plan and (ii) the content of the Business Plan, including whether the Business Plan was based on excessively conservative estimates.

In particular, since it is expected that it will take longer for various measures in the Eye Care Business to bear fruit than in the Positioning Business, if plans were made for both businesses for the same period, the future potential of the Eye Care Business may not be properly reflected in the plan, and therefore, in the Business Plan, the Positioning Business runs until the fiscal year ending March 2031, while the Eye Care Business runs until the fiscal year ending March 2033. In this manner, the Business Plan is deemed to set reasonable periods for each business in light of the actual business status and future prospects of the Target Company.

In addition, the Target Company revised its earnings forecast downward for the fiscal year ending March 31, 2025

on January 30, 2025 and also, prior to the commencement of the Final Bidding Procedure, the Business Plan was revised based on the latest performance and future outlook. These revisions reflect a reasonable outlook taking into account current circumstances, such as a slower than expected economic recovery in the Positioning Business in North America and delayed progress in the solutions business for Eye Care Business, a new business. Additionally, the Target Company has reexamined matters that it previously thought could be achieved sooner, because growth is now expected to take longer than initially expected.

In this way, the revisions to Business Plan are timely adjustments that take into account objective progress in business performance, etc., and do not arbitrarily lower the plan or change the content of the business that was anticipated in the Business Plan prior to such revision, and therefore are not considered unreasonable.

In light of the above, the Strategic Special Committee concluded that no arbitrary pressure was exerted by the Tender Offeror in the process of preparing the Business Plan or its content, and that the Business Plan is reasonable.

(b) Calculation Method

According to the question and answer correspondence with the Strategic Special Committee and the explanations regarding the Share Valuation Report provided to J.P. Morgan Securities and the Strategic Special Committee, the average market price method and the DCF method, which are calculation methods used by J.P. Morgan Securities, are calculation methods generally used in calculating the value of shares in transactions of the same type as the Transaction, and there were no unreasonable points in the reasons why J.P. Morgan Securities used each of these calculation methods. Accordingly, there was deemed to be no unreasonable points regarding J.P. Morgan Securities having used each of these calculation methods to calculate the value of the shares of the Target Company.

For the average market share price method, J.P. Morgan Securities used March 27, 2025 as the reference date, based on the closing price on the reference date, the simple average of the closing prices for the most recent one month, the simple average of the closing prices for the most recent three months, and the simple average of the closing prices for the most recent six months. For the average market share price method, it is common to use the closing price on the reference date, the simple average of the closing prices for the most recent one month, the simple average of the closing prices for the most recent three months, and the simple average of the closing prices for the most recent six months, and there was deemed to be no unreasonableness in the calculations made using the average market share price method.

In addition, under the DCF method, J.P. Morgan Securities conducted a sum-of-the-parts analysis by categorizing the businesses of the Target Company Group into the Positioning Business and the Eye Care Business and evaluating the value of each business respectively. As described in (a) above, the Business Plan sets reasonable periods for each business, and as the Eye Care Business, which includes a new solutions business, is different in nature from the Positioning Business, there was deemed to be no unreasonable points regarding the adoption of a sum-of-the-parts analysis.

In the DCF method calculation process, free cash flow is calculated by adding and subtracting general items, and as this is consistent with the financial figures of the Business Plan, it is reasonable. The adoption of WACC as the discount rate, the basis for adopting the risk-free rate, the equity risk premium and the beta value, and the adoption of the perpetual growth method for the going value are also considered to be common methods in practice, and there were deemed to be no unreasonable points.

In light of the above, there was deemed to be no unreasonable points regarding the calculation made by J.P. Morgan Securities.

(c) Share Price Valuation

The value of the Target Company Shares based on each of the calculation methods in the Share Valuation Report prepared by J.P. Morgan Securities is shown in the table below.

Calculation Method	Value per Share
Average market price method	2,319 yen to 3,190 yen
DCF method	2,790 yen to 3,512 yen

As stated above, the Tender Offer Price (3,300 yen per share) is (i) higher than the maximum valuation result calculated using the average market price method and (ii) higher than the mid-range valuation result calculated using the DCF method that represents the intrinsic value of the shares of the Target Company.

(d) Obtaining Fairness Opinion

The Target Company received the Fairness Opinion from J.P. Morgan Securities on March 28, 2025.

In light of the fact that nothing particularly unreasonable was found in the valuation results of the Target Company Shares as calculated by J.P. Morgan Securities, etc., it may be considered for there to be nothing particularly unreasonable in the issuing process or contents of the Fairness Opinion, and the Strategic Special Committee believes that the Fairness Opinion can be assessed positively as a measure to ensure fairness.

(e) Review of Premiums

The Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Target Company Shares on the TSE through December 9, 2024, which is the business day prior to December 10, 2024, December 10, 2024 being the day on which the Take-Private Process Speculative Reports were made.

Reference Price	Share Price	Premium
Closing price on Dec. 9, 2024	1756.5 yen	87.87%
Average closing price for previous 1 month	1,587 yen	107.94%
Average closing price for previous 3 months	1,567 yen	110.59%
Average closing price for previous 6 months	1,608 yen	105.22%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Target Company Shares on the TSE through March 26, 2025, which was the business day prior to March 27, 2025, March 27, 2025 being the day on which the second Take-Private Speculative Reports were made.

Reference Price	Share Price	Premium
Closing price on March 26, 2025	2,970 yen	11.11%
Average closing price for previous 1 month	2,872 yen	14.90%
Average closing price for previous 3 months	2,845 yen	15.99%
Average closing price for previous 6 months	2,306 yen	43.10%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Target Company Shares on the TSE through March 27, 2025 (the “Day Immediately Preceding Tender

Offer Announcement Date”).

Reference Price	Share Price	Premium
Closing price on Day Immediately Preceding Tender Offer Announcement Date	3,190 yen	3.45%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	2,891 yen	14.15%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	2,850 yen	15.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	2,319 yen	42.30%

The premiums in recent cases of the same type that were used for reference (out of the Management Buyout (MBO) cases announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Guidelines for Fair M&A - Towards Improving Corporate Value and Securing Shareholder Profits,” and March 17, 2025, 74 cases were successfully concluded) by the Strategic Special Committee are as follows.

Premium	Average Value	Median Value
Closing price on Day Immediately Preceding Tender Offer Announcement Date	46.56%	41.97%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	49.68%	44.20%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	52.21%	45.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	52.17%	47.28%

In light of the above, although the premium on the Tender Offer Price based on the day immediately prior to the announcement is lower than the premium levels of recent similar cases, the impact of the second Take-Private Process Speculative Reports should not be overlooked given the trend in the Target Company's share price, and since the premium on the Tender Offer Price based on the business day immediately prior to the date of the first speculative reports is significantly higher than the average and median of recent similar cases, it was deemed that the Tender Offer Price includes a sufficient premium compared to similar cases.

(f) Advantages over other Candidates

The Transaction was selected from among the proposals received from several potential candidates after undergoing the Take-Private Process, which is a bidding procedure. None of the other candidates made a final proposal for the Transaction with a Tender Offer Price that was higher than in the proposal from KKR.

Accordingly, implementation of the Transaction by the Target Company is considered as being the selection of the most favorable terms for the ordinary shareholders of the Target Company from among the options that could realistically be adopted by the Target Company.

C) Reasonableness of Scheme, etc.

In the Transaction, the Tender Offer, which will use cash as consideration, is planned as the first step, followed by a

squeeze-out through a securities cash-out demand or a share consolidation as the second step after completion of the Tender Offer. This transaction scheme, including the cash consideration, is common in Management Buyouts (MBOs) sponsored by investment funds and does not harm the interests of the general shareholders of the Target Company. In addition, as a result of considering the main issues under the Tender Offer Agreement (including the conditions precedent to the commencement of the Tender Offer) based on the advice of Nagashima Ohno & Tsunematsu and of Nakamura, Tsunoda & Matsumoto, it was confirmed that the Tender Offer Agreement did not contain any agreement that would harm the interests of the general shareholders, and that there were no unreasonable points in executing the Transaction based on the Tender Offer Agreement.

In the Transaction, it is planned that Mr. Eto will subscribe for the shares of the Tender Offeror Parent Company after the Transaction, and make the Reinvestment within the amount of consideration he receives for tendering in the Tender Offer. The valuation of the Target Company Shares, which is the basis for determining the price per share of the Tender Offeror Parent Company in the Reinvestment, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price. The issuance of shares at a valuation lower than the Tender Offer Price, is not planned. Considering that the Transaction is an MBO, it was deemed reasonable for Mr. Eto to make the Reinvestment after the Transaction, and from the perspective of ensuring the interests of general shareholders, the Reinvestment is not expected to result in an unfair transfer of value to Mr. Eto, and that there are no unreasonable points in the terms of the Reinvestment.

Based on these considerations, the Transaction scheme can be said to be reasonable.

D) Reasonableness of Share Option Purchase Price

Since the Share Option Purchase Price was determined to be the difference between (i) the Tender Offer Price of 3,300 yen and the exercise price per Target Company Share for each Share Option (ii) multiplied by the number of Target Company Shares to be issued upon exercise of each such Share Option, for the same reasons as for the Tender Offer Price, the Share Option Purchase Price is considered to have been determined after the interests of the Share Option Holders had been sufficiently considered.

E) Reasonableness of the Purchase Price for the ADS

In addition, the ADS represented by ADRs are also subject to the Tender Offer. As the purchase price for the ADS has been set at 3,300 yen, the same as the Tender Offer Price, the Strategic Special Committee considers that for the same reasons as the Tender Offer Price, the purchase price for the ADS is considered to have been determined after the interests of the ADR Holders had been sufficiently considered.

III) Fairness of Transaction Procedures

Based on the fact that the following measures have been taken for the Transaction and that these measures have actually been effectively implemented, it is considered that the fairness of the procedures related to the Transaction has been ensured, and sufficient consideration has been given to the interests of the general shareholders of the Target Company through fair procedures in the Transaction.

A) Establishment of Special Strategic Committee

The Target Company has established a Strategic Special Committee, which is recognized as independent from the Tender Offeror, its other affiliated companies and other parties specified in the Enforcement Regulations, as well as from the success or failure of the Transaction, which consists of five (5) independent outside directors of the Target Company. Each member is independent from the Target Company in light of the criteria for independence of outside directors of the Target Company, none of them has any material conflict of interest with any of the Candidates, including KKR, and each member is considered to be independent from all of the Candidates, including KKR. In addition, not only does each member have considerable knowledge of the business activities of the Target Company as outside directors of the Target Company, they also have abundant experience and deep insight in various fields, and therefore,

each of them is considered to have expertise and qualifications to consider the Matters for Consultation.

The members of the Strategic Special Committee are expected to receive, in addition to their regular executive compensation, compensation for their duties as members of the committee, but since the compensation for their duties as members of the committee is a fixed amount and will be paid regardless of the content of its report, the independence of the members of the Strategic Special Committee from the success or failure of the Transaction is also ensured.

The Strategic Special Committee (i) received advice from the legal advisor of the Strategic Special Committee, Nakamura, Tsunoda & Matsumoto, and the legal advisor of the Target Company, Nagashima Ohno & Tsunematsu, from a legal perspective on decision-making processes regarding the Transaction and operating procedures of the Strategic Special Committee; (ii) received explanations from the Target Company regarding the Business Plan and engaged in question-and-answer activities regarding the same; (iii) received a letter of intention and other proposals from each of the Candidates and, at Strategic Special Committee meetings, engaged in question-and-answer activities with Mr. Eto regarding the purpose of the Transaction and his view on the proposals from each of the Candidates; (iv) received explanations from the Target Company regarding its view on the purpose of the Transaction and related matters and engaged in question-and-answer activities regarding the same; (v) received reports from the third-party valuation firm of the Target Company, J.P. Morgan Securities, on both the share valuation report on the Target Company Shares and the Fairness Opinion, and engaged in question-and-answer activities regarding the same; and (vi) received explanations on the March 28, 2025 Target Company Press Release regarding the Transaction and drafts of the Tender Offer Agreement from the legal advisor of the Target Company, Nagashima Ohno & Tsunematsu, engaged in question-and-answer activities regarding the same, and has obtained sufficient information.

Furthermore, with respect to negotiations regarding the Tender Offer Price and other matters relating to the Tender Offer, the Strategic Special Committee receives information that is shared timely regarding the details of tender offer price proposals from each of the Candidates, including KKR, and the status of negotiations. The Strategic Special Committee then deliberates and examines the details thereof, taking into account opinions received from J.P. Morgan Securities, and together with approving the negotiation position and strategy regarding such tender offer price related matters after engaging in internal discussions in advance, provides its opinion on important issues to be discussed in the negotiations, and issues specific instructions and/or requests, etc. In such ways, the Strategic Special Committee is substantively involved in the negotiation process regarding the transactional terms and conditions of the Transaction.

B) Target Company Decision-Making Processes

From the perspective of avoiding any suspicion of conflict of interest, among the directors, Mr. Eto has not participated in any deliberations or resolutions of the directors of the Target Company in connection with the Transaction, including non-participation in the deliberations and resolutions to occur at the above referred to board of directors meetings, nor has he participated in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

C) Obtaining Professional Advice from External Experts

(a) Obtaining Advice from Legal Advisors

The Strategic Special Committee has appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR, and the related parties of the Target Company, and has received advice, including legal advice on measures to be taken in the Transaction to confirm the fairness, objectivity, and reasonableness of procedures, the various procedures of the Transaction, and the Target Company decision-making process and procedures regarding the Transaction.

In addition, in order to ensure the fairness, objectivity and appropriateness of the decision-making processes of the board of directors of the Target Company for the Transaction, including the Tender Offer, the Target Company has

appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR and the related parties of the Target Company and has received from this firm necessary legal advice on the decision-making process and procedures of the board of directors, including various procedures and other points to be noted in connection with the Transaction.

(b) Obtaining Share Valuation Report and Fairness Opinion from Third-Party Valuation Firm

In expressing its opinion on the Transaction, including the Tender Offer, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transaction including the Tender Offer, the Target Company obtained the Share Valuation Report on the share value of the Target Company Shares from the financial advisor of the Target Company, J.P. Morgan Securities, as well as the Fairness Opinion from J.P. Morgan Securities, which states that the Tender Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial point of view.

The Strategic Special Committee approved J.P. Morgan Securities as the financial advisor and third-party valuation firm of the Target Company after confirming the independence, expertise and track record of J.P. Morgan Securities, and received explanations on the expert advice provided by J.P. Morgan Securities to the Target Company as necessary regarding price and other similar negotiations as necessary.

D) Market Checks

(a) Implementation of the Take-Private Process

In considering the Transaction, on the advice of the Strategic Special Committee, the Target Company has conducted so-called active market checks (including bidding procedures prior to the announcement of the Transaction) to investigate and consider whether there are potential buyers in the market. Through the bidding process, the Target Company has endeavored to foster and maintain a competitive environment among potential buyers by receiving proposals from multiple potential buyers and proceeding with negotiations while comparing and considering these proposals. Therefore, it can be said that a so-called active market check has been conducted to investigate and consider whether there are any potential buyers in the market.

(b) Tender Offer Period and Transaction Protection Provisions

The Tender Offer Period is, in principle, scheduled to be set at 30 business days, which is longer than the statutory minimum period. In addition, as it will take approximately 4 months between the announcement of the planned commencement of the Tender Offer and the actual commencement of the Tender Offer, it is recognized that there is a reasonable opportunity for competing takeover offers to be made by other potential acquirers.

In addition, although the Target Company and Tender Offeror have agreed to certain transaction protection clauses under the Tender Offer Agreement (including provisions regarding penalties in the event of breach of obligations by the Target Company), (i) in the case that a third-party commences a tender offer with a purchase price higher than the Tender Offer Price ("Counter Tender Offer"), the Target Company will not be prevented from providing information, discussing, negotiating or reaching an agreement with such third-party in connection with the Competing Tender Offer, and (ii) if the Target Company receives a bona fide proposal in writing from a third-party for a Counter Tender Offer that is reasonably deemed to be superior to the Transaction, the Target Company will not be prevented from providing the minimum amount of information necessary to such third-party, or discussing, negotiating, or reaching an agreement with such third-party. In addition, the Tender Offer Agreement provides that (i) if a Competing Tender Offer is commenced by a third-party (including a tender offer that has already commenced which meets the requirements for a Competing Tender Offer; the same shall apply hereinafter), or if the Target Company receives a legally-binding proposal for a Competing Tender Offer, the Target Company may request discussions with the Tender Offeror regarding an increase to the Tender Offer Price, and (ii) if the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than the tender offer price in the Counter Tender Offer within a certain period of time, the Target

Company will be relieved of its obligation to maintain the Tender Recommendation Opinion for the Tender Offer. In addition, if the tender offer price in the Counter Tender Offer exceeds the Tender Offer Price by 5% or more, and the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than such tender offer price in the Counter Tender Offer within a certain period of time, the Target Company will be relieved of its obligation to maintain the Supporting Opinion, provided that it is reasonably recognized, based on the opinion of the Strategic Special Committee or other reasonable grounds, that the expressing or maintaining of the Supporting Opinion for the Tender Offer would raise specific concerns of the directors of the Target Company breaching their duty of care.

In light of the above, it was deemed that the transaction protection clause in the Tender Offer does not prevent discussions with competing offerors in the event that such competing offers commence a Counter Tender Offer, or makes a bona fide proposal for such a Counter Tender Offer, and that it also enables the Target Company to change its opinion regarding the Tender Offer under certain conditions if the Tender Offeror does not agree to an increase to the Tender Offer Price if a Counter Tender Offer is commenced or a bona fide proposal for such a Counter Tender Offer is made. Therefore, such transaction protection clause was deemed not to be unreasonable, or to excessively restrict the implementation of an indirect market check.

E) Majority of Minority

The minimum number of shares to be purchased in the Tender Offer will be set at 52,861,519 shares and will be publicly announced. Such minimum number of shares to be purchased will exceed the majority (52,721,022 shares, which is the number corresponding to the so-called “majority of minority”) of the Total Shares Outstanding on a Fully Diluted Basis (105,512,097 shares), less the number of shares in the Target Company held by Mr. Eto (70,054 shares) (such amount being 105,442,043 shares).

Therefore, it is recognized that the Tender Offer provides general shareholders with an opportunity to make a decision that is substantially equivalent to the case where a majority of minority condition is set.

F) Enrichment of Information Provided to General Shareholders and Improvement in the Transparency of Processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the Target Company Press Release at the time of commencement of the Tender Offer is expected to disclose substantial information regarding the process, etc. that led to the implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Target Company’s directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Target Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

G) Considerations to Prevent Coercion

In the Transaction, it is planned that the Target Company be requested to hold an extraordinary shareholders’ meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of the Share Cash-out Demand or Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered in the Tender Offer, and it is planned that this will be disclosed in the Target Company

Press Release at the time of commencement of the Tender Offer.

In addition, in the case where a Securities Cash-out Demand is implemented, it will be ensured that the Target Company's shareholders and Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Target Company's shareholders will have the right to demand the Target Company purchase their shares and the accompanying right to file a petition with the court to determine the price.

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,519 shares (Ownership Ratio: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Target Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Target Company with transfer restrictions that have been granted to the Target Company's directors and the number of shares held by passive index management funds, whose holders are expected to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even though they will not tender their shares in the Tender Offer. If the Tender Offer successfully takes place, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is thought that problem of coercion has been avoided.

Therefore, it can be said that consideration has given to avoid coercion in this Transaction.

IV) Items 4 and 5 of the Matters for Consultation

As stated above, the Transaction will contribute to the improvement of the Target Company's corporate value, and the purpose of the Transaction is deemed reasonable; the fairness and appropriateness of the terms and conditions of the Transaction are deemed secured; and sufficient consideration is given to the interests of the Target Company's general shareholders through fair procedures in the Transaction. As such, it is considered that it is not disadvantageous to the general shareholders of the Target Company for the board of directors of the Target Company to support the Tender Offer and to decide to give an opinion to recommend that the shareholders of the Target Company and the Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer. In addition, it is considered that it is not disadvantageous to the general shareholders (i.e., the minority shareholders) of the Target Company for the board of directors of the Target Company to decide to implement the Squeeze-Out Procedure in order to make the Tender Offeror the only shareholder of the Target Company after the completion of the Tender Offer. For the same reasons as those stated above, it is also considered reasonable for the board of directors to express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer with respect to item 5 of the Matters for Consultation.

B. The April 16, 2025 Supplemental Report

(i) Background of Deliberations

In delivering the Supplemental Report, the Strategic Special Committee held a meeting on April 16, 2025, with all five members present and deliberating.

In doing so, the Strategic Special Committee examined (i) the draft of the press release dated April 16, 2025 regarding partial amendments to the Target Company Press Release as of the date of preparation of the April 16, 2025

Supplemental Report, (ii) materials relating to the Transaction from March 28, 2025, the date on which the Transaction was announced (the "Announcement Date") until the date of preparation of the April 16, 2025 Supplemental Report (including reporting materials submitted by KKR), and other materials reported to the Strategic Special Committee (the "Reference Documents").

(ii) Details of the Decision

Under the above background, on April 16, 2025, the Strategic Special Committee submitted to the Target Company's board of directors, by the unanimous vote of the committee members, the April 16, 2025 Supplemental Report, whose content is outlined below.

a) Contents of the Report

There is no change to the opinion of the Strategic Special Committee after the submission of the March 28, 2025 Report, even after considering the circumstances that have arisen until the date of preparation of the April 16, 2025 Supplemental Report.

b) Reasons for the Supplemental Report

I) Reasonableness of the Purpose of the Transaction

Considering the following points, there are no circumstances that would change the content of the report in the March 28, 2025 Report regarding the reasonableness of the purpose of the Transaction, including whether the Transaction will contribute to the enhancement of the Target Company's corporate value.

- With respect to the structure of the Transaction, VAC will tender all of its Target Company Shares in the Tender Offer, and it is intended that VAC will make a new investment in the KKR Fund.
- The reason that VAC will make the LP Interest Acquisition in the KKR Fund is that VAC has held the Target Company Shares over a medium- to long-term period, and as it is considered to have a certain degree of insight about the Target Company's business and measures to increase its corporate value, it would be able to share such insight with KKR. However, the equity interest to be acquired by VAC through the LP Interest Acquisition is a limited partner interest in the KKR Fund, and VAC will not acquire voting rights in the Tender Offeror Parent Company, the Tender Offeror, or the Target Company, and it is not intended that VAC will dispatch directors to the Tender Offeror Parent Company, the Tender Offeror, or the Target Company. Accordingly, it is not expected that VAC will be involved in the decision-making of the Target Company after the completion of the Transaction. There would be no change to the support provided by KKR and the continued support of JICC that are envisaged after the Transaction, and even if the LP Interest Acquisition is implemented, there would be no change in the assumptions regarding the enhancement of the Target Company's corporate value that is envisaged after the Transaction, which is an MBO. Therefore, there are no circumstances that should change the judgment of the Strategic Special Committee in the March 28, 2025 Report.
- VAC's tender in the Tender Offer can be evaluated as increasing the certainty of the Transaction contributing to the enhancement of the Target Company's corporate value.
- There have been no new circumstances that have arisen since the Announcement Date that would reduce the value of the Target Company's business.

II) Appropriateness of the Terms and Conditions of the Transaction

Considering the following points, there are no circumstances that would change the content of the report in the March 28, 2025 Report, and it can be said that the fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementation of the Transaction and the appropriateness of the consideration) continue to be secured, from the perspective of the Target Company's general shareholders.

- With respect to the appropriateness of the terms and conditions of the Transaction, the Target Company currently has no plans to change the Business Plan, nor has it updated the Share Valuation Report prepared by J.P. Morgan Securities based on the Business Plan. In this regard, given that no circumstances that could have a material impact on the value of the Target Company's business have occurred since the Announcement Date, there is no need to make any changes to the Business Plan, nor is there any need to update the Share Price Valuation Report.
- The Fairness Opinion obtained by the Target Company from J.P. Morgan Securities is maintained as of the date of submission of the April 16, 2025 Supplemental Report.
- In addition to the above, it can be said that (i) the valuation of the Target Company Shares, which is the premise for determining the amount to be paid for the limited partner interest of the KKR Fund in the LP Interest Acquisition, is intended to be set at 3,300 yen, which is the same price as the Tender Offer Price, and the tender in the Tender Offer and LP Interest Acquisition do not constitute a transaction that gives to VAC benefits that differ from those of Target Company's minority shareholders, and (ii) the Target Company's market share price has remained below the Tender Offer Price from the Announcement Date until the date of submission of the April 16, 2025 Supplemental Report, and there have been no circumstances requiring special consideration regarding the appropriateness of the Tender Offer Price relative to the market share price.

III) Fairness of Transaction Procedures

With regard to securing the interests of general shareholders through the implementation of fair procedures in the Transaction, as the minimum number of shares to be purchased in the Tender Offer is set at 52,861,519 shares, and since such minimum number of shares to be purchased exceeds the majority of the number of shares obtained by deducting the number of Target Company Shares held by Mr. Eto from the Total Shares Outstanding on a Fully Diluted Basis, in the March 28, 2025 Report, it was decided that the same opportunity to make a decision is secured as in the case where a majority of minority condition is effectively set.

In this regard, since the LP Interest Acquisition is newly planned, VAC will fall under the category of a shareholder that shares a material common interest with KKR, the acquirer. Considering the number of Target Company Shares held by VAC (15,425,800 shares; Ownership Ratio: 14.62%), as the minimum number of shares to be purchased in the Tender Offer is not changed, the minimum number of shares to be purchased in the Tender Offer will be lower than the level that satisfies the majority of minority condition.

However, in the M&A Guidelines, concerns have been raised about the hindering effect on M&A transactions that contribute to the enhancement of corporate value in cases where the ratio of shares of the target company held by the acquirer is high. Although the Transaction is different from an acquisition of a subordinate company by a controlling shareholder, it cannot be completely denied that, in the Transaction, there is a possibility that raising the number of shares to be purchased in the Tender Offer to a level that satisfies the majority of minority condition could impede opportunities for general shareholders to sell Target Company Shares at a fair and reasonable price.

Also, in the Transaction, it can be concluded that there have been no changes made to any of the following fairness assurance measures as of the date of preparation of the April 16, 2025 Supplemental Report, which continue to function effectively: (i) the establishment of the Strategic Special Committee, (ii) the decision-making process of the Target Company, (iii) the obtaining of professional advice from outside experts, (iv) market checks, (v) the enhancement of the provision of information to general shareholders and the transparency of processes, and (vi) the considerations that are made to avoid coercion. Therefore, it can be said that, even if a majority of minority condition is not set, it is supplemented by other comprehensive fairness assurance measures, and the fairness of the terms and conditions of the transaction is secured as a whole.

In light of the above, no circumstances that should change the content of the report set forth in the March 28, 2025

Report with respect to securing the interests of general shareholders through fair procedures implemented in the Transaction have been found.

C. The July 28, 2025 Supplemental Report

(i) Background of Deliberations

In delivering the supplemental opinion, the Strategic Special Committee held a meeting on July 28, 2025, with all five members present and deliberating.

In doing so, the Strategic Special Committee examined (i) the draft of the July 28, 2025 Target Company Press Release as of the date of preparation of the July 28, 2025 Supplemental Report, and (ii) materials relating to the Transaction from the date of preparation of the April 16, 2025 Supplemental Report until the date of preparation of the July 28, 2025 Supplemental Report, and other materials reported to the Strategic Special Committee.

(ii) Details of the Decision

Under the above background, on July 28, 2025, the Strategic Special Committee submitted to the Target Company's board of directors, by the unanimous vote of the committee members, the July 28, 2025 Supplemental Report, whose content is outlined below.

a) Confirmation of Matters for Consultation

The Matters for Consultation on which the Strategic Special Committee was consulted by the board of directors of the Target Company, as set forth in the March 28, 2025 Report, are as below. In light of the partial amendments to the Securities Listing Regulations of the TSE (in relation to matters to be complied with in connection with MBOs, etc.; the "Regulatory Amendments") that came into effect on July 22, 2025, the July 28, 2025 Supplemental Report provides that, among the Matters for Consultation, Matter for Consultation 2, previously described as "the appropriateness of the terms and conditions of the Transaction" should be read as "the fairness of the terms and conditions of the Transaction," and Matter for Consultation 4, previously described as "whether the Transaction would be disadvantageous to the Target Company's general shareholders" should be read as "whether the Transaction would be fair to the Target Company's general shareholders."

1. The reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the Target Company's corporate value)
2. The fairness of the terms and conditions of the Transaction;
3. The fairness of the procedures related to the Transaction;
4. Whether the Transaction would be fair to the Target Company's general shareholders; and
5. Whether the Company's board of directors should express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer.

b) Contents of the Report

After considering the circumstances arising from the submission of the March 28, 2025 Report through the date of preparation of the July 28, 2025 Supplemental Report, the Strategic Special Committee determined that there is no need to amend the contents of the March 28, 2025 Report and the April 16, 2025 Supplemental Report. Therefore, the Strategic Special Committee provided its opinion as follows:

1. The Transaction will contribute to the enhancement of the Target Company's corporate value, and its purpose is reasonable.

2. The fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementation and the appropriateness of the consideration) have been ensured.
3. The fairness of the procedures for the Transaction has been ensured.
4. In light of Items 1. through 3. above, the decision to implement the Transaction is considered to be fair to the Target Company's general shareholders.
5. It is considered reasonable for the Target Company's board of directors to express its opinion in support of the Tender Offer, to recommend that the Target Company's shareholders and the Share Option Holders tender their shares and options in the Tender Offer, and in relation to the ADR Holders, to recommend that they deliver their ADRs to the Depository Bank in advance and receive the Target Company Shares related to the ADSs represented by the ADRs and tender their ADSs in the Tender Offer.

It should be noted that, although the recommendation in relation to the Share Options and the ADRs in Item 5. above was not expressly included in the Matters for Consultation, the Strategic Special Committee determined that whether to recommend that the Share Option Holders and the ADR Holders tender in the Tender Offer constitutes a sub-item of Item 5. of the Matters for Consultation, and therefore, included such in Item 5. above.

c) Reasons for Supplemental Report

D) Circumstances Arising Following the Announcement of the Transaction

First, after the Transaction was announced on March 28, 2025 ("Announcement Date"), certain changes to the structure of the Transaction (including the execution of the Tender Offer Agreement (VAC) and the planned LP Interest Acquisition) were announced on April 16, 2025. In response, the Strategic Special Committee, after considering the circumstances arising from the Announcement Date through April 16, 2025, and, as stated in the April 16, 2025 Supplemental Report, determined that there is no change to its opinion expressed in the March 28, 2025 Report.

Subsequently, following the submission of the April 16, 2025 Supplemental Report, the circumstances described below have arisen.

- Since the submission of the April 16, 2025 Supplemental Report, the following new agreements have been entered into in relation to the structure of the Transaction:
 - Management Services Agreement
 - Shareholders Agreement
 - Amendment dated June 3, 2025 adding a party to the Tender Offer Agreement (VAC)
 - LP Interest Acquisition Agreement (VAC)
- Except for the partial amendment to the structure of the Transaction disclosed on April 16, 2025, the execution of each of the agreements described above, and the change in the minimum number of shares to be purchased in the Tender Offer due to the change in the number of treasury shares held by the Target Company (from 52,861,561 shares to 52,861,519 shares), there are no changes to the terms and conditions of the Transaction. In particular, there is no change to the Tender Offer Price.
- Since the submission of the April 16, 2025 Supplemental Report, the Tender Offeror has proceeded with the necessary procedures and actions under domestic and foreign competition laws and laws related to inward direct investment. No particular issues that would hinder the execution of the Transaction have arisen. In addition, the Clearance Acquisition, excluding the Unobtained Clearance is expected to be completed by July 29, 2025, and all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of

the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance.

- No events that could have a significant impact on the business value of the Target Company have occurred between the date of submission of the April 16, 2025 Supplemental Report, and the date of submission of the July 28, 2025 Supplemental Report.
- The consolidated financial results of the Target Company for the fiscal year ended March 2025 exceeded the consolidated financial forecasts announced by the Target Company on January 30, 2025. However, even taking into account the results for the fiscal year ended March 2025, the Target Company currently has no plans to revise, and has determined it unnecessary to revise, the Business Plan for the fiscal year ending March 2026 and beyond (the Positioning Business is planned through the fiscal year ending March 2031, and the Eye Care Business is planned through the fiscal year ending March 2033), which served as the basis for the calculations by J.P. Morgan Securities.
- From the date of submission of the April 16, 2025 Supplemental Report until the date of submission of the July 28, 2025 Supplemental Report, the market price of the shares of the Target Company has been trading below the Tender Offer Price. Additionally, no events have occurred that would cast doubt on the fairness of the Tender Offer Price, such as counterproposals offering a higher purchase price or other circumstances.

II) Reasonableness of the Purpose of the Transaction

The Management Services Agreement is an agreement with the same terms and conditions as the previously executed Agreement (Mr. Eto) dated March 28, 2025 and the Shareholders Agreement is also an agreement with the same terms and conditions as the previously executed Agreement (JICC) dated March 28, 2025. Additionally, with respect to provisions that affect the Target Company, the Amendment to the Tender Offer Agreement (VAC) and the LP Interest Acquisition Agreement (VAC) do not differ from the previously executed Tender Offer Agreement (VAC) dated April 16, 2025. Further, since the announcement of the Transaction on the Announcement Date, as the Target Company is proceeding with the various activities towards implementation of the Transaction, no new events have occurred that would reduce the business value of the Target Company, and there are no circumstances that would require a change to the opinions stated in the March 28, 2025 Report regarding the reasonableness of the purpose of the Transaction, including whether the Transaction contributes to enhancement of the corporate value of the Target Company. Therefore, as set forth in the below reasons stated in the March 28, 2025 Report and the April 16, 2025 Supplemental Report, and also as of the present date of the July 28, 2025 Supplemental Report, the Transaction is deemed to contribute to the enhancement of the corporate value of the Target Company, and its purpose is deemed reasonable.

- In order to achieve further growth and enhance the Target Company's corporate value, it is necessary to pursue a long-term, sustainable business transformation. However, such transformation may adversely affect the Target Company Group's earnings and cash flow in the short term and may not be fully appreciated by the capital markets, which tend to prioritize short-term performance. Accordingly, in order to accelerate fundamental transformation initiatives, it is also considered reasonable to take the Target Company private, thereby establishing a management structure under which specific shareholders, serving as partners, and management are aligned.
- Among the possible methods of taking the Target Company private, with regard to proceeding under the premise of a Management Buyout (MBO), sophisticated management expertise is particularly important to cultivate new businesses, such as the eye care solutions business, which require the careful management of various risks. Given that Mr. Eto is well-versed in the Target Company's business characteristics, it is believed to be a beneficial

option for enhancing the Target Company's corporate value that he remains involved in the Target Company's management post-Transaction and lead the business transformation efforts.

- KKR has expressed its intention to support the Target Company's management policy following the Transaction, which involves protecting the Target Company's strengths as a manufacturer, the source of its corporate value, while simultaneously pursuing global expansion of its solution business and aiming for sustainable business growth in each sector through appropriate up-front investments and reinvestments for new business creation.
- In addition, as JICC is expected to make an indirect minority investment in the Target Company through the Transaction, the Target Company is also expected to receive ongoing support from JICC for its businesses, including those in the space and defense sectors.
- As for the potential disadvantages associated with the Transaction, they typically include those associated with taking a company private, such as (1) the inability to raise capital through equity financing from the capital markets and (2) the loss of benefits typically enjoyed by listed companies, such as enhanced name recognition and public trust. However, in relation to (1), given the Target Company's current financial situation and related circumstances, it is believed that the Target Company can secure the necessary funding through its internal resources and borrowings from financial institutions. Therefore, at least in the short term, there is no pressing need for equity financing. In relation to (2), given the Target Company's long history as a listed company, it has already established sufficient name recognition and public trust in its relationships with its business partners. Accordingly, the impact of delisting is considered limited. As a result, the benefits expected from implementing the Transaction are considered to outweigh the potential disadvantages.
- The reason that VAC will make the LP Interest Acquisition is that VAC has held the Target Company Shares over a medium- to long-term period, and as it is considered to have a certain degree of insight about the Target Company's business and measures to increase its corporate value, it would be able to share such insight with KKR. However, the equity interest to be acquired by VAC through the LP Interest Acquisition is a limited partner interest in the KKR Fund, and VAC will not acquire voting rights in the Tender Offeror Parent Company, the Tender Offeror, or the Target Company, and it is not intended that VAC will dispatch directors to the Tender Offeror Parent Company, the Tender Offeror, or the Target Company. Accordingly, it is not expected that VAC will be involved in the decision-making of the Target Company after the completion of the Transaction. There would be no change to the support provided by KKR and the continued support of JICC that are envisaged after the Transaction, and even if the LP Interest Acquisition is implemented, there would be no change in the assumptions regarding the enhancement of the Target Company's corporate value that is envisaged after the Transaction, which is an MBO.

III) Fairness of the Terms and Conditions of the Transaction

Regarding the fairness of the terms and conditions of the Transaction, currently, the Target Company has no plans to change the Business Plan, and no updates have been made to the Valuation Report prepared by J.P. Morgan Securities based on the Business Plan. Since no events that could have a significant impact on the business value of the Target Company have occurred since the Announcement Date, there is no need to change the Business Plan or update the Valuation Report. Further, since the Fairness Opinion obtained by the Target Company from J.P. Morgan Securities remains unchanged and in effect as of the date of submission of the July 28, 2025 Supplemental Report, there are no circumstances that would require a change to the opinions stated in the March 28, 2025 Report. Therefore, in relation to the fairness of the terms and conditions of the Transaction, as the result of conducting a comprehensive review and assessment of the Regulatory Amendments, including the circumstances that served as the basis for the opinions stated

in the March 28, 2025 Report and the April 16, 2025 Supplemental Report, as of the date of submission of July 28, 2025 Supplemental Report, the terms and conditions of the Transaction (including the method of implementing the Transaction and the appropriateness of the consideration) are fair and reasonable from the perspective of the general shareholders for the following reasons.

A) Points of View Regarding the Fairness of the Terms and Conditions

Considering the various circumstances described in item B and the other items below, the Tender Offer Price is at a level that allows minority shareholders to enjoy an appropriate portion of “a value that cannot be realized without an M&A transaction” as described in the Fair M&A Guidelines, in addition to the stand-alone basis share value which presupposes that the Transaction does not occur (i.e., the value of the shares of the Target Company as of the present time).

B) Negotiation Process

The agreement reached in the Transaction is presumed to have been decided as a result of objective and consistent discussions equivalent to those between independent parties held between the Target Company and the KKR, conducted under the active involvement of the Strategic Special Committee, and there were no circumstances that would cast doubt on the transparency or fairness of the decision-making process. More specifically, the Strategic Special Committee did the following: (i) at the meeting of the Strategic Special Committee held on July 30, 2024, it approved the implementation of a bidding process in connection with the Transaction, and subsequently reviewed the proposals submitted by each candidate during the delisting process from the perspective of further enhancing the Target Company’s corporate value and maximizing the interests of the Target Company’s shareholders; (ii) in January 2025, it approved the implementation of the final bidding process on the premise of taking the Target Company private based on a management buyout (MBO); (iii) it comprehensively compared and evaluated the proposals submitted in the final bidding process (in conducting such comparison and evaluation, it did not take the proposals of the final candidates as a given, and it conducted question-and-answer sessions with the Target Company and Mr. Eto regarding the feasibility and reasonableness of the proposals submitted by the final candidates, as well as the accuracy of their understanding of the Target Company’s business, and it also conducted critical verifications), and taking into account that the KKR’s proposed price of 3,300 yen per share of the Target Company Shares is higher than that of other final candidates, on March 3, 2025, it approved the selection of the KKR as the final candidate, and the granting of an exclusive negotiation period until March 21, 2025; and (iv) during the exclusive negotiation period, it continued to consider the implementation of the Transaction through discussions regarding the terms of the Tender Offer Agreement, among other matters, and at the Strategic Special Committee meeting held on March 28, 2025, it submitted a report stating that it believes that the decision to proceed with the Transaction is not detrimental to the interests of the Target Company’s general shareholders, including the fairness of the Transaction terms.

C) Relationship between the Share Price Valuation and the Tender Offer Price

(a) Business Plan

Given that the valuation results provided by J.P. Morgan Securities, which served as the main source of information in evaluating the fairness and appropriateness of the Tender Offer Price, were based on the Business Plan, the Strategic Special Committee reviewed both (i) the procedures involved in preparing the Business Plan, including confirming that no parties with a conflict of interest in relation to the Transaction were involved in preparing the Business Plan and (ii) the content of the Business Plan, including whether the Business Plan was based on excessively conservative estimates.

In particular, since it is expected that it will take longer for various measures in the Eye Care Business to bear fruit than in the Positioning Business, if plans were made for both businesses for the same period, the future potential of the Eye Care Business may not be properly reflected in the plan, and therefore, in the Business Plan, the Positioning

Business runs until the fiscal year ending March 2031, while the Eye Care Business runs until the fiscal year ending March 2033. In this manner, the Business Plan is deemed to set reasonable periods for each business in light of the actual business status and future prospects of the Target Company.

In addition, the Target Company revised its earnings forecast downward for the fiscal year ending March 31, 2025 on January 30, 2025 and also, prior to the commencement of the Final Bidding Procedure, the Business Plan was revised based on the latest performance and future outlook. These revisions reflect a reasonable outlook taking into account current circumstances, such as a slower than expected economic recovery in the Positioning Business in North America and delayed progress in the solutions business for Eye Care Business, a new business. Additionally, the Target Company has reexamined matters that it previously thought could be achieved sooner, because growth is now expected to take longer than initially expected.

In this way, the revisions to Business Plan are timely adjustments that take into account objective progress in business performance, etc., and do not arbitrarily lower the plan or change the content of the business that was anticipated in the Business Plan prior to such revision, and therefore are not considered unreasonable.

In light of the above, the Strategic Special Committee concluded that no arbitrary pressure was exerted by the Tender Offeror in the process of preparing the Business Plan or its content, and that the Business Plan is reasonable.

(b) Calculation Method

According to the question and answer correspondence with the Strategic Special Committee and the explanations regarding the Share Valuation Report provided to J.P. Morgan Securities and the Strategic Special Committee, the average market price method and the DCF method, which are calculation methods used by J.P. Morgan Securities, are calculation methods generally used in calculating the value of shares in transactions of the same type as the Transaction, and there were no unreasonable points in the reasons why J.P. Morgan Securities used each of these calculation methods. Accordingly, there was deemed to be no unreasonable points regarding J.P. Morgan Securities having used each of these calculation methods to calculate the value of the shares of the Target Company.

For the average market share price method, J.P. Morgan Securities used March 27, 2025 as the reference date, based on the closing price on the reference date, the simple average of the closing prices for the most recent one month, the simple average of the closing prices for the most recent three months, and the simple average of the closing prices for the most recent six months. For the average market share price method, it is common to use the closing price on the reference date, the simple average of the closing prices for the most recent one month, the simple average of the closing prices for the most recent three months, and the simple average of the closing prices for the most recent six months, and there was deemed to be no unreasonableness in the calculations made using the average market share price method.

In addition, under the DCF method, J.P. Morgan Securities conducted a sum-of-the-parts analysis by categorizing the businesses of the Target Company Group into the Positioning Business and the Eye Care Business, and evaluating the value of each business respectively. As described in (a) above, the Business Plan sets reasonable periods for each business, and as the Eye Care Business, which includes a new solutions business, is different in nature from the Positioning Business, there was deemed to be no unreasonable points regarding the adoption of a sum-of-the-parts analysis.

In the DCF method calculation process, free cash flow is calculated by adding and subtracting general items, and as this is consistent with the financial figures of the Business Plan, it is reasonable. The adoption of WACC as the discount rate, the basis for adopting the risk-free rate, the equity risk premium and the beta value, and the adoption of the

perpetual growth method for the going value are also considered to be common methods in practice, and there were deemed to be no unreasonable points.

In light of the above, there was deemed to be no unreasonable points regarding the calculation made by J.P. Morgan Securities.

(c) Share Price Valuation

The value of the Target Company Shares based on each of the calculation methods in the Share Valuation Report prepared by J.P. Morgan Securities is shown in the table below.

Calculation Method	Value per Share
Average market price method	2,319 yen to 3,190 yen
DCF method	2,790 yen to 3,512 yen

As stated above, the Tender Offer Price (3,300 yen per share) is (i) higher than the maximum valuation result calculated using the average market price method and (ii) higher than the mid-range valuation result calculated using the DCF method that represents the intrinsic value of the shares of the Target Company.

(d) Obtaining Fairness Opinion

The Target Company received the Fairness Opinion from J.P. Morgan Securities on March 28, 2025.

In light of the fact that nothing particularly unreasonable was found in the valuation results of the Target Company Shares as calculated by J.P. Morgan Securities, etc., it may be considered for there to be nothing particularly unreasonable in the issuing process or contents of the Fairness Opinion, and the Strategic Special Committee believes that the Fairness Opinion can be assessed positively as a measure to ensure fairness.

(e) Review of Premiums

The Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Target Company Shares on the TSE through December 9, 2024, which is the business day prior to December 10, 2024, December 10, 2024 being the day on which the Take-Private Process Speculative Reports were made.

Reference Price	Share Price	Premium
Closing price on Dec. 9, 2024	1756.5 yen	87.87%
Average closing price for previous 1 month	1,587 yen	107.94%
Average closing price for previous 3 months	1,567 yen	110.59%
Average closing price for previous 6 months	1,608 yen	105.22%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Target Company Shares on the TSE through March 26, 2025, which was the business day prior to March 27, 2025, March 27, 2025 being the day on which the second Take-Private Speculative Reports were made.

Reference Price	Share Price	Premium
Closing price on March 26, 2025	2,970 yen	11.11%
Average closing price for previous 1 month	2,872 yen	14.90%
Average closing price for previous 3 months	2,845 yen	15.99%
Average closing price for previous 6 months	2,306 yen	43.10%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Target Company Shares on the TSE through March 27, 2025 (the “Day Immediately Preceding Tender Offer Announcement Date”).

Reference Price	Share Price	Premium
Closing price on Day Immediately Preceding Tender Offer Announcement Date	3,190 yen	3.45%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	2,891 yen	14.15%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	2,850 yen	15.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	2,319 yen	42.30%

The premiums in recent cases of the same type that were used for reference (out of the Management Buyout (MBO) cases announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Guidelines for Fair M&A - Towards Improving Corporate Value and Securing Shareholder Profits,” and March 17, 2025, 74 cases were successfully concluded) by the Strategic Special Committee are as follows.

Premium	Average Value	Median Value
Closing price on Day Immediately Preceding Tender Offer Announcement Date	46.56%	41.97%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	49.68%	44.20%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	52.21%	45.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	52.17%	47.28%

In light of the above, although the premium on the Tender Offer Price based on the day immediately prior to the announcement is lower than the premium levels of recent similar cases, the impact of the second Take-Private Process Speculative Reports should not be overlooked given the trend in the Target Company's share price, and since the premium on the Tender Offer Price based on the business day immediately prior to the date of the first speculative reports is significantly higher than the average and median of recent similar cases, it was deemed that the Tender Offer Price includes a sufficient premium compared to similar cases.

(f) Advantages over other Candidates

The Transaction was selected from among the proposals received from several potential candidates after undergoing the Take-Private Process, which is a bidding procedure. None of the other candidates made a final proposal for the Transaction with a Tender Offer Price that was higher than in the proposal from KKR.

Accordingly, implementation of the Transaction by the Target Company is considered as being the selection of the most favorable terms for the ordinary shareholders of the Target Company from among the options that could realistically be adopted by the Target Company.

D) Fairness of Scheme, etc.

In the Transaction, the Tender Offer, which will use cash as consideration, is planned as the first step, followed by a squeeze-out through a securities cash-out demand or a share consolidation as the second step after completion of the Tender Offer. This transaction scheme, including the cash consideration, is common in Management Buyouts (MBOs) sponsored by investment funds and does not harm the interests of the general shareholders of the Target Company. In addition, as a result of considering the main issues under the Tender Offer Agreement (including the conditions precedent to the commencement of the Tender Offer) based on the advice of Nagashima Ohno & Tsunematsu and of Nakamura, Tsunoda & Matsumoto, it was confirmed that the Tender Offer Agreement did not contain any agreement that would harm the interests of the general shareholders, and that there were no unreasonable points in executing the Transaction based on the Tender Offer Agreement.

In the Transaction, it is planned that Mr. Eto will subscribe for the shares of the Tender Offeror Parent Company after the Transaction, and make the Reinvestment within the amount of consideration he receives for tendering in the Tender Offer. The valuation of the Target Company Shares, which is the basis for determining the price per share of the Tender Offeror Parent Company in the Reinvestment, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price. The issuance of shares at a valuation lower than the Tender Offer Price, is not planned. Considering that the Transaction is an MBO, it was deemed reasonable for Mr. Eto to make the Reinvestment after the Transaction, and from the perspective of ensuring the interests of general shareholders, the Reinvestment is not expected to result in an unfair transfer of value to Mr. Eto, and that there are no unreasonable points in the terms of the Reinvestment.

Based on these considerations, the Transaction scheme can be said to be fair.

E) Fairness of Share Option Purchase Price

Since the Share Option Purchase Price was determined to be the difference between (i) the Tender Offer Price of 3,300 yen and the exercise price per Target Company Share for each Share Option (ii) multiplied by the number of Target Company Shares to be issued upon exercise of each such Share Option, for the same reasons as for the Tender Offer Price, the Share Option Purchase Price is considered to have been determined after the interests of the Share Option Holders had been sufficiently considered.

F) Fairness of the Purchase Price for the ADS

In addition, the ADS represented by ADRs are also subject to the Tender Offer. As the purchase price for the ADS has been set at 3,300 yen, the same as the Tender Offer Price, the Strategic Special Committee considers that for the same reasons as the Tender Offer Price, the purchase price for the ADS is considered to have been determined after the interests of the ADR Holders had been sufficiently considered.

IV) Fairness of the Transaction Procedures

The following matters that were pointed out in the March 28, 2025 Report, and the April 16, 2025 Supplemental Report, were all unchanged as of the date of preparation of the July 28, 2025 Supplemental Report, and were therefore deemed to remain in effect: (i) establishment of Strategic Special Committee; (ii) Target Company decision-making

process; (iii) obtaining professional advice from external experts; (iv) market checks; (v) reasonableness of not setting a majority of minority condition; (vi) enhancement of information provided to general shareholders and improvement in the transparency of processes; and (vii) considerations to prevent coercion. Accordingly, there are no grounds to amend the content of the opinion stated in the March 28, 2025 Report, in relation to the safeguarding of the interest of the general shareholders through fair procedures in the Transaction.

Therefore, as set forth in the below reasons stated in the March 28, 2025 Report and the April 16, 2025 Supplemental Report, as of the date of preparation of the July 28, 2025 Supplemental Report, it can be said that the fairness of the procedures related to the Transaction is secured, and sufficient consideration has been given to the interests of the Target Company's general shareholders through fair procedures.

A) Establishment of Special Strategic Committee

The Target Company has established a Strategic Special Committee, which is recognized as independent from the Tender Offeror, its other affiliated companies and other parties specified in the Enforcement Regulations, as well as from the success or failure of the Transaction, which consists of five (5) independent outside directors of the Target Company. Each member is independent from the Target Company in light of the criteria for independence of outside directors of the Target Company, none of them has any material conflict of interest with any of the Candidates, including KKR, and each member is considered to be independent from all of the Candidates, including KKR. In addition, not only does each member have considerable knowledge of the business activities of the Target Company as outside directors of the Target Company, they also have abundant experience and deep insight in various fields, and therefore, each of them is considered to have expertise and qualifications to consider the Matters for Consultation.

The members of the Strategic Special Committee are expected to receive, in addition to their regular executive compensation, compensation for their duties as members of the committee, but since the compensation for their duties as members of the committee is a fixed amount and will be paid regardless of the content of its report, the independence of the members of the Strategic Special Committee from the success or failure of the Transaction is also ensured.

The Strategic Special Committee (i) received advice from the legal advisor of the Strategic Special Committee, Nakamura, Tsunoda & Matsumoto, and the legal advisor of the Target Company, Nagashima Ohno & Tsunematsu, from a legal perspective on decision-making processes regarding the Transaction and operating procedures of the Strategic Special Committee; (ii) received explanations from the Target Company regarding the Business Plan and engaged in question-and-answer activities regarding the same; (iii) received a letter of intention and other proposals from each of the Candidates and, at Strategic Special Committee meetings, engaged in question-and-answer activities with Mr. Eto regarding the purpose of the Transaction and his view on the proposals from each of the Candidates; (iv) received explanations from the Target Company regarding its view on the purpose of the Transaction and related matters and engaged in question-and-answer activities regarding the same; (v) received reports from the third-party valuation firm of the Target Company, J.P. Morgan Securities, on both the share valuation report on the Target Company Shares and the Fairness Opinion, and engaged in question-and-answer activities regarding the same; and (vi) received explanations on the March 28, 2025 Target Company Press Release regarding the Transaction and drafts of the Tender Offer Agreement from the legal advisor of the Target Company, Nagashima Ohno & Tsunematsu, engaged in question-and-answer activities regarding the same, and has obtained sufficient information.

Furthermore, with respect to negotiations regarding the Tender Offer Price and other matters relating to the Tender Offer, the Strategic Special Committee receives information that is shared timely regarding the details of tender offer price proposals from each of the Candidates, including KKR, and the status of negotiations. The Strategic Special Committee then deliberates and examines the details thereof, taking into account opinions received from J.P. Morgan Securities, and together with approving the negotiation position and strategy regarding such tender offer price related matters after engaging in internal discussions in advance, provides its opinion on important issues to be discussed in

the negotiations, and issues specific instructions and/or requests, etc. In such ways, the Strategic Special Committee is substantively involved in the negotiation process regarding the transactional terms and conditions of the Transaction.

B) Target Company Decision-Making Processes

From the perspective of avoiding any suspicion of conflict of interest, among the directors, Mr. Eto has not participated in any deliberations or resolutions of the directors of the Target Company in connection with the Transaction, including non-participation in the deliberations and resolutions to occur at the above referred to board of directors' meetings, nor has he participated in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

C) Obtaining Professional Advice from External Experts

(a) Obtaining Advice from Legal Advisors

The Strategic Special Committee has appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR, and the related parties of the Target Company, and has received advice, including legal advice on measures to be taken in the Transaction to confirm the fairness, objectivity, and reasonableness of procedures, the various procedures of the Transaction, and the Target Company decision-making process and procedures regarding the Transaction.

In addition, in order to ensure the fairness, objectivity and appropriateness of the decision-making processes of the board of directors of the Target Company for the Transaction, including the Tender Offer, the Target Company has appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR and the related parties of the Target Company and has received from this firm necessary legal advice on the decision-making process and procedures of the board of directors, including various procedures and other points to be noted in connection with the Transaction.

(b) Obtaining Share Valuation Report and Fairness Opinion from Third-Party Valuation Firm

In expressing its opinion on the Transaction, including the Tender Offer, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transaction including the Tender Offer, the Target Company obtained the Share Valuation Report on the share value of the Target Company Shares from the financial advisor of the Target Company, J.P. Morgan Securities, as well as the Fairness Opinion from J.P. Morgan Securities, which states that the Tender Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial point of view.

The Strategic Special Committee approved J.P. Morgan Securities as the financial advisor and third-party valuation firm of the Target Company after confirming the independence, expertise and track record of J.P. Morgan Securities, and received explanations on the expert advice provided by J.P. Morgan Securities to the Target Company as necessary regarding price and other similar negotiations as necessary.

D) Market Checks

(a) Implementation of the Take-Private Process

In considering the Transaction, on the advice of the Strategic Special Committee, the Target Company has conducted so-called active market checks (including bidding procedures prior to the announcement of the Transaction) to investigate and consider whether there are potential buyers in the market. Through the bidding process, the Target Company has endeavored to foster and maintain a competitive environment among potential buyers by receiving proposals from multiple potential buyers and proceeding with negotiations while comparing and considering these proposals. Therefore, it can be said that a so-called active market check has been conducted to investigate and consider whether there are any potential buyers in the market.

(b) Tender Offer Period and Transaction Protection Provisions

The Tender Offer Period is scheduled to be set at 30 business days, which is longer than the statutory minimum period. In addition, as it will take approximately 4 months between the announcement of the planned commencement of the Tender Offer and the actual commencement of the Tender Offer, it is recognized that there is a reasonable opportunity for competing takeover offers to be made by other potential acquirers.

In addition, although the Target Company and Tender Offeror have agreed to certain transaction protection clauses under the Tender Offer Agreement (including provisions regarding penalties in the event of breach of obligations by the Target Company), (i) in the case that a third-party commences a tender offer with a purchase price higher than the Tender Offer Price (“Counter Tender Offer”), the Target Company will not be prevented from providing information, discussing, negotiating or reaching an agreement with such third-party in connection with the Competing Tender Offer, and (ii) if the Target Company receives a bona fide proposal in writing from a third-party for a Counter Tender Offer that is reasonably deemed to be superior to the Transaction, the Target Company will not be prevented from providing the minimum amount of information necessary to such third-party, or discussing, negotiating, or reaching an agreement with such third-party. In addition, the Tender Offer Agreement provides that (i) if a Competing Tender Offer is commenced by a third-party (including a tender offer that has already commenced which meets the requirements for a Competing Tender Offer; the same shall apply hereinafter), or if the Target Company receives a legally-binding proposal for a Competing Tender Offer, the Target Company may request discussions with the Tender Offeror regarding an increase to the Tender Offer Price, and (ii) if the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than the tender offer price in the Counter Tender Offer within a certain period of time, the Target Company will be relieved of its obligation to maintain the Tender Recommendation Opinion for the Tender Offer. In addition, if the tender offer price in the Counter Tender Offer exceeds the Tender Offer Price by 5% or more, and the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than such tender offer price in the Counter Tender Offer within a certain period of time, the Target Company will be relieved of its obligation to maintain the Supporting Opinion, provided that it is reasonably recognized, based on the opinion of the Strategic Special Committee or other reasonable grounds, that the expressing or maintaining of the Supporting Opinion for the Tender Offer would raise specific concerns of the directors of the Target Company breaching their duty of care.

In light of the above, it was deemed that the transaction protection clause in the Tender Offer does not prevent discussions with competing offerors in the event that such competing offers commence a Counter Tender Offer, or makes a bona fide proposal for such a Counter Tender Offer, and that it also enables the Target Company to change its opinion regarding the Tender Offer under certain conditions if the Tender Offeror does not agree to an increase to the Tender Offer Price if a Counter Tender Offer is commenced or a bona fide proposal for such a Counter Tender Offer is made. Therefore, such transaction protection clause was deemed not to be unreasonable, or to excessively restrict the implementation of an indirect market check.

E) Reasonableness of Not Setting a Majority of Minority Condition

The minimum number of shares to be purchased in the Tender Offer is below the level that would satisfy the majority of minority condition.

However, the Fair M&A Guidelines do point out concerns regarding the potential effects of exclusion on M&A transactions in which the corporate value of the target company is enhanced where the acquirer holds a high percentage of the target company's shares. Although the Transaction differs from the acquisition of a subsidiary by a controlling shareholder, there remains a risk that raising the minimum number of shares to be purchased in the Tender Offer to a level that satisfies the majority of minority condition could potentially hinder the opportunity for general shareholders to sell their shares at a fair and reasonable price.

Furthermore, it can be concluded that, in the Transaction, each of the following measures to secure fairness remain unchanged and continue to function effectively as of the date of preparation of the July 28, 2025 Supplemental Report: (i) establishment of Strategic Special Committee; (ii) Target Company decision-making process; (iii) obtaining professional advice from external experts; (iv) market checks; (v) enhancement of information provided to general shareholders and improvement in the transparency of processes; and (vi) considerations to prevent coercion. Therefore, it can be said that, even without setting a majority of minority condition, it is supplemented by other extensive measures to secure fairness, and the fairness of the Transaction terms is secured as a whole.

F) Enrichment of Information Provided to General Shareholders and Improvement in the Transparency of Processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the July 28, 2025 Target Company Press Release is expected to disclose substantial information regarding the process, etc. that led to the implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Target Company's directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Target Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

G) Considerations to Prevent Coercion

In the Transaction, it is planned that the Target Company be requested to hold an extraordinary shareholders' meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of the Share Cash-out Demand or Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered in the Tender Offer, and it is planned that this will be disclosed in the July 28, 2025 Target Company Press Release.

In addition, in the case where a Securities Cash-out Demand is implemented, it will be ensured that the Target Company's shareholders and Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Target Company's shareholders will have the right to demand the Target Company purchase their shares and the accompanying right to file a petition with the court to determine the price.

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,561 shares (Ownership Ratio: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Target Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Target Company with transfer restrictions that have been granted to the Target Company's directors and the number of shares held by passive index management funds, whose holders are expected to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even

though they will not tender their shares in the Tender Offer. If the Tender Offer successfully takes place, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is thought that problem of coercion has been avoided.

Therefore, it can be said that consideration has been given to avoid coercion in the Transaction.

(V) Advice From an Independent Law Firm Obtained by the Strategic Special Committee

The Strategic Special Committee appointed Nakamura, Tsunoda & Matsumoto as an external legal advisor that is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company and has received legal advice, including advice concerning the measures to be taken to ensure the fairness, objectivity and rationality of the procedures in the Transaction, on the various procedures for the Transaction, and the decision-making methods and processes of the Target Company in the Transaction. Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company, and has no material interest in the opinion expressed regarding the Tender Offer. The compensation to be paid to Nakamura, Tsunoda & Matsumoto is calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and does not include any success fee contingent upon the successful completion of the Transaction.

(VI) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors

Taking into account the Share Valuation Report received from J.P. Morgan, and the legal advice received from Nagashima Ohno & Tsunematsu, and respecting to the utmost the contents of the March 28, 2025 Report, the Target Company carefully discussed and examined the terms of the Transaction, including the Tender Offer. As a result, the board of directors of the Target Company determined that the Transaction would contribute to increasing the corporate value of the Target Company, and that the Tender Offer will provide a reasonable opportunity to sell the Target Company Shares. At the board of directors meeting held on July 28, 2025, the Target Company resolved, by all directors who participated in the deliberations and the resolution (among all 10 directors, 9 directors, excluding Mr. Eto), to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer. In addition, all four auditors who attended the board meeting (including two external auditors) stated they had no objections to such resolution. In addition, as Mr. Eto, a director of the Target Company, plans to acquire the common shares of the Tender Offeror Parent Company using a portion of the consideration received for tendering his Target Company Shares in the Tender Offer if the Tender Offer is successfully completed, in order to avoid any suspicion of a conflict of interest, Mr. Eto has not participated in any deliberations or resolutions concerning the Transaction, including the deliberations and resolution at the above-mentioned board of directors meeting, and has not participated in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

(VII) Measures to Ensure that Other Purchasers have an Opportunity to Purchase

The Tender Offeror has set the Tender Offer Period at 30 business days, which is longer than the statutory minimum period for a tender offer, which is 20 business days. In addition, as it will take around 4 months from the announcement of the planned commencement of the Tender Offer on March 28, 2025 until the commencement of the Tender Offer, the shareholders of the Target Company, Share Option Holders and ADR Holders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, and the Tender Offeror will ensure that those other than the Tender Offeror have an opportunity to make competing offers to purchase the Target Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

(VIII) Considerations to Prevent Coercion

As described in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below, (i) promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Target Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Target Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Target Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. It has been made clear that the amount of money that will be delivered to each shareholder, Share Option Holder and ADR Holder that did not tender in the Tender Offer will be calculated to be equal to be the same price that would have been received if they had tendered in the Tender Offer, that in the event of the Share Cash-out Demand, the shareholders of the Target Company, Share Option Holders, and ADR Holders who have received Target Company Shares relating to their ADS will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Target Company will have the right to demand the purchase of their shares, and the accompanying right to petition the court for a price determination. As a result of these measures, the Target Company’s shareholders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, thereby ensuring that there is no coercion. The Tender Offeror has set 52,861,519 shares (Ownership Ratio: 50.10%) as the minimum number of shares to be purchased in the Tender Offer, and as described in “(1) Outline of the Tender Offer” above, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio at past ordinary general shareholders meetings of the Target Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.14%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be approximately 15.90%) (the sum total of such expected minimum Ownership Ratios in that case would be 66.14%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches 99.21%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed, thereby ensuring there is no coercion.

(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)

As described in “(1) Outline of the Tender Offer” above, if the Tender Offeror is unable to acquire all of the Target Company Shares through the Tender Offeror, it intends to take the Target Company private after the completion of the Tender Offer by one of the following methods.

(I) Share Cash-out Demand

If, after the successful completion of the Tender Offer, the Tender Offeror holds 90% or more of the voting rights of all of the Target Company shareholders, the Tender Offer plans to, promptly after completion of the settlement of the Tender Offer, pursuant to the provisions of Article 179, Paragraphs 1 and 2 of the Companies Act, demand that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (“Cashing-out Shareholders”), sell all of their Target Company Shares (“Cash-out Shares”) (“Share Cash-out Demand”), and demand that all Share Option holders (“Cashing-out Share Option Holders”) sell all of their Share Options (“Cash-out Share Options”) (“Share Option Cash-out Demand”, and together with the “Share Cash-out Demand”, the “Securities Cash-out Demand”). However, as described in “(ii) Share Consolidation” below, even if the Tender Offeror holds 90% or more of the voting rights of all the Target Company shareholders after the completion of the Tender Offer, the Share Consolidation, rather than the Share Cash-out Demand may be adopted as the method for the take-private of the Target Company. In the Share Cash-out Demand, it is planned that the consideration for each Cash-out Share will be the

delivering of the same amount of money to the Cashing-out Shareholders as that of the Tender Offer Price, whereas in the Share Option Cash-out Demand, it is planned that the consideration for each Cash-out Share Option will be the delivering of the same amount of money to the Cashing-out Share Option Holders as that of the Share Option Purchase Price. In such cases, the Tender Offeror will notify the Target Company to that effect and request the Target Company's approval of the Securities Cash-out Demand. If the Target Company approves the Securities Cash-out Demand by a resolution of its board of directors, the Tender Offeror will acquire all of the Cash-out Shares from the Cashing-out Shareholders, and all of the Cash-out Share Options from the Cashing-out Share Option Holders, on the acquisition date provided for in the Securities Cash-out Demand in accordance with the procedures set forth in relevant laws and regulations, and without the need for individual consent from the Cashing-out Shareholders and Cashing-out Share Option Holders. In this case, as consideration for the Target Company Shares held by the Cashing-out Shareholders and the Share Options held by the Cashing-out Share Option Holders, the Tender Offeror plans to deliver such Cashing-out Shareholders an amount of money equal to the Tender Offer Price per Target Company Share, and to deliver to such Cashing-out Share Option Holders an amount of money equal to the Share Option Purchase Price per Share Option.

With respect to the Restricted Shares, the allotment agreement provides that (a) if during the transfer restriction period, matters related to a cash-out demand for the common shares of the Target Company are approved by the board of directors of the Target Company (however, only if the acquisition date of the cash-out shares (the "Squeeze-out Effective Date (Cash-out Demand)") occurs before the expiration of the transfer restriction period), the board of directors of the Target Company shall resolve to lift the transfer restrictions on the number of Restricted Shares calculated by dividing the number of months from the month including the payment date of the Restricted Shares to the month including the date of such approval by 12 (if this number exceeds one, it will be set at one), multiplied by the number of Restricted Shares held by the grantee on the date of such approval, as of the time immediately before the business day prior to the Squeeze-out Effective Date (Cash-out Demand), and (b) in the case of (a) above, the Target Company will automatically acquire all of the Restricted Shares for which transfer restrictions have not been lifted as of the business day prior to the Squeeze-out Effective Date (Cash-out Demand) on the same day without compensation. In the Squeeze-out Procedure, it is planned that (a) in accordance with the provisions of the allotment agreement described above, the Restricted Shares for which the transfer restrictions have been lifted as of the business day prior to the Squeeze-out Effective Date (Cash-out Demand) shall be subject to the Share Cash-out Demand, and (b) in accordance with the provisions of the allotment agreement above, the Restricted Shares for which the transfer restrictions have not been lifted as of the business day prior to the Squeeze-out Effective Date (Cash-out Demand) shall be acquired by the Target Company without compensation.

According to the Target Company Press Release, if a Securities Cash-out Demand is made by the Tender Offeror, the Target Company plans on approving the Securities Cash-out Demand.

In addition, as the Target Company Shares subject to the Share Cash-out Demand include the Target Company Shares represented by ADRs and held by the Depository Bank, if the above approval is made, it is planned that the Depository Bank will be paid the monetary amount equivalent to the Tender Offer Price multiplied by the number of such Target Company Shares.

The Companies Act provides that, in order to protect the rights of minority shareholders in relation to the matters above, the Cashing-out Shareholders and Cashing-out Share Option Holders may, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations, petition the court for a determination of the purchase price of the Cash-out Shares and Cash-out Share Options. The purchase price of the Cash-out Shares and Cash-out Share Options using this method will ultimately be determined by the court.

If an ADR Holder is to petition the court for a price determination, it will be required to surrender its ADRs to the Depository Bank, receive the Target Company Shares deposited with the Depository Bank, and then make a price determination petition in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations.

(II) Share Consolidation

If, after the successful completion of the Tender Offer, the Tender Offeror holds less than 90% of the voting rights of all of the Target Company shareholders, or if the Tender Offeror holds 90% or more of the voting rights of all the Target Company shareholders and does not conduct the Share Cash-out Demand, the Tender Offeror plans to (i) request that the Target Company perform a share consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (“Share Consolidation”) and (ii) request that the Target Company hold an extraordinary general shareholders meeting (“Extraordinary General Shareholders Meeting”), which is to include a proposal about a partial amendment to the Target Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. The Tender Offeror believes that it is desirable to hold the Extraordinary General Shareholders Meeting as early as possible from the perspective of enhancing the value of the Target Company, and it plans to request that the Target Company make a public announcement about setting a record date during the Tender Offer Period so that the date immediately following commencement of settlement of the Tender Offer will be the record date for the Extraordinary General Shareholders Meeting. The date of the Extraordinary General Shareholders Meeting has not been determined at this time, but it is scheduled to be held around early November 2025. According to the Target Company Press Release, the Target Company will respond to such request if made by the Tender Offeror. The Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders. If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date on which the Share Consolidation becomes effective, the shareholders of the Target Company will own the number of Target Company Shares in accordance with the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. In this case, if the number of shares resulting from the Share Consolidation results in fractions of less than one share, the money obtained by selling the fractions to the Target Company or the Tender Offeror in a number equivalent to the sum total of such fractional shares (if the total sum includes fractional shares of less than one share, such sum shall be rounded down to the nearest whole number; hereinafter the same) will be delivered to shareholders of such fractional shares of the Target Company in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sales price for the Target Company Shares in the number equivalent to the sum total of such fractional shares, the Tender Offeror plans to set such price so that the amount of money delivered as a result of such sale to the shareholders of the Target Company that did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be equal to the amount calculated by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder, and then request that the Target Company file a petition for permission for sale by private contract with the court. Further, although the ratio of the Share Consolidation is undecided as of today, to ensure that only the Tender Offeror will own all Target Company Shares, it is planned that the number of shares that shareholders of the Target Company (excluding the Tender Offeror and the Target Company) that do not tender shares in the Tender Offer will come to possess will be a fraction of less than one share.

In addition, as the Target Company Shares subject to the Share Consolidation include the Target Company Shares represented by ADRs and held by the Depository Bank, if the above decision is made, it is planned that the number of Target Company Shares held by the Depository Bank after the Share Consolidation will be a fraction of less than one share.

As a provision for the purpose of protecting the rights of minority shareholders in connection with the Share

Consolidation, if the Share Consolidation is conducted and results in fractions of less than one share, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the Companies Act provides that shareholders of the Target Company who do not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) may demand that the Target Company purchase all of their shares that constitute fractions of less than one share at a fair price, and may file a petition with the court to determine the price of the Target Company Shares. As described above, in the Share Consolidation, since it is planned that the number of shares that shareholders of the Target Company who do not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) will come to possess will be a fraction of less than one share, shareholders of the Target Company who oppose the Share Consolidation will be able to file a petition for price determination in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If the above petition is filed, the purchase price will be ultimately determined by the court. If an ADR Holder is to petition the court to demand the purchase of its shares or a price determination, it will be required to surrender its ADRs to the Depository Bank, receive the Target Company Shares deposited with the Depository Bank, and then make a demand for purchase of shares or price determination petition in accordance with Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations.

In addition, if, after the successful completion of the Tender Offer, the Tender Offeror holds less than 90% of the voting rights of all of the Target Company shareholders, and the Tender Offeror is unable to acquire all of the Share Options in the Tender Offer and any Share Options remain unexercised, the Tender Offeror will take, or plans to request that the Target Company take any measures reasonably necessary for the execution of the Transaction, including acquiring the Share Options, and recommending the Share Option Holders waive the Share Options.

The aforementioned procedures in items (I) and (II) above may take time to implement or the method of implementation may change depending on circumstances such as the amendment, enforcement, and interpretation by related authorities of relevant laws and regulations. However, even in such cases, it is planned that if the Tender Offer is successfully completed, ultimately the method of delivering money to shareholders of the Target Company (excluding the Tender Offeror and the Target Company) that do not tender in the Tender Offer will be adopted, and in that case, the amount of money to be delivered to such shareholders of the Target Company will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares possessed by each such shareholder of the Target Company. In that case, it is planned that the monetary amount represented by the ADRs delivered to the Depository Bank in respect of the Target Company Shares held by the Depository Bank shall also be the same, and pursuant to the deposit agreement, the Depository Bank shall pay to the ADR Holders, in proportion to the number of ADRs held by such ADR Holders, an amount equivalent to the amount of money delivered to the Depository Bank converted into U.S. dollars (rounded to the nearest cent), less the Depository Bank's fees and taxes. In addition, if cash is delivered to the Share Option Holders of the Target Company who have not tendered in the Tender Offer, it will be calculated to be equal to the price obtained by multiplying the Share Option Purchase Price by the number of Share Options that were held by each such Share Option Holder.

With respect to the Restricted Shares, the allotment agreement stipulates that (a) during the transfer restriction period, if matters related to a share consolidation (limited to cases where such share consolidation results in the grantee holding fractions of less than one Restricted Share) is approved by a general shareholders meeting of the Target Company (provided, however, only in the case that the effective date of the Share Consolidation ("Squeeze-out Effective Date (Share Consolidation)") is prior to the expiry of the transfer restriction period), the transfer restrictions on the number of Restricted Shares obtained by multiplying the number of Restricted Shares held by the grantees as of the date of such approval, by the number of months from the month that includes the payment date of the Restricted Shares to the month that includes the approval date, divided by 12 (if the number exceeds 1, it shall be 1), will be lifted immediately

before the business day preceding the Squeeze-out Effective Date (Share Consolidation), and (b) in the case of (a) above, on the business day preceding the Effective Date of Squeeze-out, the Target Company will acquire all of the Restricted Shares for which transfer restrictions have not been lifted as of the same day without compensation. In the Squeeze-out Procedure, it is planned that, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Shares for which transfer restrictions have been lifted as of the business day preceding the Squeeze-out Effective Date (Share Consolidation) shall be subject to the Share Consolidation, and pursuant to the provisions of (b) of the above allotment agreement, the Restricted Shares for which transfer restrictions have not been lifted as of the business day preceding the Squeeze-out Effective Date (Share Consolidation) shall be acquired by the Target Company without compensation.

In addition, if the Tender Offeror fails to acquire all of the Share Options in the Tender Offer despite the completion of the Tender Offer, and any Share Options remain unexercised, the Tender Offeror plans to request that the Target Company implement procedures that are reasonably necessary for implementation of the Transaction, such as acquiring the Share Options and recommending that the Share Option Holders waive the Share Options.

The Tender Offer is not intended in any way to solicit the approval of the shareholders of the Target Company (including the ADR Holders) at the Extraordinary General Shareholders Meeting. In addition, shareholders of the Target Company and Share Option Holders should consult with tax experts at their own responsibility regarding the tax treatment of tendering in the Tender Offer or each of the above procedures.

(5) Prospects for Delisting and Reasons Therefor

Although the Target Company Shares are listed on the TSE Prime Market as of today, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, in accordance with the delisting standards set by the TSE, the Target Company Shares may, depending on the outcome of the Tender Offer, be delisted following the prescribed procedures. In addition, even if such standards do not apply at the time of completion of the Tender Offer, the Squeeze-out Procedure described in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” above is planned to be implemented after completion of the Tender Offer, and in that case, the Target Company Shares will be delisted following the prescribed procedures in accordance with the delisting standards set forth by the TSE. After the delisting, the Target Company Shares will not be able to be traded on the TSE.

(6) Matters Concerning Material Agreements Relating to the Tender Offer

(I) Tender Offer Agreement

The Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Offer Agreement with the Target Company on March 28, 2025 in connection with the Transaction.

The Tender Offer Agreement provides that the Tender Offeror will commence the Tender Offer subject to the Conditions Precedent (the conditions precedent to the commencement of the Tender Offer described in “(1) Outline of the Tender Offer” above (Note 1)) being satisfied or waived (limited to waivers permitted by laws and regulations, and waiver of Conditions Precedent (1) and (2) (limited to the Supporting Opinion and Supporting Report), and (8) will require the consent of the Target Company) on the day separately agreed to by the parties to the Tender Offer Agreement, which is within 10 business days of the satisfaction or waiver of the Condition Precedent. In addition, on July 28, 2025, the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund reached an agreement with the Target Company to waive the acquisition of the Clearance for the Unobtained Clearance, which is part of Condition Precedent (8).

Under the Tender Offer Agreement, the Target Company is required to (1) on the execution date of the Tender Offer Agreement, or if the Tender Offeror has decided to commence the Tender Offer, on the date of such decision, (i) express the Supporting Opinion by resolution of the board of directors of the Target Company, and make such expression public, subject to the Supporting Report having been made, and not being changed or withdrawn (except to the extent that Condition Precedent (1) relating to the Supporting Opinion has been waived), and (ii) express the Tender Recommendation Opinion by resolution of the board of directors of the Target Company, and make such expression public, subject to the Tender Recommendation Report having been made, and not being changed or withdrawn (except to the extent that Condition Precedent (1) relating to the Tender Recommendation Opinion has been waived), and (2) from the execution date of the Tender Offer Agreement until the expiration of the Tender Offer Period, (i) maintain and not change or withdraw the Supporting Opinion, subject to the Supporting Report not having been changed or withdrawn (except to the extent that Condition Precedent (1) relating to the Supporting Opinion has been waived), and (ii) maintain and not change or withdraw the Tender Recommendation Opinion, subject to the Tender Recommendation Report not having been changed or withdrawn (except to the extent that Condition Precedent (1) relating to the Tender Recommendation Opinion has been waived). If the Target Company breaches this obligation, it shall pay to the Tender Offeror a penalty equal to 5% of the total purchase amount for the Tender Offer.

In addition, under the Tender Offer Agreement, the Target Company has agreed not to engage in any transactions with third parties that may conflict with the Tender Offer or the Transaction, or make it difficult to complete the Tender Offer or the Transaction (in this “(I) Tender Offer Agreement”), “Competing Transactions”), or engage in any proposals (including an amended proposal; the same shall apply hereinafter in this “(I) Tender Offer Agreement”), offers, solicitations or the provision of information (including providing an opportunity for due diligence; the same shall apply hereinafter in this “(I) Tender Offer Agreement”), discussions, negotiations, or agreements (“Proposals”; however, for the avoidance of doubt, this does not include the receipt of a proposal from a person other than the purchaser for a tender offer for the Target Company Shares, or merely engaging in administrative communication that does not amount to a Proposal) for a Competing Transaction. However, (1) if a third-party (excluding a party that was given an opportunity to make a proposal in the market check prior to the Transaction; the same shall apply hereinafter in this paragraph) commences a Counter Tender Offer (Note 1) without the Target Company having violated the provisions in the first sentence of this paragraph, the Target Company will not be prevented from providing information, holding discussions, negotiations, or reaching an agreement with such third-party in relation to the Counter Tender Offer, and (2) if the Target Company receives a bona fide proposal in writing from a third-party that is reasonably deemed to be superior to the Transaction for a Counter Tender Offer (limited to those where (i) the purchase price and main transaction terms are clearly stated, (ii) the management policy after the completion of the Counter Tender Offer is specifically provided for, (iii) the likelihood that the third-party has the financial resources necessary for the take-private is reasonably demonstrated, and (iv) the notifications to be made as required for the take-private under competition laws and investment control laws and regulations, and other procedures with judicial and administrative authorities have been provided for based on reasonable grounds) without the Target Company having violated the provisions in the first sentence of this paragraph, the Target Company will not be prevented from providing such third-party with the minimum amount of information necessary, or entering into discussions, negotiations or agreements with such third-party (provided, however, that the same information provided, the progress of negotiations, and (if requested by the Tender Offeror), the contents of such discussions or negotiations and the contents of such agreements to a reasonable extent are also promptly provided to the Tender Offeror, and this is subject to the provisions in the third sentence of this paragraph). If the Target Company receives a proposal for a Competing Transaction from a third-party or becomes aware of the existence of such a proposal, it is obligated to notify the Tender Offeror of that fact and the contents of such proposal (but only to the extent that the Target Company is aware) as soon as practicably possible.

Under the Tender Offer Agreement, the Target Company (1) may, in the event that a Counter Tender Offer is

commenced by a third-party (including cases where a tender offer that has already been commenced meets the requirements for a Counter Tender Offer; the same shall apply hereinafter), or a bona fide legally-binding proposal for a Counter Tender Offer is received (limited to those where (i) the purchase price and main transaction terms are clearly stated, (ii) the management policy after the completion of the Counter Tender Offer is specifically provided for, (iii) the likelihood that all funds required for the take-private will be secured is demonstrated by legally-binding financial evidence, such as capital contribution certificates and loan certificates, and (iv) a detailed description of the types, regions and expected time required for filing notices under competition and investment control laws, and other procedures with judicial and administrative authorities has been provided for based on reasonable grounds, and there is a reasonable probability that all of which can be completed with a reasonable period of time), provided there is no breach of its obligations under the Tender Offer Agreement, request discussions regarding an increase in the Tender Offer Price with the Tender Offeror, and (2) if the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than the Counter Tender Offer Price for the Counter Tender Offer, by the earlier of 10 business days from the date on which the Tender Offeror receives the request for discussions, or the business day immediately preceding the last day of the Tender Offer Period (“Expiration Date of the Consideration Period”), the Target Company will be relieved of its obligation to express, publicize and maintain the Tender Recommendation Opinion. In addition, if the Counter Tender Offer Price exceeds the Tender Offer Price by 5% or more, and the Tender Offeror does not raise the Tender Offer Price to an amount equal to or higher than such Counter Tender Offer Price by the Expiration Date of the Consideration Period, the Target Company will be relieved of its obligation to express, publicize and maintain the Supporting Opinion, provided that it is reasonably recognized, based on the opinion of the Strategic Special Committee or other reasonable grounds, that the expressing or maintaining of the Supporting Opinion would raise specific concerns of the directors of the Target Company breaching their duty of care.

(Note 1) In the Tender Offer Agreement, a “Counter Tender Offer” is defined as a tender offer for the Target Company Shares at a purchase price higher than the Tender Offer Price (“Counter Tender Offer Price”) (provided, however, that there is no upper limit on the number of shares to be purchased, that the purpose is the take-private of the Target Company, and that shareholders who do not tender in the tender offer are guaranteed an exit opportunity at the same price as the tender offer price).

In addition to the above, the Tender Offer Agreement also provides for the obligation to cooperate in the Squeeze-out Procedure, representations and warranties (Note 2) (Note 3), the obligations of the Tender Offeror (Note 4), the obligations of the Target Company (Note 5), the basic policy regarding the management of the Target Company after the Transaction (Note 6), indemnification provisions, grounds for termination or cancellation of the agreement, and general provisions.

(Note 2) In the Tender Offer Agreement, the Target Company represents and warrants (i) the validity of its incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Offer Agreement, (iii) the validity and enforcement of the Tender Offer Agreement, (iv) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the fact that the Target Company is not an anti-social force and has no relationships with anti-social forces, (vi) the absence of bankruptcy proceedings, etc., (vii) the accuracy of the Annual Securities Report for the 131st Fiscal Year submitted by the Target Company on June 26, 2024, (viii) matters concerning the shares of the Target Company, (ix) acquisition of the necessary permissions and compliance with applicable laws and regulations, and (x) the absence of violations of competition laws, economic sanctions, anti-money laundering, anti-corruption legislation and export control legislation, and the establishment of internal rules for compliance therewith, the absence of transactions, etc. with government officials or persons subject to sanctions, and the absence of

equity holdings by government officials and organizations in the Target Company Group.

- (Note 3) In the Tender Offer Agreement, the Tender Offeror represents and warrants (i) the validity of its incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Offer Agreement, (iii) the validity and enforcement of the Tender Offer Agreement, (iv) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the fact that the Tender Offeror is not an anti-social force and has no relationships with anti-social forces, (vi) the absence of bankruptcy proceedings, etc., (vii) the absence of any procedures before judicial or administrative agencies that are necessary for the execution of the Transaction, other than the Clearance Procedures, (viii) the sufficiency of funds to carry out the Transaction, and (ix) matters regarding the Equity Commitment Letter dated March 26, 2025, submitted to the purchaser by KKR Asian Fund IV Japan AIV 2 L.P., and the Debt Commitment Letter dated March 20, 2025, submitted to the purchaser by financial institutions. In addition, in the Tender Offer Agreement, the Tender Offeror Parent Company and the KKR Fund each represent and warrant (i) the validity of their incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Offer Agreement, (iii) the validity and enforcement of the Tender Offer Agreement, (iv) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the fact that they are not an anti-social force and have no relationships with anti-social forces, (vi) the absence of bankruptcy proceedings, etc., and (vii) the absence of any procedures before judicial or administrative agencies that are necessary for the execution of the Transaction, other than the Clearance Procedures.
- (Note 4) In the Tender Offer Agreement, the Tender Offeror is, in summary, required to (i) make efforts to complete the Clearance Procedures and the Clearance Acquisition, and to implement or comply with any remedy measures necessary to obtain the Clearance Acquisition, and (ii) provide notice if it becomes aware of any potential breach of representations and warranties or obligations, or non-fulfillment of the Conditions Precedent.
- (Note 5) In the Tender Offer Agreement, the Target Company is, in summary, required to (i) cooperate in obtaining the Clearance, (ii) carry out its business within the normal scope of its business, (iii) comply with competition laws, economic sanctions, anti-money laundering, anti-corruption legislation and export control legislation, (iv) provide notice if it becomes aware of any potential breach of representations and warranties or obligations, or non-fulfillment of the Conditions Precedent, (v) report its financial situation, and (vi) perform its obligations towards the implementation of the Transaction ((a) the implementation of necessary procedures, the obligation to make commercially reasonable efforts to obtain consent from counterparties for any contracts, etc. where such counterparty's consent is required to implement the Transaction, and providing notice for any contracts, etc. where the providing of notice to a counterparty is required to implement the Transaction, (b) the obligation to cooperate with the Tender Offeror in raising funds, (c) the obligation to pass a resolution approving the transfer of the Share Options, (d) the obligation to make efforts to complete the procedures necessary to enable the Target Company Officer Stock Ownership Association, Target Company Employee Stock Ownership Association, Target Company Partner Company Stock Ownership Association, and the Target Company Distributor Stock Ownership Association to tender their Target Company Shares in the Tender Offer, and (e) the obligation to make efforts to bring the consolidated net interest-bearing debt and the minimum consolidated cash and deposits necessary for business operations below a certain level as of the settlement commencement date of the Tender Offer).
- (Note 6) The Tender Offeror and Tender Offeror Parent Company have respected the background leading to the decision of the Target Company to implement its management strategy after the take-private of the Target Company and have agreed to faithfully pursue a growth strategy to achieve the goal of "taking on the

challenge of becoming a “100-year venture positioned for sustainable growth”.

(II) Shareholders Agreement

The KKR Fund entered into the Shareholders Agreement on July 28, 2025 with the JICC Fund. In the Shareholders Agreement, the parties agreed (i) pursuant to the ECL (JICC), the KKR Fund will make an investment of 256 billion yen by directly or indirectly subscribing for the common shares of the Tender Offeror Parent Company, subject to the successful completion of the Tender Offer, all of which will be made on or after the business day following the completion of the Tender Offer and by the business day preceding the commencement of the settlement of the Tender Offer, and that the Investment will be made by the JICC Fund, subject to the successful completion of the Tender Offer, on or after the business day following the completion of the Tender Offer and by the business day preceding the commencement of settlement of the Tender Offer, and (ii) during the term of the Shareholders Agreement, the KKR Fund and the JICC Fund shall not (a) engage in any provision of information, proposal, solicitation, discussions, negotiations or the execution of any transaction to or between any third-party, directly or indirectly, in relation to any capital alliance, share transfer, merger, company split, share exchange, share transfer, share issuance, transfer of all or part of the business, or any investment, loan or other means of funding in relation thereto, or any other similar transaction that may be inconsistent with, or conflict with the Transaction (in this “(II) Shareholders Agreement” and “(III) Management Services Agreement”, “Conflicting Transactions”) (for the avoidance of doubt, this does not include the receipt of a proposal from a third-party for a Conflicting Transaction, or merely engaging in administrative communication that does not amount to a Proposal), and (b) if a third-party makes a proposal or solicitation in connection with a Conflicting Transaction, the other party shall be immediately notified of the details and shall be consulted with in good faith as to how to respond. The Agreement (JICC) expired upon the execution of the Shareholders Agreement.

(a) Matters Concerning the Investment

The KKR Fund and the JICC Fund shall, within a certain period of time from the date of completion of the Tender Offer, subscribe for the shares of the Tender Offeror Parent Company as follows.

Allotee	Type of Shares and Voting Rights Ratio	Payment Amount
KKR Fund	Common Shares	256 billion yen
JICC	Class A Preferred Shares and Class B Preferred Shares (Note)	95 billion yen

(Note 1) The contents of the Class A Preferred Shares and Class B Preferred shares include voting rights, as well as acquisition rights and acquisition clauses for which cash or shares is consideration.

(b) Matters Concerning the Shares of the Tender Offeror Parent Company

- Restriction on transfer of the Tender Offeror Parent Company shares held by KKR Fund and the JICC Fund until March 31, 2031 (in this “(II) Shareholders Agreement”, “Lock-up Period”)
- KKR Fund right of first refusal after expiration of the Lock-up Period
- JICC Fund tag-along right after expiration of the Lock-up Period
- KKR Fund drag-along right

(c) Matters Concerning Conflicting Transactions

- The KKR Fund and the JICC Fund shall not engage in any provision of information, proposal, solicitation, discussions, negotiations or the execution of any transaction to or between any third-party, directly or indirectly, in connection with a Conflicting Transaction (for the avoidance of doubt, this does

not include the receipt of a proposal from a third-party for a Conflicting Transaction, or merely engaging in administrative communication that does not amount to a Proposal)

- If a third-party makes a proposal or solicitation in connection with a Conflicting Transaction, the other party shall be immediately notified of the details and shall be consulted with in good faith as to how to respond

(d) Other Matters

- Matters concerning the governance structure and management policies of the Tender Offeror Parent Company, the Tender Offeror and the Target Company
- Matters concerning the termination of the agreement ((1) if agreed by the KKR Fund and the JICC Fund, (2) if the Tender Offer is not successfully completed and it is reasonably expected that a tender offer for the Target Company Securities by the KKR Fund or its affiliates and a transaction for the take-private of the Target Company through a squeeze-out procedure after the tender offer will not be feasible, and (3) if the KKR Fund or the JICC Fund no longer hold any of the Tender Offeror Parent Company shares)
- General provisions such as the prohibition on solicitation by the KKR Fund and the JICC Fund, representations and warranties, compensation for damages, a call option for the JICC Fund, and confidentiality

(III) Management Services Agreement

The KKR Fund and Mr. Eto entered into the Management Services Agreement on July 28, 2025 (the main terms of the Management Services Agreement are summarized in (a) through (c) below). Other than the provision prohibiting Conflicting Transactions, (which provides that on or after the execution date of the Agreement (Mr. Eto), Mr. Eto shall not (a) engage in any provision of information, proposal, solicitation, discussions, negotiations or the execution of any transaction to or between any third-party, directly or indirectly, in connection with a Conflicting Transaction (however, this does not prevent Mr. Eto from engaging in discussions or negotiations with third parties on behalf of the Target Company in his capacity as President & CEO only after the Target Company is relieved of its obligation to express, announce, and maintain the Supporting Opinion pursuant to the Tender Offer Agreement), and (b) if a third-party makes a proposal or solicitation in connection with a Conflicting Transaction, Mr. Eto shall immediately notify the KKR Fund (excluding cases where the Target Company has notified the KKR Fund of the same) of the details and consult with the KKR Fund in good faith as to how to respond), the Agreement (Mr. Eto) expired upon the execution of the Management Services Agreement.

(a) Management Delegation

- The KKR Fund shall delegate to Mr. Eto the duty of faithfully performing the duties of the representative director of the Target Company, and Mr. Eto shall accept this delegation
- The initial management delegation period ("Initial Management Delegation Period") shall be from the day which follows the completion of the take-private of the Target Company until the conclusion of the ordinary general shareholders meeting of the Target Company for the fiscal year ending March 31, 2029, unless a decision not to re-delegate is made by the voluntary nomination and compensation committee appointed by the Target Company ("Nomination and Compensation Committee")
- After the expiration of the Initial Management Delegation Period, if Mr. Eto is nominated as representative director of the Target Company by the Nomination and Compensation Committee, Mr. Eto shall not refuse the nomination
- If Mr. Eto breaches any material obligation under the management services agreement, materially breaches laws and regulations or the articles of incorporation or other internal rules of the Target Company, the KKR Fund may cause Mr. Eto to resign or may dismiss Mr. Eto from his position as

representative director or another position of the Target Company, irrespective of Mr. Eto's term of office

(b) Compensation

- Mr. Eto's compensation and incentive plan shall be determined by the Nomination and Compensation Committee of the Target Company

(c) Other Matters

- Mr. Eto's duty to remain dedicated, non-compete and non-solicit
- Matters concerning the governance structure and management policies of the Target Company
- General provisions such as compensation for damages and confidentiality

(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)

The Tender Offeror, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025 (subsequently, the Tender Offeror, the Tender Offeror Parent Company, the KKR Fund and VAC entered into an amendment to the Tender Agreement (VAC) on June 3, 2025, which included the addition of ValueAct Strategic Master Fund IV, L.P. as a party to the Tender Agreement (VAC) and a memorandum of understanding to change the timing of the execution of the LP Interest Acquisition Agreement (VAC) on June 30, 2025). In the Tender Agreement (VAC), the KKR Fund and VAC agreed that subject to all of the conditions precedent set forth in (a) below being satisfied or waived by VAC, VAC shall tender all of the Agreed Tender Shares (15,425,800 shares, Ownership Ratio: 14.62%) in the Tender Offer (in this "(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)", the "Tender"), and the content described in items (b) through (e) below. Other than the purchase price for the Tender Offer, no benefits will be granted to VAC in relation to the Tender Offer.

(a) Conditions Precedent to Tender

- The Tender Offer has been commenced and not withdrawn
- The board of directors of the Target Company has resolved to express the Supporting Opinion, and such resolution has not been changed or withdrawn
- The representations and warranties made by the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund pursuant to the Tender Agreement (VAC) are true and accurate in material respects (Note 1)
- Obligations to be performed or complied with by the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund by the commencement date of the Tender Offer pursuant to the Tender Agreement (VAC) have been performed or complied with in all material respects (Note 2)
- No judgements, etc. have been made by a judicial or administrative authority restricting or prohibiting the Tender Offer, the Tender or the LP Interest Acquisition, and there is no reasonable likelihood of such judgements, etc. being made
- (i) VAC, the Tender Offeror Parent Company and the KKR Fund have entered into the LP Interest Acquisition Agreement, (ii) the LP Interest Acquisition Agreement (VAC) has not terminated, (iii) there has been no material breach of the LP Interest Acquisition Agreement (VAC) by VAC, the Tender Offeror Parent Company or the KKR Fund, and (iv) all conditions on the performance of VAC's obligation to implement the LP Interest Acquisition set out in the LP Interest Acquisition Agreement (VAC) have been satisfied (excluding those conditions which, by their nature, can only be satisfied upon the completion of the LP Interest Acquisition, but limited to only those conditions which can be satisfied upon completion of LP Interest Acquisition)

(Note 1) In the Tender Agreement (VAC), the Tender Offeror, Tender Offeror Parent Company and the KKR Fund

each represent and warrant (i) the validity of their incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Agreement (VAC), (iii) the validity and enforcement of the Tender Agreement (VAC), (iv) the acquisition of the necessary permissions, (v) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Agreement (VAC), (vi) the fact that they are not an anti-social force and have no relationships with anti-social forces, (vii) compliance with laws and regulations, and (viii) the absence of bankruptcy proceedings, etc.

(Note 2) In the Tender Agreement (VAC), the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund have obligations to fulfil or comply by the commencement date of the Tender Offer; the obligation to comply with the Tender Offer Agreement, the obligations concerning executing the LP Interest Acquisition Agreement (VAC) below, as well as obligations regarding indemnification and confidentiality.

(b) Prohibition on Acquisitions

- From the date of execution of the Tender Agreement (VAC) until the settlement commencement date for the Tender Offer, VAC shall not, directly or indirectly, acquire or transfer the Target Company Shares or Share Options except in the Tender (excluding the cancellation of existing cash-settled derivative contracts with respect to the Target Company Shares of VAC and its affiliates)

(c) Matters Concerning Conflicting Transactions

- VAC shall not, from the execution date of the Tender Agreement (VAC) until the last day of the Tender Offer Period, (1) enter into any agreement related to a transaction that is reasonably deemed to have the potential to hinder the implementation of the Tender Offer or the Tender (including tendering all or a portion of the Target Company Shares held by VAC in a tender offer other than the Tender Offer, or the acquisition or transfer of the Target Company Shares, excluding the cancellation of existing cash-settled derivative contracts with respect to the Target Company Shares of VAC and its affiliates. In this “(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)”, collectively, “Competing Transactions”), or any Competing Transactions, and (2) directly or indirectly, (i) provide any information to a third-party regarding a Competing Transaction, or (ii) propose, solicit, discuss or negotiate a Competing Transaction, and shall not cause the affiliates of VAC to take the actions described in (1) and (2) above
- If a third-party makes a proposal or solicitation in connection with a Conflicting Transaction to VAC from the date of execution of the Tender Agreement (VAC) until the last day of the Tender Offer Period, VAC shall immediately notify the Tender Offeror of such fact and the details of such proposal, and shall consult with the Tender Offeror in good faith as to how to respond

(d) Matters Concerning Ordinary General Meetings of Shareholders

- VAC shall not, without the prior written consent of the Tender Offeror, request the convening of an ordinary general meeting of shareholders of the Target Company, or discuss with the Target Company the exercise of voting rights at such ordinary general meeting of shareholders of the Target Company
- If an ordinary general meeting of shareholders of the Target Company is held with a record date for the exercise of rights on or before the settlement commencement date of the Tender Offer, the voting rights and other rights at such ordinary general meeting of shareholders will be exercised in accordance with the instructions of the Tender Offeror

(e) Counter Proposals

- From the date of execution of the Tender Agreement (VAC) until five business days prior to the last day

of the Tender Offer Period, if (1)(i) pursuant to Article 27-2 of the Act, a competing tender offer is commenced for all of the Target Company Shares and Share Options at a higher price than the Tender Offer Price (in this “(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)”, a “Counter Proposal”), and (ii) the board of directors of the Target Company expresses its opinion in support of such Counter Proposal, and recommends that the shareholders of the Target Company tender in such Counter Proposal (in this “(IV) Tender Agreement and LP Interest Acquisition Agreement (VAC)”, a “Superior Proposal”), (2) VAC is not in breach of the provisions of the Tender Agreement (VAC), and (3) after consulting with its financial advisor and external legal advisor, determines in good faith that not tendering in the Superior Offer would violate the obligations of VAC’s joint portfolio managers to investors under applicable laws and regulations, VAC may request that the Tender Offeror raise the Tender Offer Price to an amount equal to or higher than the tender offer price for such Superior Proposal, and if the Tender Offeror does not comply with such request within three business days, VAC may tender in such Superior Proposal

In addition to the above, the Tender Agreement (VAC) also contains provisions regarding representations and warranties by VAC (Note 3), indemnification provisions, grounds for termination or cancellation of the agreement, and general provisions.

(Note 3) In the Tender Agreement (VAC), VAC represents and warrants (i) the validity of its incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Agreement (VAC), (iii) the validity and enforcement of the Tender Agreement (VAC), (iv) the acquisition of the necessary permissions, (v) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Agreement (VAC), (vi) the fact that it is not an anti-social force and has no relationships with anti-social forces, (vii) compliance with laws and regulations, (viii) the absence of bankruptcy proceedings, etc., and (ix) matters concerning the Shares of the Target Company.

Furthermore, the KKR Fund, TK Investment GP LLC and the KKR Fund 2 entered into the LP Interest Acquisition Agreement (VAC) on July 27, 2025 with ValueAct Japan Master Fund, L.P., ValueAct Strategic Master Fund IV, L.P. and ValueAct Strategic Global Master Fund, L.P., pursuant to which, subject to the completion of the Tender Offer and the fulfillment of other general matters, VAC shall make an investment in the KKR Fund of 24,608,842,500 yen, on the last day of the Tender Offer Period (U.S. time), and acquire limited partner interests in the KKR Fund (Note 4).

(Note 4) In connection with the LP Interest Acquisition, the KKR Fund and VAC have agreed on matters related to the governance and monitoring of the Tender Offeror Parent Company, including that VAC may dispatch one observer only when the sale of the Tender Offeror Parent Company, an IPO, or other specified important matters are discussed at the board of directors meetings of the Tender Offeror Parent Company, matters relating to the handling of VAC’s limited partner interests in the KKR Fund, such as transfer restrictions, the KKR Fund’s drag-along rights, VAC’s tag-along rights, VAC’s right of first refusal and VAC’s exit rights, as well as general provisions such as grounds for termination.

2. Outline of the Purchase

(1) Overview of the Target Company

(I)	Name	Topcon Corporation	
(II)	Address	75-1, Hasunuma-cho, Itabashi-ku, Tokyo	
(III)	Name and Title of Representative	President & CEO, Takashi Eto	
(IV)	Description of Business	Manufacture, sale and services of products supported by advanced technology in each segment of the Positioning Business and Eye Care Business	
(V)	Capital Amount	16,891 million yen (as of March 31, 2025)	
(VI)	Date of Incorporation	September 1, 1932	
(VII)	Major Shareholders and Shareholding Ratio (As of March 31, 2025) (Note)	The Master Trust Bank of Japan, Ltd. (trust account) CGML PB CLIENT ACCOUNT/COLLATERAL (standing proxy: Citibank, N.A. Tokyo Branch) BNYM SA/NV FOR BNYM GCM CLIENT ACCTS M ILM FE. (standing proxy: Mitsubishi UFJ Bank, Ltd.) STATE STREET BANK AND TRUST COMPANY 505010 (standing proxy: Mizuho Bank, Ltd., Payment Services Department) Custody Bank of Japan, Ltd. (trust account) The Dai-ichi Life Insurance Company, Limited (standing proxy: Custody Bank of Japan, Ltd.) STATE STREET BANK AND TRUST COMPANY 510312 (standing proxy: Mizuho Bank, Ltd.) GOLDMAN, SACHS & CO. REG (standing proxy: Goldman Sachs Japan Co., Ltd.) STATE STREET BANK AND TRUST COMPANY 510311 (standing proxy: Mizuho Bank, Ltd.) J.P. Morgan Securities Japan Co., Ltd.	14.12% 9.25% 7.42% 5.37% 4.66% 3.83% 2.78% 2.23% 2.21% 2.21%
(VIII)	Relationship between the Tender Offeror and the Target Company		
	Capital Relationship	Not applicable.	
	Personnel Relationships	Not applicable.	
	Transactional Relationships	Not applicable.	
	Status as a Related Party	Not applicable.	

(Note) “(VII) Major Shareholders and Shareholding Ratio (As of March 31, 2025)” are taken from “Status of Major Shareholders” in the Annual Securities Report for the 132nd Fiscal Year submitted by the Target Company on June 26, 2025.

(2) Schedule

(I) Schedule

Date of Decision	Monday, July 28, 2025
Date of Public Notice of Commencement of Tender Offer	Tuesday, July 29, 2025 Public notice will be made electronically, and a notice thereof will be published in the Nihon Keizai Shimbun. (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/)
Date of Filing of Tender Offer Registration Statement	Tuesday, July 29, 2025

(II) Initial Tender Offer Period at Time of Notification

From Tuesday, July 29, 2025 until Tuesday, September 9, 2025 (30 business days)

(III) Possibility of Extension to Tender Offer Period upon Request of Target Company

Not applicable.

(3) Purchase Price

- (I) 3,300 yen per common share
- (II) 193,400 yen per Share Option
- (III) 3,300 yen per ADS represented by an ADR

(4) Basis for Calculation of Purchase Price

(I) Basis for Calculation

(1) Common Shares

In determining the Tender Offer Price, KKR conducted a multifaceted and comprehensive analysis of the business and financial status of the Target Company based on the financial information and other materials disclosed by the Target Company and the results of due diligence conducted on the Target Company from late January to late March 2025, and the Tender Offer Price was calculated. In addition, in view of the fact that the Target Company Shares are traded through a financial instruments exchange, the Tender Offeror also referred to trends in the closing price of the Target Company Shares on the TSE Prime Market on March 27, 2025, the business day immediately preceding the announcement date of the Tender Offer (3,190 yen), and the simple average of the closing prices for the preceding one month (from February 28, 2025 until March 27, 2025), the preceding three months (from December 30, 2024 until March 27, 2025), and the preceding six months (from September 30, 2024 until March 27, 2025) (2,891 yen, 2,850 yen, and 2,319 yen respectively). In addition, KKR analyzed the share value of the Target Company Shares by comparing the market share prices and profitability of multiple listed companies that are relatively similar to the Target Company in terms of business contents, business scale, earnings status, etc.

The Tender Offeror has determined the Tender Offer Price through comprehensive consideration of the above factors and through consultation and negotiation with the Target Company, and the Tender Offeror has not obtained a share valuation report from third-party valuation firms.

The Tender Offer Price of 3,300 yen represents a 3.45% premium on the closing price of the Target Company Shares on the TSE Prime Market on March 27, 2025, the business day immediately preceding the date of the Tender Offer (3,190 yen), a 14.15% premium on the simple average of the closing prices for the one month preceding the above date (2,891 yen), a 15.79% premium on the simple average of the closing prices for the three months preceding the above

date (2,850 yen), and a 42.30% premium on the simple average of the closing prices for the six months preceding the above date (2,319 yen).

(2) Share Options

As of today, the exercise price per one Target Company Share under the Share Options (1,366 yen) is lower than the Tender Offer Price (3,300 yen). Therefore, the Tender Offeror decided to set the price for each Share Option at 193,400 yen, the amount calculated by multiplying 1,934 yen, which is the difference between the Tender Offer Price (3,300 yen) and the exercise price of 1,366 yen per Target Company Share for the Share Options, by 100 shares, which is the number of Target Company Shares underlying each Share Option. In addition, with respect to the Share Options, the requirements for share option issuance stipulate that the acquisition of share options by transfer requires approval by a resolution of the Target Company board of directors, and that transfer of share options is prohibited under the share options allotment agreement. In order to make the Share Options transferrable, at the board of directors meeting of the Target Company held today, it was resolved that, subject to the completion of the Tender Offer, the transfer of Share Options held by all of the Share Option Holders to the Tender Offeror by tendering their Share Options in the Tender Offer is approved, and that the terms of the share options allotment agreement for the Share Options be amended to allow for the transfer of share options if such transfer is desired.

Furthermore, as the Tender Offeror has determined the Share Option Purchase Price based on the Tender Offer Price, it has not obtained a valuation report from a third-party valuation agency.

(3) ADRs

The ADRs represent ADS that have been deposited with the Depository Bank, and in light of the fact that one ADS is equivalent to one Target Company Share, the purchase price for the ADRs has been set at 3,300 yen per ADS, which is the same as the Tender Offer Price per Target Company Share.

(II) Background of Calculation

(Background to the Determination of the Tender Offer Price and the Share Option Purchase Price)

In early July 2024, the Target Company, who was considering tackling management issues with the use of external management resources, consulted with KKR regarding its financial and business strategies, and from early July 2024, KKR has held ongoing discussions with the Target Company on multiple occasions regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. On August 19, 2024, KKR was approached by J.P. Morgan Securities, financial advisor to the Target Company, to participate in the process to take the Target Company private through the Take-Private Process, and KKR began considering whether to participate in the Take-Private Process. KKR has extensive investment experience in the global eye care and industrial fields, and through its discussions with the Target Company to date, KKR strengthened its view that there is significant room for accelerating the Target Company's business growth and increasing its corporate value for future growth by utilizing KKR's global network, and in mid-August 2024, it decided to participate in the Take-Private Process. Subsequently, pursuant to the confidentiality agreement entered into between KKR and the Target Company on August 13, 2024 in order for KKR to proceed with consideration of the Take-Private Process, and based on the sales and operating income results of the Target Company Group as a whole and by segment, past performance and future plans for major cash flow items, the status of the Target Company assets and liabilities as disclosed by the Target Company, and based on various publicly available information, KKR conducted an initial review. Although it was still at a preliminary stage prior to the conducting of due diligence based on information provided by the Target Company, KKR came to believe that the Target Company has strong competitiveness, growth potential, and high potential, primarily in the Eye Care Business, based on deepening its understanding of the industry characteristics and growth potential of the market for

each business segment to which the Target Company belongs, the competitive advantage that the Target Company has established in the market for each business segment, the direction of the Target Company's growth strategy, and the potential for improving corporate value and stock value, and on September 13, 2024, KKR submitted the non-legally binding Take-Private Process Proposal Dated September 13 to J.P. Morgan Securities. In the Take-Private Process Proposal Dated September 13, KKR proposed the implementation of the Target Company Take-Private Transaction with a tender offer price of 3,000 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated September 13 includes a premium of 105.55% on the closing price of the Target Company Shares on the TSE Prime Market on September 12, 2024 (such date being the business day immediately preceding September 13, 2024) (1,459.5 yen), 100.53% on the simple average of the closing prices for the preceding one month (from August 13, 2024 to September 12, 2024) (1,496 yen), 83.37% on the simple average of the closing prices for the preceding three months (from June 13, 2024 to September 12, 2024) (1,636 yen), and 76.99% on the simple average of the closing prices for the preceding six months (from March 13, 2024 to September 12, 2024) (1,695 yen).

Subsequently, from mid-September 2024 until late November 2024, KKR continued to engage in constructive discussions with the management of the Target Company regarding business strategies that would contribute to maximizing the corporate value of the Target Company. In light of the content of the discussions with the management of the Target Company to date, KKR submitted the non-legally binding Take-Private Process Proposal Dated November 26 to the Target Company Strategic Special Committee and board of directors on November 26, 2024, which included a description of the tender offer price on the assumption that the Target Company Shares will be delisted. In the Take-Private Process Proposal Dated November 26, KKR set a tender offer price of 3,200 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated November 26 includes a premium of 104.60% on the closing price of the Target Company Shares on the TSE Prime Market on November 25, 2024 (such date being the business day immediately preceding November 26, 2024) (1,564 yen), 106.05% on the simple average of the closing prices for the preceding one month (from October 28, 2024 to November 25, 2024) (1,553 yen), 106.85% on the simple average of the closing prices for the preceding three months (from August 26, 2024 to November 25, 2024) (1,547 yen), and 98.27% on the simple average of the closing prices for the preceding six months (from May 27, 2024 to November 25, 2024) (1,614 yen).

Subsequently, from late November 2024 until early January 2025, KKR continued to engage in constructive discussions with the management of the Target Company regarding business strategies that would contribute to maximizing the corporate value of the Target Company. In light of the content of the discussions with the management of the Target Company to date, KKR submitted the non-legally binding Take-Private Process Proposal Dated January 6 to the Target Company Strategic Special Committee and board of directors on January 6, 2025, which included a description of the tender offer price on the assumption that the Target Company Shares will be delisted. In the Take-Private Process Proposal Dated January 6, KKR set a tender offer price of 3,800 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated January 6 includes a premium of 33.87% on the closing price of the Target Company Shares on the TSE Prime Market on December 30, 2024 (such date being the business day immediately preceding January 6, 2025) (2,838.5 yen), 54.53% on the simple average of the closing prices for the preceding one month (from December 12, 2024 to December 30, 2024) (2,459 yen), 103.43% on the simple average of the closing prices for the preceding three months (from October 1, 2024 to December 30, 2024) (1,868 yen),

and 119.53% on the simple average of the closing prices for the preceding six months (from July 1, 2024 to December 30, 2024) (1,731 yen). In addition, a premium of 116.34% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made by some news outlets, which triggered a fluctuation in the Target Company's stock price, a premium of 139.45% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 142.50% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 136.32% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, from late January to early February 2025, KKR conducted due diligence of the Target Company's business, finance and legal affairs, etc., taking into account the downward revision in the Target Company's business plan announced on January 30, 2025, and conducted interviews, etc. with the Target Company's management regarding its business strategy, and proceeded with considering the acquisition of Target Company Shares. KKR has come to believe that substantial growth of the Target Company is possible through the Transaction and it expected that there will be synergies, but no dyssynergies, by forming a strategic partnership between the Target Company, which it believes has advanced technology, abundant human capital, and a solid customer base, and KKR, which it believes has abundant human and capital resources, experience in both the eye care and industrial fields, and a global network, with, in the eye care field in particular, expansion of sales channels through collaboration with major eye care retailers and eye clinic chains in which KKR has invested, and the utilization of KKR's global network of experts with extensive knowledge in the field, by delisting the Target Company Shares, based on further deepening its understanding of the Target Company's medium- to long-term growth and future vision, in addition to deepening its understanding of the industry characteristics and growth potential of the each business segment to which the Target Company belongs, the competitive advantage that the Target Company has established in the markets for each business segment, the direction of the Target Company's medium- to long-term growth strategy, and the potential for improving corporate value and stock value. On February 25, 2025, based on a multifaceted and comprehensive analysis of the Target Company's business and financial status, and upon analyzing the value of the Target Company Shares in comparison with the market share prices and profitability of multiple listed companies that are relatively similar to the Target Company in terms of business contents, business scale, earnings status, etc., KKR submitted the non-legally binding Take-Private Process Proposal Dated February 25 to the Target Company, including a description of the tender offer price. In the Take-Private Process Proposal Dated February 25, KKR set a tender offer price of 3,100 to 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 25 includes a premium of 8.85% to 15.87% on the closing price of the Target Company Shares on the TSE Prime Market on February 21, 2025 (such date being the business day immediately preceding February 25, 2025) (2,848 yen), 8.47% to 15.47% on the simple average of the closing prices for the preceding one month (from January 22, 2025 to February 21, 2025) (2,858 yen), 20.44% to 28.21% on the simple average of the closing prices for the preceding three months (from November 22, 2024 to February 21, 2025) (2,574 yen), and 51.07% to 60.82% on the simple average of the closing prices for the preceding six months (from August 22, 2024, to February 21, 2025) (2,052 yen). In addition, a premium of 76.49% to 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 95.34% to 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 97.83% to 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 92.79% to 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

As KKR subsequently received a request from the Target Company to resubmit its proposal by February 28, 2025, including a revision to the tender offer price proposed in the Take-Private Process Proposal Dated February 25, KKR submitted the non-legally binding Take-Private Process Proposal Dated February 28 to the Target Company Strategic Special Committee and board of directors on February 28, 2025, which included a description of the tender offer price on the assumption that the Target Company Shares will be delisted. In the Take-Private Process Proposal Dated February 28, KKR set a tender offer price of 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Target Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 28 includes a premium of 16.71% on the closing price of the Target Company Shares on the TSE Prime Market on February 27, 2025 (such date being the business day immediately preceding February 28, 2025) (2,827.5 yen), 15.99% on the simple average of the closing prices for the preceding one month (from January 28, 2025 to February 27, 2025) (2,845 yen), 24.25% on the simple average of the closing prices for the preceding three months (from November 28, 2024 to February 27, 2025) (2,656 yen), and 58.05% on the simple average of the closing prices for the preceding six months (from August 28, 2024, to February 27, 2025) (2,088 yen). In addition, a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Target Company's stock price, a premium of 107.94% was given on the simple average of the closing prices for the preceding one month (from November 11, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target Company from early to late March 2025 regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Target Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, KKR submitted a final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the tender offer price of the Target Company Shares at 3,300 yen per Target Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Target Company Share by the number of the Target Company Shares underlying each Share Option. On March 28, 2025, KKR reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by ADRs at the same price as the Tender Offer Price, and the Tender Offeror decided to implement the Tender Offer.

Furthermore, on March 17, 2025 the KKR Fund entered into a confidentiality agreement with shareholder of the Target Company and KKR, VAC, and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering the Agreed Tender Shares in the Tender Offer. Subsequently, taking into account that VAC has owned the Target Company Shares over a medium- to long-term period, and the fact that VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited

partner interests in the KKR Fund.

Subsequently, on July 24, 2025, the Tender Offeror confirmed that, except for the Unobtained Clearance, all of the Clearance would be obtained by July 29, 2025, that it was certain that all of the Conditions Precedent other than the Clearance will have been satisfied by that date, and that all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance. As a result, the Tender Offeror determined that the Tender Offer could be commenced, and contacted the Target Company to inform them that it intended to waive, by mutual agreement with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025. Subsequently, the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund reached an agreement with the Target Company on July 28, 2025 to waive the Condition Precedent of obtaining Clearance for the Unobtained Clearance. As a result of the above process, as described in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” above, on July 28, 2025, the Tender Offeror confirmed that all of the Conditions Precedent have been satisfied (other than obtaining the Unobtained Clearance, which was waived by mutual agreement between the Tender Offeror, the Tender Offeror Parent, the KKR Fund, and the Target Company), and decided to commence the Tender Offer on July 29, 2025. The Tender Offeror determined that, taking into account the circumstances from March 28, 2025, when the March 28, 2025 Tender Offeror Press Release was published until July 28, 2025, there are no significant changes in the factors taken into account when determining the Tender Offer Price and has therefore determined that it is unnecessary to change the Tender Offer Price determined on March 28, 2025.

(III) Relationships with Valuation Firms

The Tender Offeror determined the Tender Offer Price and the Share Option Purchase Price through discussions and negotiations with the Target Company, comprehensively considering the factors described in “(I) Basis for Calculation” above and has not obtained a share valuation report or Fairness Opinion from third-party valuation firms.

(5) Number of Shares, etc. to Be Purchased

Type of Shares, etc.	Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
Common Shares	105,512,012 (shares)	52,861,519 (shares)	- (shares)
Total	105,512,012 (shares)	52,861,519 (shares)	- (shares)

(Note 1) If the total number of Tendered Securities (including the number of shares subject to the Share Options tendered in the Tender Offer; the same shall apply hereinafter) is less than the minimum number of shares to be purchased (52,861,519 shares), the Tender Offeror will not purchase any of the Tendered Securities. If the total number of Tendered Securities is equal to or exceeds the minimum number of shares to be purchased (52,861,519 shares), the Tender Offeror will purchase all of the Tendered Securities.

(Note 2) Shares of less than one unit are also subject to the Tender Offer. If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may buy back its own shares during the Tender Offer Period in accordance with the procedures required by laws and regulations.

(Note 3) There are no plans for the treasury shares owned by the Target Company to be acquired through the Tender Offer.

(Note 4) Share options may be exercised until the last day of the Tender Offer Period, and shares of the Target

Company to be issued or transferred upon such exercise are also subject to the Tender Offer.

- (Note 5) As the maximum number of shares to be purchased in the Tender Offer has not been set, the maximum number of Target Company Shares to be purchased by the Tender Offeror in the Tender Offer, the Total Shares Outstanding on a Fully Diluted Basis (105,512,012 shares), is indicated as the number of shares to be purchased.

(6) Changes in Ownership Ratio of Shares, etc. through the Purchase

The number of voting rights represented by the shares, etc. owned by the Tender Offeror prior to the purchase	- rights	(Ownership ratio of shares, etc. prior to the purchase - %)
The number of voting rights represented by the shares, etc. owned by specially related persons prior to the purchase	823 rights	(Ownership ratio of shares, etc. prior to the purchase - %)
The number of voting rights represented by shares, etc. owned by the Tender Offeror after the purchase	1,055,120 rights	(Ownership ratio of shares, etc. after the purchase 100.00%)
The number of voting rights represented by the shares, etc. owned by specially related persons after the purchase	440 rights	(Ownership ratio of shares, etc. after the purchase 0.04%)
The total number of voting rights of all shareholders of the Target Company	1,053,712 rights	

- (Note 1) “The number of voting rights represented by the shares, etc. owned by the Tender Offeror after the purchase” is the number of voting rights represented by the number of shares to be purchased (105,512,012 shares) in the Tender Offer as described in “(5) Number of Shares, etc. to Be Purchased” above.

- (Note 2) “The total number of voting rights of all shareholders of the Target Company” is the total number of voting rights of all shareholders as of March 31, 2025, as stated in the Annual Securities Report for the 132nd Fiscal Year submitted by the Target Company on June 26, 2025. However, since shares of less than one unit and the Target Company Shares to be issued or transferred upon the exercise of the Share Options are also subject to the Tender Offer, in the calculation of “Ownership ratio of shares, etc. after the purchase”, the number of voting rights (1,055,120 voting rights) represented by the Total Shares Outstanding on a Fully Diluted Basis (105,512,012 shares) is the denominator.

(7) Purchase Amount 348,189,639,600 yen

- (Note) The purchase amount is calculated by multiplying the number of shares to be purchased in the Tender Offer (105,512,012 shares) by the Tender Offer Price (3,300 yen).

(8) Settlement Method

- (I) Name and Location of Head Office of the Financial Instruments Business Operator or Bank etc. Responsible for Settlement

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
1-9-2, Otemachi, Chiyoda-ku, Tokyo

Mitsubishi UFJ eSmart Securities Co., Ltd. (sub-agent)
3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo

(II) Settlement Commencement Date
Wednesday, September 17, 2025

(III) Settlement Method

Promptly following the expiration of the Tender Offer Period, notifications of the purchases in the Tender Offer will be mailed to the addresses or locations of the Tendering Shareholders (or the standing proxies, for Foreign Shareholders). Issuance of notifications by the sub-agent will be made by electromagnetic means through the screen after login.

Purchases will be made in cash. At the instruction of the Tendering Shareholders (or the standing proxies for Foreign Shareholders) and promptly after the date of commencement of settlement, the proceeds of sales of Shares that were purchased in the Tender Offer will be remitted by the tender offer agent to the place designated by the Tendering Shareholders (or standing proxies, for Foreign Shareholders), or paid into the accounts of the Tendering Shareholders whose applications for tender were accepted by the tender offer agent or sub-agent.

(IV) Method of Return of Shares

If all of the Tendered Shares are not purchased in accordance with the conditions described in “(1) Existence and Description of Conditions Stipulated in each Item of Article 27-13, Paragraph 4 of the Act” or “(2) Existence and Description of Conditions for Withdrawal of Tender Offer, and Method of Disclosure of Withdrawal” in “9. Other Conditions and Methods of Purchase” below, the Shares that need to be returned will be returned by restoring the record to the state in which it existed immediately before they were tendered, promptly on or after the second business day after the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, the date of withdrawal).

(9) Other Terms and Methods for the Purchase

(I) Existence and Details of the Terms Listed in Each Item of Article 27-13, Paragraph 4 of the Act

If the total number of Tendered Securities is less than the minimum number of shares to be purchased (52,861,519 shares), the Tender Offeror will not purchase any of the Tendered Securities. If the total number of Tendered Securities is equal to or exceeds the minimum number of shares to be purchased (52,861,519 shares), the Tender Offeror will purchase all of the Tendered Securities.

(II) Existence and Description of Conditions for Withdrawal of Tender Offer, and Method of Disclosure of Withdrawal

If any of the circumstances set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s), Article 14, paragraph (1), item (iii), (a) through (h) and (j), Article 14, paragraph (1), item (iv) as well as Article 14, paragraph (2), item (iii) through (vi) of the Order occurs, the Tender Offer may be withdrawn. In the Tender Offer, “Facts equivalent to those set forth in (a) to (i)” mentioned in Article 14, paragraph (1), item (iii), (j) of the Order means the following situations: (i) where it has been discovered that any of the statutory disclosure documents submitted by the Target Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, if the Tender Offeror is unaware of the false statement or the omission and could not become aware of the same despite having used a reasonable degree of care, or (ii) where any of the events set forth in (a) to (g) of the same item has occurred to an important subsidiary of the Target Company.

If the Tender Offer will be withdrawn, an electronic public notice will be made, and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if making such public notice by the last day of the Tender Offer Period is difficult, an announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

(III) Existence and Description of Conditions for Reduction to Purchase Price, and Method of Disclosure of Reduction to Purchase Price

In accordance with Article 27-6, paragraph (1), item (i) of the Act, if the Target Company engages in any of the actions described in Article 13, paragraph (1) of the Order during the Tender Offer Period, the purchase price may be reduced in accordance with the standards provided in Article 19, paragraph (1) of the Cabinet Office Order.

If the purchase price will be reduced, an electronic public notice will be made, and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, an announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

If the purchase price is reduced, purchases will be made at the newly reduced price even with respect to the Tendered Shares that were tendered on or before the date on which the public notice was made.

(IV) Matters Concerning Right of Tendering Shareholders to Terminate Contracts

Tendering Shareholders may terminate their agreements related to the Tender Offer at any time during the Tender Offer Period.

When terminating an agreement for a tender application made to the tender offer agent, please deliver or send the “Tender Offer Application Receipt Form” and a document indicating the intention to terminate the agreement concerning the Tender Offer (“Termination Document”) to the head office or any branch of the tender offer agent that accepted the tender application by 16:00 on the last day of the Tender Offer Period. The termination of the agreement shall take effect when the Termination Document is delivered to or reaches the person designated below. However, if a Termination Document is sent, the Termination Document must reach the person designated below by 16:00 on the last day of the Tender Offer Period. To terminate an agreement for a tender applied for through the sub-agent, Mitsubishi UFJ eSmart Securities Co., Ltd., please carry out the cancellation procedures onscreen after login in the manner provided in “Tender Offer (TOB)” (<https://kabu.com/item/tob/>) on the sub-agent’s website (<https://kabu.com/>) by 16:00 on the last day of the Tender Offer Period.

Persons authorized to receive the Termination Document

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

1-9-2, Otemachi, Chiyoda-ku, Tokyo

(Other branches of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)

The Tender Offeror will not seek payment of damages or penalties from Tendering Shareholders even if their agreements are terminated. Furthermore, any expenses associated with returning Tendered Shares will be borne by the Tender Offeror. In the event of any termination of any such agreement, Tendered Shares will be returned promptly after completing the procedures by the means described in “(4) Method of Return of Shares” in “10. Settlement Method” above.

(V) Method of Disclosure of Change to Conditions of Purchase

Except when prohibited under Article 27-6, paragraph (1) of the Act and Article 13, paragraph (2) of the Order, the Tender Offeror may change the purchase conditions during the Tender Offer Period.

If the Tender Offeror changes any purchase conditions, an electronic public notice of the changes will be made, and a notice to that effect will be published in the Nihon Keizai Shimbun. However, if making such public notice by the

last day of the Tender Offer Period is difficult, an announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

If the Tender Offeror changes any purchase conditions, purchases of Tendered Shares will be made in accordance with the newly changed purchase conditions, even with respect to Tendered Shares that were tendered on or before the date on which the public notice was made.

(VI) Method of Disclosure of Submission of Amendment Statement

If the Tender Offeror submits an amended statement to the Director-General of the Kanto Finance Bureau (excluding the situation specified in the proviso clause to Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately announce the details set forth in the amended statement that relate to the content of the public notice for commencing a tender offer via the methods set forth in Article 20 of the Cabinet Office Order. Furthermore, the Tender Offeror will amend the Tender Offer Explanation Statement immediately, and any Tendering Shareholders who already received an original Tender Offer Explanation Statement will be provided with an amended version thereof. However, if the scope of the amendment is narrow, a document containing the reasons for the amendment, the amended items, and the content following the amendment will be prepared and that document will be delivered to the Tendering Shareholders for purposes of amending the Tender Offer Explanation statement previously provided.

(VII) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be announced publicly on the day after the last day of the Tender Offer Period, in accordance with the methods set forth in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

3. Policy after the Tender Offer and Future Outlook

For details on the policies after the Tender Offer, please refer to “1. Purpose of the Purchase” above.

4. Other Matters

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

(I) Declaration of Support for the Tender Offer

According to the Target Company Press Release, the Target Company resolved at a meeting of its board of directors held on March 28, 2025 to express its support for the Tender Offer as its opinion as of the same date, and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, which includes the implementation of the LP Interest Acquisition, and as a result, while respecting to the utmost the contents of the April 16, 2025 Supplemental Report received from the Strategic Special Committee, the Target Company again carefully discussed and examined the terms of the Tender Offer. As a result, as there are no circumstances that would lead to the determination that the execution of the Tender Agreement (VAC) and the LP Interest Acquisition would undermine the appropriateness or fairness of the terms and procedures of the Transaction, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

Subsequently, on July 24, 2025, the Target Company was notified by the Tender Offeror that it had confirmed that the Clearance Acquisition other than the Unobtained Clearance will be obtained by July 29, 2025, and that it was certain that all of the Conditions Precedent, other than the Clearance Acquisition will have been satisfied by the same date, and that all Unobtained Clearance is expected to be obtained by August 26, 2025, the deadline by which the extension of the Tender Offer Period will not be required pursuant to Article 27-8, Paragraph 8 of the Act, even if an amendment statement to the Tender Offer Registration Statement for the Tender Offer is submitted as required due to the acquisition of the Unobtained Clearance. As a result, it had determined the Tender Offer could be commenced and that it intended to waive, by mutual consent with the Target Company, the Condition Precedent of obtaining the Unobtained Clearance, and to commence the Tender Offer on July 29, 2025.

Subsequently, on July 28, 2025, the Strategic Special Committee examined whether any significant changes in circumstances of the Target Company have occurred since March 28, 2025 that may affect the Transaction and considered the matters for consultation. As a result, it confirmed that, even taking into account the circumstances from March 28, 2025 through July 28, 2025, there were no circumstances that would require the contents of the March 28, 2025 Report and the April 16, 2025 Supplemental Report to be amended. On July 28, 2025, by unanimous resolution of the committee, it submitted the July 28, 2025 Supplemental Report to the Target Company's board of directors stating that it does not believe it is necessary to amend the contents of both of the above-mentioned reports.

Based on the above, the Target Company carefully reconsidered the terms of the Tender Offer, taking into account the business condition of the Target Company and the environment surrounding the Transaction, while respecting to the utmost the contents of the July 28, 2025 Supplemental Report submitted by the Strategic Special Committee, and as a result, determined that, as of July 28, 2025, there are no factors that would cause it to change its opinion regarding the Tender Offer as of March 28, 2025, and April 16, 2025, and resolved to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer.

For details of the resolution of the meeting of the board of directors of the Target Company held on July 28, 2025 mentioned above, please refer to the Target Company Press Release and “(VII) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “1. Purpose of the Tender Offer” above.

(II) Execution of the Tender Offer Agreement

The Tender Offeror, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Offer Agreement with the Target Company with respect to the Transaction on March 28, 2025. In addition, the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund reached an agreement with the Target Company on July 28, 2025 to waive the Condition Precedent of obtaining Clearance for the Unobtained Clearance. For the details of the Tender Offer Agreement, please refer to “(I) Tender Offer Agreement” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” in “1. Purpose of the Tender Offer” above.

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

(I) Announcement of “Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (Under Japanese GAAP)”

According to the Target Company, the Target Company announced the Target Company Financial Results on May 12, 2025. For details, please refer to the announcement.

(i) Profit and Loss Status (Consolidated)

Accounting Period	Fiscal Year Ending March 31, 2025
Sales	216,000 million yen
Cost of Sales	102,098 million yen
Selling, General and Administrative Expenses	105,075 million yen
Non-operating Income	790 million yen
Non-operating Expenses	4,888 million yen
Net Income Attributable to Owners of Parent	417 million yen

(ii) Status Per Share (Consolidated)

Accounting Period	Fiscal Year Ending March 31, 2025
Net Income Per Share	3.96 yen
Dividend Per Share	0.00 yen

(II) Announcement of “Announcement Regarding Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend)”

According to the “Announcement Regarding Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend)” announced by the Target Company on March 28, 2025, the Target Company resolved at a meeting of the board of directors held on March 28, 2025 to revise the dividend forecast for the fiscal year ending March 31, 2025 and not pay a year-end dividend for the fiscal year ending March 31, 2025, subject to the completion of the Tender Offer. For details, please refer to the Target Company’s announcement.

(III) Other Matters

- The purpose of this press release is to publicly announce the Tender Offer and it has not been prepared for the purpose of soliciting an offer to sell or purchase in the Tender Offer. When making an application to tender, please be sure to read the Tender Offer Explanatory Statement for the Tender Offer and make your own decision as a shareholder or Share Option Holder. This Press Release does not constitute, either in whole or in part, a solicitation of an offer to sell or purchase any securities, and the existence of this press release (or any part thereof) or its distribution shall not be construed as a basis for any agreement regarding the Tender Offer, nor shall it be relied upon in concluding an agreement regarding the Tender Offer.
- The common shares and share options of the Target Company, a company incorporated in Japan, are subject to the Tender Offer. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards set forth in Japanese law, and those procedures and standards are not always the same as the procedures and information disclosure standards in the U.S. In particular, neither sections 13(e) or 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same shall apply hereinafter) or the rules under these sections apply to the Tender Offer; and therefore the Tender Offer is not conducted in accordance with those procedures and standards. All of the financial information included in this press release is based on Japanese GAAP, which may differ significantly from GAAP in the U.S. and other countries. In addition, because the Tender Offeror is a corporation incorporated outside the U.S., it may be difficult to exercise rights or demands against it that can be asserted based on U.S. securities laws. It also may be impossible to initiate an action against a corporation that is based outside of the U.S. or its officers in a court outside of the U.S. on the grounds of a violation of U.S. securities-related laws. Furthermore, there is no guarantee that a corporation that is based outside of the U.S. or its affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.
- Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the Tender Offer will be prepared in English; however, if there is any discrepancy between the English-language documents and the Japanese-language documents, the Japanese-language documents shall prevail.

- This press release includes statements that fall under “forward-looking statements” as defined in section 27A of the U.S. Securities Act of 1933 (as amended) and section 21E of the Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ materially from the predictions indicated by the statements that are implicitly or explicitly forward-looking statements. Neither the Tender Offeror nor any of its affiliates guarantee that the predictions indicated by the statements that are implicitly or expressly forward-looking statements will materialize. The forward-looking statements in this press release were prepared based on information held by the Tender Offeror as of today, and the Tender Offeror and its affiliates shall not be obliged to amend or revise such statements to reflect future events or circumstances, except as required by laws and regulations.
- The Tender Offeror, the Target Company, their respective financial advisors and the tender offer agent (and their respective affiliates) may purchase the common shares and share options of the Target Company, by means other than the Tender Offer, or conduct an act aimed at such purchases, for their own account or for their client’s accounts, including in the scope of their ordinary business, to the extent permitted under financial instrument exchange-related laws and regulations, and any other applicable laws and regulations in Japan, in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 during the Tender Offer Period. Such purchases may be conducted at the market price through market transactions or at a price determined by negotiations off-market. In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the person conducting such purchases (or by any other method of public disclosure).
- If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may buy back its own shares during the Tender Offer Period in accordance with the procedures required by laws and regulations.

The financial advisor of KKR is Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. The legal advisors of KKR are Nishimura & Asahi Gaikokuho Kyodo Jigyo and Simpson Thacher & Bartlett LLP.

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