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(Stock Exchange Code 4837)

February 13, 2024

(Commencement date of measures for electronic provision: February 6, 2024)

To Shareholders with Voting Rights:

Kinichi Shida
Chairman and President
SHiDAX CORPORATION
6-3, Chofugaoka 3-chome, Chofu City,
Tokyo

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified of an Extraordinary General Meeting of Shareholders of SHiDAX CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

The Company has taken measures for electronic provision for the convocation of this Extraordinary General Meeting of Shareholders, and the matters subject to measures for electronic provision are posted as “NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS” on the Company’s website and the Tokyo Stock Exchange (TSE) website on the Internet. Please access either of the following websites and check the information.

Company’s website <https://www.shidax.co.jp/ir/stock/meeting/>

TSE website <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*In order to review the information on the TSE website, please enter the issue name (SHiDAX) or the stock exchange code (4837), search, and select “Basic information” and then “Documents for public inspection/PR information” on the TSE website above.

If you do not attend the meeting, you can exercise your voting rights in advance via the Internet or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights no later than 6:00 p.m. on Tuesday, February 27, 2024, Japan time.

- 1. Date and Time:** Wednesday, February 28, 2024 at 10:00 a.m. Japan time (**Reception starts at 9:30 a.m.**) *Please note that the reception starting time has changed.
- 2. Place:** SHiDAX Culture Hall, 8F of SHiDAX Culture Village located at 12-10, Jinnan 1-chome, Shibuya-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Proposals to be resolved:**
 - Proposal 1:** Share Consolidation
 - Proposal 2:** Partial Amendments to the Articles of Incorporation

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- Please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue on the day of the meeting.
- Should the matters subject to measures for electronic provision require revisions, such revisions, as well as

the original and revised versions, will be posted on the Company's website and the TSE website stated above.

- Please understand that no souvenirs will be handed out at the Extraordinary General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Share Consolidation

In response to the result of the tender offer implemented by SHIDA Holdings Corporation (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”), this proposal requests the approval for a share consolidation with a consolidation ratio of 10,200,000 shares to one (1) (the “Share Consolidation”) in order to make the Tender Offeror the exclusive shareholder of the Company, at the effective date of March 21, 2024.

1. Reasons for the Share Consolidation

As stated in “Notice concerning MBO implemented by SHIDA Holdings Corporation and recommendation of accepting the offer” (the “Press Release of the Position Statement”) announced by the Company on November 10, 2023, the Tender Offeror implemented the tender offer for the Company Shares (the “Tender Offer”), setting 30 business days from November 13, 2023 to December 25, 2023 as the period for the purchases (the “Tender Offer Period”), as part of the series of transactions (the “Transactions”) conducted with the purpose of making the Tender Offeror the exclusive shareholder of the Company and privatizing the Company Shares.

As a result of the Tender Offer, the Tender Offeror owns 44,617,157 shares (ownership ratio (Note 1): 81.43%) of the Company Shares, as of January 5, 2024, the settlement commencement date of the Tender Offer.

(Note 1) “Ownership ratio” means the percentage owned (rounded off to the second decimal place, the same shall apply hereinafter in ownership ratio calculations) of the difference (54,792,661 shares) between the total number of issued shares of the Company as of September 30, 2023 (55,722,121 shares), as stated in the “Consolidated Financial Results for the Six Months Ended September 30, 2023 (Japanese GAAP)” announced by the Company on November 10, 2023, and the number of treasury shares held by the Company as of September 30, 2023 (929,460 shares).

As stated in the Press Release of the Position Statement, we received a letter of intent dated August 18, 2023 submitted by the Tender Offeror and Oisix ra daichi Inc. (“Oisix”), which stated that they were considering implementing transactions aimed at privatizing the Company, and that concrete structures were under consideration. We also received another letter of intent (the “Letter of Intent”) dated August 29, 2023, which stated that they were considering implementing the Transactions. As a result, we worked to ensure fairness of the price per Company Share for bid, etc. at the Tender Offer (the “Tender Offer Price”) and fairness of the Transactions including the Tender Offer, as described in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters concerning adequacy of provisions on the consolidation ratio” below. Accordingly, in the middle of August, 2023, we elected AGS Consulting Co., Ltd. (“AGS Consulting”) as a financial advisor and a third-party calculation agent, independent of Mr. Kinichi Shida, Mr. Tsutomu Shida, and the Tender Offeror (collectively referred to as the “Tender Offerors”), Oisix, and the Company, and Mori Hamada & Matsumoto as a legal advisor independent of the Tender Offerors, Oisix, and the Company, respectively. From the middle of the same month, based on the legal advice received from Mori Hamada & Matsumoto on the processes, manners, and other important matters regarding decision-making on the Transactions, the Company also began to put in place systems to enable deliberation, negotiations, and decision-making related to the Transactions from the perspective of enhancing the corporate value of the Company and securing the interests of general shareholders of the Company, standing independent of the Tender Offerors and Oisix. In addition, at a meeting of the Board of Directors held on August 30, 2023, the Company resolved to elect AGS Consulting as a financial advisor and third-party calculation agent, and Mori Hamada & Matsumoto as a legal advisor, respectively, subject to the approval by the Special Committee mentioned below.

Furthermore, the Transactions fall under a management buyout (MBO) (Note 2), as they shall be implemented by the Tender Offeror, all of the shares of which are owned by Mr. Kinichi Shida, Representative Director of the Company; Mr. Tsutomu Shida, Director of the Company, their relatives, and SDI Corporation (“SDI”). Therefore, the Company, deciding that it was necessary to

address issues of structural conflicts of interest, established a special committee (the “Special Committee;” please refer to “i) Establishment of the independent Special Committee of the Company and obtaining reports” in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters concerning adequacy of provisions on the consolidation ratio” below regarding the structure and specific activities of the Special Committee) under the resolution of the meeting of the Board of Directors of the Company held on August 30, 2023, in order to ensure fairness across the entire process of negotiating and making decisions on the pros and cons of the Transactions, and adequacy of the terms and conditions thereof, from the perspective of enhancing corporate value and protecting the interests of our general shareholders. On August 30, 2023, the Special Committee approved to elect AGS Consulting as a financial advisor and third-party calculation agent, and Mori Hamada & Matsumoto as a legal advisor, for the Company respectively, after confirming that no problems were found regarding their independence from the Tender Offerors, Oisix, the Company and the Transactions, and their expertise.

(Note 2) “Management buyout (MBO)” means transactions in which a tender offeror comprises of officers of an offeree company, or a tender offeror makes a tender offer at the request of officers of an offeree company, sharing common interests with the officers of the offeree company.

Besides this, the Company considered the purposes and the terms and conditions of the Transactions described in the Letter of Intent, any impacts of the Transactions on the Company, management policies after the Transactions, and the recent stock price trends, having several consultations and negotiations between the Tender Offeror and the Company, under instructions and other substantial involvements of the Special Committee.

Specifically, after the Tender Offeror proposed the Tender Offer Price of 699 yen to the Company on October 2, 2023, the Special Committee considered the proposed price insufficient in view of our corporate value and the interests of the shareholders, on the basis of premium rates, etc. in similar cases announced in the past, and a resulting equity value of the Company Shares estimated by AGS Consulting, a third-party calculation agent of the Company. Accordingly, the Special Committee requested the Tender Offeror to reconsider the Tender Offer Price on October 5, 2023. In response to this, although the Tender Offeror proposed a Tender Offer Price of 740 yen to the Company on October 17, 2023, the Special Committee requested the Tender Offeror to reconsider such proposal on October 19, 2023 for the same reasons. In response to this, the Tender Offeror proposed a Tender Offer Price of 770 yen to the Company on October 24, 2023, but the Special Committee requested the Tender Offeror once again reconsider such proposal on October 26, 2023 for the same reasons. In response to this, the Tender Offeror proposed a Tender Offer Price of 790 yen to the Company on October 31, 2023, but such proposal was still considered insufficient in view of our corporate value and the interests of shareholders. Therefore, on November 2, 2023, the Special Committee requested a Tender Offer Price of 824 yen, again confirming the intent regarding the possibility of establishing majority-of-minority authorization. In response to this, the Tender Offeror proposed a Tender Offer Price of 800 yen to the Company on November 6, 2023. Along with this, the Tender Offeror replied that the Tender Offeror did not consider establishing majority-of-minority authorization, because doing so would make a successful completion of the Tender Offer unstable with a high probability of impairing the interests of the minority shareholders who would like to accept the Tender Offer, considering the importance of implementing the Transactions earlier, volatility of the stock price of the Company, and possession status of the Company Shares of the founders (collectively, the Tender Offerors, Mr. Shojiro Shida, Ms. Tomiji Shida, Ms. Miyuki Shida, Mr. Yuma Shida, Ms. Arisa Nagaki, Ms. Emiri Shida, SHIDA Safety Service Corporation, SDI, and SIX Corporation) and Oisix. Another reason was that ensuring fairness of the Transactions while considering the interests of minority shareholders would be feasible by taking sufficient measures to ensure fairness by the Company, without establishing majority of minority authorization. However, on November 8, 2023, the Special Committee again requested the Tender Offeror to set the Tender Offer Price at 824 yen, from the perspective of full consideration for the general shareholders who own the Company Shares, though understanding that the Tender Offer had given some consideration to the interests of general shareholders with the proposed price of 800 yen for the Tender Offer Price.

Afterward, on November 9, 2023, the Tender Offeror proposed a Tender Offer Price of 800 yen to the Company again, after considering that the proposed price of 800 yen was the best price in view of comprehensive factors including the current and medium-to-long term prices of the Company Shares, in addition to the results of due diligence carried out against the Company. As a result, the Tender Offeror and the Company reached a substantive agreement on the Tender Offer Price on the same

date.

Furthermore, the Company took necessary legal advice from Mori Hamada & Matsumoto, a legal advisor, on manners, processes and other important matters of decision-making of the Board of Directors of the Company, including procedures for the Transactions. Along with this, the Company took advice from a financial perspective, and received a calculation report of the equity value (the “Calculation Report”) on the resulting equity value of the Company Shares as of November 9, 2023, from AGS Consulting, a financial advisor and third-party calculation agent. Besides this, the Board of Directors of the Company received a report (the “Report”) dated November 10, 2023, submitted by the Special Committee (please refer to “i) Establishment of the independent Special Committee of the Company and obtaining reports” in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters concerning adequacy of provisions on the consolidation ratio” below regarding the outline of the Report). Based on the Report, the Company carefully made consultations and considerations from the perspective of the feasibility of enhancing corporate value through the Transactions, as well as of the adequacy of the terms and conditions of the Transactions, including the Tender Offer Price.

As a result, the Board of Directors of the Company came to the conclusion that the Transactions will contribute to the enhancement of the Group’s corporate value, in light of the following matters.

- (a) Increase in efficiency and expansion of business through strengthened cooperation with Oisix
- While the Group operates in the business areas of BtoB (Business to Business), such as hospitals, nursery schools, and offices, and BtoP (Business to Public), such as after-school childcare, public school lunches, and libraries, Oisix group operates mainly in the business areas of BtoC (Business to Consumer). For the Group to further expand the scope of its business operations, we had considered it necessary to build a business model in which we would have direct connections with consumers in the form of BtoBtoC and BtoPtoC, finding high affinity with Oisix group, which has strengths in BtoC areas, backed by its IT technologies. Collaboration is practical in know-how in sales and marketing, and networks of business connections, developed in BtoB and BtoP by the Company, and BtoC by Oisix respectively. It also becomes practical to make active and efficient investments in human resources with consistent interests of both companies, by utilizing each other’s human resources to align our overall policies. As a result, we consider it possible to accelerate our growth.
 - For DX (digital transformation), we are proceeding with collaborations between a subsidiary of Oisix for systems and a system-related department of the Company. After the Company goes private, the Company and Oisix will merge with the aim of mutually leveraging know-how and sharing systems to achieve higher operational efficiency and reduce costs. As a result, we consider it possible to achieve higher margin operations.
 - In the food services business (“Food-related Business”), in the provision of Oisix’s meal kits and ready-made meals that we are currently working on, we believe we can aim to further improve productivity and added value by expanding the scope of operations and refining initiatives in this space. Specifically, introducing the meal kits to school lunches for nursery schools and kindergartens will boost the productivity of employees at these facilities and also promote food and nutrition education. Utilizing these meal kits and ready-made meals in hospitals, elderly care facilities, and offices will also help improve the productivity of employees.
 - In the social services business, mutually utilizing the know-how on food waste issues and food and nutrition education that the Company and Oisix have gained in the school lunch area will help strengthen proposal capabilities, thus enhancing the ability to win contracts in the school lunch business. The Company and Oisix will provide meals for after-school childcare. Also, we consider it possible to generate synergies such as cross-selling with Oisix’s mobile supermarket business for people living in food deserts, with the aim of further revitalizing municipalities and roadside stations, which are the customers of the Company.
- (b) In the current capital relationship with Oisix, we are developing a collaboration business model in which we utilize Oisix’s meal kits in nursery school lunches. Specifically, from April 2023 we started test marketing at nursery facilities we had newly concluded meal preparation outsourcing contracts with. Going forward, we plan to develop a model in which we utilize commercial meal

kits at nursery facilities and increase the number of client facilities. In addition to this, we have been accelerating our understanding of the characteristics of facilities including hospitals and elderly care facilities, through study sessions and consultations between departments of both companies ahead of this collaboration. We are also preparing to expand into the service provision market with the aim of making an early entry into school lunch markets other than nursery schools. In this way, the collaboration is proceeding steadily. However, in the case assuming that the stock of the Company remains listed, there are concerns about structural conflicts of interest among Oisix and shareholders other than Oisix over transactions between the Company and Oisix, and mutual utilization of customer and operating bases, which requires us to execute decision-making in consideration of such minority shareholders. This might result in some restrictions on the above transactions, preventing synergy benefits from emerging at a faster pace.

- (c) Considering that discussions regarding collaboration between the Company and Oisix have been focused on the Food-related Business, other ways, such as Oisix's acquisition of a subsidiary related to the Food-related Business have been considered as possible alternatives to the Transactions. However, in those cases, we cannot generate synergies in business other than the Food-related Business. In addition, there are some overlapping business areas among the core businesses of the Company, the Food-related Business, the vehicle operation services business and the social services business, which work in cooperation with each other. Also, in view of losing synergy benefits as a result of such collaboration, we have concluded that the Transactions will contribute more to enhancing our corporate value over the medium to long term.
- (d) Disadvantages associated with going private mainly involve losing advantages that we enjoyed as a listed company, including losing opportunities for fund-raising in capital markets through equity financing, lower external creditworthiness, and difficulties in recruitment. However, considering the recent low-interest rate environment for indirect finance, the solid financial foundation developed through the past reforms of the Company, and the transition to asset-light business models that require no large capital investment, there is less of a necessity to fund-raise through equity financing. Also, we recognize that we have already secured brand power to some extent through past business activities, and concerns about lower external creditworthiness are limited. In terms of human capital, the Company remains a member of Oisix group, a listed company, and the Transactions even have the potential to have more of a positive effect on securing human resources, including recruitment activities. Therefore, disadvantages are limited, and there are more advantages to going private when considering personnel and financial costs.

Additionally, the Board of Directors of the Company has determined that the Tender Offer Price of 800 yen contributes to the common interests of shareholders of the Company, as described in "(3) Matters concerning the amount of money expected to be delivered to shareholders after handling fractions and adequacy of the amount" in "3. Matters concerning adequacy of provisions on the consolidation ratio" below, and that the Tender Offer provides shareholders of the Company a reasonable opportunity to sell stock.

As described above, the Company has determined that the Transactions will contribute to the enhancement of our corporate value, and that the terms and conditions of the Transactions, including the Tender Offer Price, will contribute to the common interests of shareholders, including general shareholders. Accordingly, at the meeting of the Board of Directors held on November 10, 2023, the Company resolved to state its opinion to approve of the Tender Offer and recommend accepting the Tender Offer for shareholders of the Company.

For details about the resolution of the Board of Directors of the Company, please refer to "(v) Approval from all Directors who do not have a stake in the Company and opinion of no objection from all Audit & Supervisory Board Members" in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest" in "3. Matters concerning adequacy of provisions on the consolidation ratio."

Afterward, as described above, the Tender Offer was successfully completed, but the Tender Offeror could not acquire all of the Company Shares (the Company Shares that the Tender Offeror

owned, and treasury shares that the Company owned were excluded) on the Tender Offer. Therefore, at the request of the Tender Offeror, the Company determined to submit the matter of the Share Consolidation to the Extraordinary General Meeting of Shareholders, upon the resolution of the Board of Directors of the Company dated January 24, 2024, subject to approval by the shareholders at the Extraordinary General Meeting of Shareholders, in order to make the Tender Offeror the exclusive shareholder of the Company, as described in “(1) Ratio of the Share Consolidation” in “2. Description of the Share Consolidation.” Additionally, as a result of the Share Consolidation, the number of shares that the shareholders other than the Tender Offeror own is expected to be fractions of less than one (1).

2. Description of the Share Consolidation

(1) Ratio of the Share Consolidation

The Company’s common shares will be consolidated at a ratio of 10,200,000 shares to one (1)

(2) Date when the Share Consolidation comes into effect (effective date)

March 21, 2024

(3) Total number of shares authorized to be issued by the Company as of the effective date

20 shares

3. Matters concerning the adequacy of provisions on the consolidation ratio

A ratio of the Share Consolidation is set to consolidate 10,200,000 shares of the Company Shares to one (1). The Company has determined that the ratio of the Share Consolidation is adequate, for the reason that the Share Consolidation is intended to make the Tender Offeror the exclusive shareholder of the Company, as described in “1. Reasons for the Share Consolidation” above, and in the context of the following matters.

(1) If a parent company, etc. exists, matters to be given due consideration so as not to harm the interests of shareholders of the Company other than such parent company

The Share Consolidation is to be carried out as the second procedure of a two-step acquisition after the Tender Offer. Considering that the Tender Offer is implemented as part of the transactions, which fall under a management buyout (MBO), and includes issues of structural conflicts of interest, the Tender Offeror and the Company implemented the measures described in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” below, in order to ensure fairness of the Transactions, including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, excluding arbitrariness over the process of decision-making to determine the Tender Offer implementation, and avoiding conflicts of interest. Among such descriptions, the measures that the Tender Offeror implemented are based on descriptions from the Tender Offeror.

(2) If fractional shares are expected to be handled, matters concerning the means of handling those fractions

i) Specifying the expected provision for handling fractions, in Article 234, Paragraph 2 of the Companies Act, which will be applied mutatis mutandis pursuant to Article 235, Paragraph 1 or 2 of the same Act, and the reasons

As described in “1. Reasons for the Share Consolidation” above, as a result of the Share Consolidation, the number of shares that the shareholders other than the Tender Offeror own is expected to be fractions of less than one (1). For any fractional shares resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total sum of the fractional shares (if the total sum includes a fractional share, such fractional share is to be rounded off) and deliver the proceeds of that sale to the shareholders in proportion to the fractional shares attributed to the shareholders.

Regarding such sale, considering that the Share Consolidation is implemented as part of the Transactions intended to make the Tender Offeror the exclusive shareholder of the Company, and purchasers at auction are deemed to be less likely to appear, since the Company Shares are to be delisted on March 18, 2024, turning into a share that has no market price, the Company plans to sell the fractional shares to the Tender Offeror with the permission of the court, according to the provisions of the Article 234, Paragraph 2 of the Companies Act (Act No. 86

of 2005, including the subsequent amendment) which will be applied mutatis mutandis pursuant to the Article 235, Paragraph 2 of the same Act.

In that case, if the Company acquires the required permission of the court as scheduled, the Company plans to set the price for sale at a price that enables each shareholder to receive the equivalent money to the amount gained by multiplying the number of the Company Shares that belong to the shareholders on the last list of shareholders of the Company, as of March 20, 2024 (effectively March 19, 2024, as the date is a holiday), the date before the effective date of the Share Consolidation (the “Base Number of Shares”), by 800 yen, the same price as the Tender Offer Price. However, in the case that the Company cannot acquire the permission of the court, or fractional adjustment is necessary in calculations, the actual delivered amount may differ from the above-mentioned amount.

- ii) Name of the expected purchaser of shares relating to the sale
SHIDA Holdings Corporation
- iii) Means of securing funds for the payment relating to the sale by the expected purchaser of shares relating to the sale and the adequacy of such means

The Tender Offeror plans to cover the funds relating to payment for sold shares equivalent to fractions with loans from financial institutions. The Company confirmed the means of securing funds by the Tender Offeror, by confirming contracts on loans from such financial institutions. Additionally, according to the Tender Offeror, there has been no occurrence of events that might affect the payment for sold shares equivalent to fractions, and the Tender Offeror does not recognize any risk of the occurrence in the future.

Accordingly, the Company has determined the means of securing funds for payment for sold shares equivalent to fractions to be adequate.

- iv) Time of the sale and the expected time of delivering the proceeds from the sale to shareholders

Around the beginning to middle of April 2024, according to the provisions of the Article 234, Paragraph 2 of the Companies Act, which will be applied mutatis mutandis pursuant to the Article 235, Paragraph 2 of the Companies Act, the Company plans to request permission from the court to sell the number of Company Shares equivalent to the total sum of the fractional shares resulting from the Share Consolidation, and the purchase of such Company Shares by the Tender Offeror. The time when we acquire the permission from the court may change, depending on the court’s circumstances, etc. However, the Company expects to sell such Company Shares by the means of purchases of the Tender Offeror by around the middle of April to the beginning of May 2024, with the permission of the court. After this, the Company also expects to deliver the proceeds from the sale to shareholders by around late June to the middle of July 2024, after making necessary preparations to deliver the proceeds from the sale to the shareholders. Considering a required period from the effective date of the Share Consolidation to completion of a series of procedures relating to the sale, the Company has determined that the sale of the number of Company Shares equivalent to the total sum of the fractional shares resulting from the Share Consolidation, and the delivery of the proceeds from the sale to the shareholders are to be conducted during each period mentioned above, respectively.

- (3) Matters concerning the amount of money expected to be delivered to shareholders after handling fractions and the adequacy of the amount

For the Share Consolidation, as described in “i) Specifying the expected provision for handling fractions, in Article 234, Paragraph 2 of the Companies Act, which will be applied mutatis mutandis pursuant to Article 235, Paragraph 1 or 2 of the same Act, and the reasons” in “(2) If fractional shares are expected to be handled, matters concerning the means of handling those fractions” above, the Company plans to deliver the equivalent money to the amount gained by multiplying the Base Number of Shares for each shareholder, by 800 yen, the same price as the Tender Offer Price, to the shareholders.

Considering the matters mentioned below, the Board of Directors of the Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer will contribute to the common interests of shareholders of the Company, and the Tender Offer provides shareholders of the Company a reasonable opportunity to sell stock.

- (a) The Tender Offer Price is within the scope between the result of a calculation based on the market stock price method (600 to 725 yen), and the result of a calculation based on the discounted cash flow method (the “DCF method”) (657 to 917 yen), among the calculation results of the Company Shares by AGS Consulting that are described in “(ii) Obtaining calculation reports on the equity value from a third-party calculation agent independent of the Company” in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest.”
- (b) The Company unveiled its three-year medium-term management plan, which started in the fiscal year ended March 31, 2023 (the “Medium-term Plan”), in “Announcement concerning formulation of the medium-term management plan (Re-Growth 2025)” (only available in Japanese) dated May 16, 2022. The Company also announced the withdrawal of numerical targets from the Medium-term Plan in “Announcement concerning withdrawal of numerical targets from the medium-term management plan (Re-Growth 2025)” (only available in Japanese) dated November 10, 2023. Meanwhile, as described in “(i) Establishment of the independent Special Committee of the Company and obtaining reports” in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” below, the Company’s business plan for the period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (the “Business Plan”) was used as a base for the equity value calculations, having been formulated by the Special Committee under independent internal review systems, and the contents are reasonable. Additionally, in view of differences from the Medium-term Plan, (i) the Medium-term Plan was formulated with quite bold and challenging targets, instead of focusing on the probability of achieving specific plans that are adequate as base to calculate the value of the Company Shares; in addition, (ii) considering changes in circumstances from the time of formulation of the Medium-term Plan to the present, the Medium-term Plan has a much lower probability of achievement. Also, in view of differences in the base time of formulation (updates of such base time), differences are acknowledged as reasonable in planned figures between the Business Plan and the Medium-term Plan. For the above reasons, the Business Plan has been determined reasonable.
- (c) The Tender Offer Price includes premiums, which are added to each price in the Standard Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) as follows: 10.34% for 725 yen, the closing price of the Company Shares on November 9, 2023, the business day before the announcement date of the Tender Offer; 18.34% for 676 yen, a simple average of closing prices during the past one month until November 9, 2023; 33.33% for 600 yen, a simple average of closing prices during the past three months until November 9, 2023; and 27.39% for 628 yen, a simple average of closing prices during the past six months until November 9, 2023, respectively. In light of averages of premium rates in 92 cases of management buyouts (MBO) closed with tender offers, and listed subsidiaries taken private by the parent companies, announced on or after June 28, 2019, the date the Ministry of Economy, Trade and Industry announced “Fair M&A Guidelines” (39.9% for the stock prices on the business day before the announcement date, 42.8% for simple averages of closing prices during the past one month until the business day before the announcement date, 45.0% for simple averages of closing prices during the past three months until the business day before the announcement date, and 45.3% for simple averages of closing prices during the past six months until the business day before the announcement date), the Tender Offer Price may not necessarily be evaluated as being at a higher level, in relation to the Company Shares’ latest market prices and simple average of closing prices during the latest one month. However, considering a markedly fluctuating range of market prices of the Company Shares on and after the tender offer for the Company Shares that Oisix commenced on August 30, 2022 (the “Tender Offer from Oisix”), and the recent fluctuations of market prices of the Company Shares, considerations of averages during longer periods are regarded as appropriate. Also, considering the Tender Offer Price still has a certain level of premium added, even compared to the latest stock prices in an upward phase without reflections of negative information of a lower probability of achieving the Medium-term Plan, it is judged that an adequate premium has been added.
- (d) Regarding the Transactions, as described in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” below, the Company takes measures to ensure fairness of the Transactions including the Tender Offer, and measures to

solve conflicts of interest. Upon determination of other terms and conditions relating to the Tender Offer Price and the Tender Offer, consideration for the interests of general shareholders of the Company is acknowledged.

- (e) Before the Tender Offer Price was determined, the Company and the Tender Offeror had several consultations and negotiations evaluated as equivalent to the consultations and negotiations in an arm's-length transaction, after taking measures to ensure fairness of the Transactions including the Tender Offer, and measures to solve conflicts of interest as mentioned above. Specifically, the Special Committee held several earnest consultations and negotiations consecutively with the Tender Offeror, taking advice on expertise, etc. from each advisor. As a result, the price was raised substantially from the price that the Tender Offeror initially proposed.
- (f) As described in "i) Establishment of the independent Special Committee of the Company and obtaining reports" in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest" below, in the Report obtained from the Special Committee, it was also determined that the terms and conditions of the Transactions including the Tender Offer Price are acknowledged as being adequate.

Additionally, after the Board of Directors of the Company stated its opinion to approve the Tender Offer and recommend accepting the Tender Offer for shareholders of the Company, until as of the resolution of the Board of Directors of the Company dated January 24, 2024, to hold the Extraordinary General Meeting of Shareholders, the Company has confirmed that there was no significant change in the terms and conditions, the basis for our decisions on the Tender Offer Price.

For the above reasons, the Company determines the amount of money expected to be delivered to shareholders after handling fractions to be adequate.

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

i) Establishment of the independent Special Committee of the Company and obtaining reports

At the meeting of the Board of Directors held on August 30, 2023, from the perspective of enhancing corporate value and ensuring the interests of our general shareholders, in order to ensure fairness across the board in the processes of negotiating and making decisions on the pros and cons of the Transactions, and adequacy of the terms and conditions, the Company resolved to establish the Special Committee comprising the Tender Offerors, Oisix and three (3) committee members independent of the Company (Mr. Makoto Kawai and Mr. Masahito Seno, External Directors of the Company; and Mr. Shoji Matsuyama, as an outside expert (a certified public accountant and certified tax accountant, a representative of MATSUYAMA CPA & CPTA) (additionally, the members of the Special Committee have not been changed since the time of establishment, and Mr. Makoto Kawai was elected as a chairperson of the Special Committee by mutual election). The Company elected each member of the Special Committee for the following reasons. Mr. Makoto Kawai has extensive experience and knowledge gained through conducting research at academic institutions, etc., as well as an understanding of the Group's businesses as a Director of the Company. Mr. Masahito Seno has rich knowledge of M&A, legal affairs, governance, etc., as well as understanding of the Group's businesses as a Director of the Company. Mr. Shoji Matsuyama has expertise as a certified public accountant and certified tax accountant, as well as rich knowledge as a director and auditor of other companies. Additionally, the election of these persons as members of the Special Committee was approved by Directors except Mr. Kinichi Shida, Representative Director of the Company; Mr. Tsutomu Shida, Director of the Company; and Mr. Kohey Takashima, Director of the Company, who are at risk of causing structural conflicts of interest with the Company or our general shareholders. Also, all Audit & Supervisory Board Members stated no objections to the above-mentioned resolution.

According to the resolution of the Board of Directors, the Company consulted the Special Committee on the following items: (a) making considerations on the pros and cons of approving the Transactions by the Board of Directors of the Company (including the pros and cons of the Tender Offer for the Company Shares implemented as part of the Transactions, and recommending that our shareholders accept the Tender Offer), and recommendations to the Board of Directors of the Company; and (b) making considerations on whether decisions of the Board of Directors on the Transactions would be disadvantageous to our minority shareholders, and giving opinions to the Board of Directors of the Company (collectively referred to as the

“Consultation Items”). Additionally, when considering the Consultation Items in (a) above, considerations and judgments shall be made i) from the perspective of contributing to corporate value enhancement, on the pros and cons of the Transactions; and ii) from the perspective of seeking the interests of our general shareholders, on the adequacy of the terms and conditions and the fairness of the procedures. Also, as announced in “Announcement concerning establishment of a special committee”(only available in Japanese) dated November 22, 2022, and “(Progress of disclosed matters) announcement concerning establishment of a special committee” (only available in Japanese) dated May 16, 2023, the Company established a special committee as a framework for fair consideration on collaboration in the Food-related Business of the Group (the “Special Committee for Food Collaboration”), in November 2022. However, the Special Committee for Food Collaboration ceased its activities in April 2023 because of lack of premises to be considered. At that time, the purpose of the Transactions was to take the Company itself private, not only the Food-related Business, and items for consideration in the Special Committee include the items for consideration in the Special Committee for Food Collaboration. Therefore, the Special Committee shall double as the Special Committee for Food Collaboration (in other words, committee members of the Special Committee for Food Collaboration shall be transformed into committee members of the Special Committee). When the Special Committee considers the Consultation Items in (a) above, if necessary, the Special Committee shall also be able to consider matters related to collaboration with Oisix or other third parties in the Food-related Business. Additionally, since matters for consideration in the Special Committee are not the same as matters for consideration in the Special Committee for Food Collaboration, the committee members of the Special Committee were elected by appointing candidates without restricting the previous committee members of the Special Committee for Food Collaboration. We considered the circumstances after the Special Committee for Food Collaboration ceased its activities, including the change in the composition of the Company’s officers according to the resolution at the Annual General Meeting of Shareholders of the Company on June 29, 2023. As a result, the three (3) persons described above were elected after being deemed suitable as committee members of the Special Committee.

The Board of Directors of the Company shall make decisions on the Transactions with the greatest respect for the judgments made by the Special Committee. If the Special Committee deems the terms and conditions of the Transactions to be inadequate, the Board of Directors of the Company has resolved not to approve the Transactions with such terms and conditions. Furthermore, the Board of Directors of the Company has resolved to provide the Special Committee with the authority related to the following matters: (i) For consideration on the Consultation Items, if necessary, the Special Committee shall elect its own advisors on financial or legal affairs at the Company’s expense, or designate or approve advisors of the Company on financial or legal affairs (including retrospective approval) (If the Special Committee confirms that no problems are found regarding the independence and expertise of the Company’s advisors, the Special Committee is able to ask for expert advice from the Company’s advisors). (ii) The Special Committee shall receive information reasonably necessary for consideration and judgment on the Transactions from officers and employees and advisors of the Company; also, the Special Committee shall question officers and employees of the Company, the people involved in the Transactions, and other persons recognized necessary by the Special Committee, about necessary matters. (iii) The Special Committee shall be substantially involved in the processes of negotiations that the Company conducts with the Tender Offeror and Oisix (including the following actions: asking the Company and advisors of the Company about the policy in advance, receiving reports on the status in a timely manner, stating its opinion in important phases, giving instructions or making requests, and conducting negotiations with the Tender Offeror and Oisix by the Special Committee itself). (iv) The Special Committee shall conduct other matters acknowledged as necessary by the Special Committee for the consideration or decision-making related to the Transactions.

Furthermore, the Board of Directors of the Company resolved that the secretariat of the Special Committee is elected from persons without a special interest in the Tender Offeror and Oisix, and the designation or change of the secretariat is subject to approval by the Special Committee; also, it has been resolved that the employees serving as the secretariat of the Special Committee are to strictly manage the confidentiality of information related to considerations on the Transactions by the Special Committee, even within the Company.

Additionally, compensation for each member of the Special Committee shall be paid on an

hourly basis, not including completion bonuses subject to announcement or completion of the Transactions.

Meetings of the Special Committee were held 13 times and for about 14 hours in total, during the period from August 30, 2023 to November 10, 2023. As described in “1. Reasons for the Share Consolidation” above, the Special Committee had considerations and consultations on the Consultation Items carefully.

Specifically, first, with respect to AGS Consulting, a financial advisor of the Company and a third-party calculation agent; and Mori Hamada & Matsumoto, a legal advisor of the Company, the Special Committee confirmed the independence of the Tender Offerors, Oisix, the Company, and the success of the Transactions, as well as track records and expertise, etc. before approving these elections. Additionally, the Special Committee also considered electing its own advisors besides the above advisors. However, since Mr. Seno, a committee member, has a deep knowledge of legal affairs, and Mr. Matsuyama, also a committee member, has a deep knowledge of finance and accounting, the Special Committee judged that it was not necessary to elect other legal and financial advisors besides the above advisors.

Besides this, the Special Committee was provided with relevant material by the Tender Offeror and the Company, and verified the material. Also, the Company provided the Special Committee with information on the background of consideration on the Transactions and other significance and purpose of the Transactions; the Company’s management policy after the Transactions; and the effects of corporate value enhancement, and the presence or lack of a negative impact on business, as a result of implementation of the Transactions. Along with this, the Special Committee requested officers and employees of the Company to attend meetings of the Special Committee, having question and answer sessions on the above-mentioned matters.

In addition, the Special Committee sent a list of questions in writing to each of the Tender Offeror and Oisix and received answers regarding the following matters: the effects of corporate value enhancement, and the presence or lack of a negative impact on business, as a result of implementation of the Transactions; the outline of financing relating to purchase funds for the Transactions; opinions about the adequacy of the terms and conditions of the Transactions; management policy and business operation, etc. after the Transactions; their policies regarding the holding and disposal of the shares of the Tender Offeror and the Company; contents of contracts to be concluded among shareholders of the Tender Offeror; and procedures and terms and conditions, etc. of the Transactions. Along with this, the Special Committee requested officers of each company to attend meetings of the Special Committee, having question and answer sessions. Then, while considering results of such question-and-answer sessions, the Special Committee received a detailed explanation from the management of the Company on the effects on corporate value enhancement expected to arise between the Company, Oisix group and others, as a result of the Transactions, and validated the contents and feasibility of the explanation, while also confirming AGS Consulting’s view on these matters.

Furthermore, the Special Committee confirmed the process of formulation and the contents of the Business Plan drawn up by the Company for the Transactions, as a business plan to be used as a basis for negotiations for the Tender Offer Price in the Tender Offer, while taking advice from AGS Consulting into account.

Besides this, the Special Committee received an explanation from AGS Consulting regarding the calculation methods of the Company’s equity value, the reasons for selecting such method, a major prerequisite for calculation by the DCF method, the calculation results of each calculation method, premium levels in recent similar cases, and other matters, confirming the rationality after a question-and-answer session, deliberation, and examination with AGS Consulting.

Additionally, after receiving the first proposal including the Tender Offer Price to be set at 699 yen per share by the Tender Offeror on October 2, 2023, as described in “1. Reasons for the Share Consolidation” above, the Special Committee carried out several negotiations for the terms and conditions of the Transactions including the Tender Offer Price with the Tender Offeror and Oisix, while receiving advice from AGS Consulting and Mori Hamada & Matsumoto; that led to extracting significant concessions from the Tender Offeror and Oisix.

Furthermore, the Special Committee received several explanations from Mori Hamada & Matsumoto, on the contents of press release drafts related to the Tender Offer, to be announced or submitted by the Company, confirming that appropriate information disclosure was to be made.

Under the above background, the Special Committee made careful considerations and consultations on the forementioned Consultation Items. As a result, on November 10, 2023, the Special Committee submitted the Report to the Board of Directors of the Company by a unanimous agreement, with the contents outlined as follows.

(a) Contents of the report

- i. Regarding the Tender Offer, the Special Committee considers that the Board of Directors of the Company shall resolve to state its opinion to approve of the Tender Offer and recommend accepting the Tender Offer for shareholders of the Company.
- ii. The Special Committee does not consider that minority shareholders of the Company suffer a disadvantage, because of resolving to state its opinion to approve of the Tender Offer and recommend accepting the Tender Offer for shareholders of the Company by the Board of Directors of the Company. Also, the Special Committee does not consider that minority shareholders of the Company will suffer a disadvantage either, if the Board of Directors resolves that the Company conducts the necessary procedures for the Tender Offeror to take the Company private (approval of a demand for share cash-out or share consolidation, according to the number of shares provided to the Tender Offer) after the Tender Offer is completed.

(b) Reasons for the report

- i. As a result of considering relevant circumstances including the following matters, the Special Committee came to the judgement that the Transactions will contribute to the enhancement of corporate value, and implementation of the Transactions itself is rational in terms of management.
 - The major purposes of the Transactions are to solve issues of latent conflicts of interest among shareholders, by taking the Company private; and to implement measures for management to deal with changes in business environment surrounding the Company to benefit from enhancement of the Company's corporate value, by promoting stronger collaboration between Oisix group and the Group to advance sharing of management resources and business know-how between both parties.
 - (i) Considering the business characteristics of the Group and Oisix group, both groups have high affinity. (ii) Considering that we have already a certain track record in work related to collaboration business with Oisix in the Food-related Business, and collaboration including mutual utilization of know-how is expected also in the social services business and the vehicle operation services business, we acknowledge the generation of synergies through the Transactions as a probable outcome. (iii) We also acknowledge the rationality of the opinion that taking the Company private is necessary through the Transactions in order to solve issues of latent conflicts of interest among shareholders arising from the similar states to listing of parent company and subsidiary pairs, and make utmost synergy work. For these reasons, benefits of the enhancement of the Group's corporate value (synergies) are reasonably realizable.
 - As a negative impact on the business of the Group, we consider that the Group will lose opportunities for fund-raising in capital markets through equity financing, and there is a possibility of lower external creditworthiness, and difficulties in recruitment. However, we regard the explanation from the management of the Company about the lower necessity to fund-raise through equity financing as rational to some extent, based on the Company's financial conditions and business model as a premise. Also, considering the brand power of the Group and Oisix, concerns about lower external creditworthiness are limited. Furthermore, disclosure by the Tender Offeror is expected to clearly state a basic policy that the Company's headquarters functions will be maintained for at least one year after the implementation of the Transactions. Also, considering the agreement that the influence of Mr. Kinichi Shida and Mr. Tsutomu Shida on the Company's management will be maintained, which is planned to be included in the Shareholder Agreement (defined below), it is expected that the Tender Offeror and Oisix will take into account the avoidance and mitigation of adverse effects on the Group's business resulting from

- excessively rapid reforms during business operation and management reforms after the Transactions.
- In terms of collaboration with Oisix, other ways such as Oisix's acquisition of subsidiaries relating to the Company's Food-related Business could be options instead of taking the Company private. However, there are some overlapped business areas among the Food-related Business, the vehicle operation services business, and the social services business, and considering the facts including the mutual collaboration on these businesses, we acknowledge the Transactions as the most realistic and rational choice among the management options currently available to the Company, from the perspective of our corporate value and the interests of the shareholders.
- ii. As a result of considering relevant circumstances including the following matters, the Special Committee came to the judgement that the adequacy of the terms and conditions of the Transactions is ensured from the perspective of seeking the interests of the minority shareholders.
- The method of the Transactions is not unreasonable.
 - In the Transactions, a two-step process is planned: firstly, a tender offer with cash consideration, and secondly, a squeeze-out procedure as a method for a demand for share cash-out or share consolidation involving cash consideration. Such methods are commonly adopted in transactions aiming for privatization like the Transactions, and there are no other particularly unreasonable aspects.
 - Furthermore, in the Transactions, although there is no capital relationship between the Tender Offeror and Oisix at the time of the implementation of the Tender Offer, the Tender Offeror, Mr. Kinichi Shida, Mr. Tsutomu Shida, and Oisix agreed that they will enter into a transaction agreement related to the Transactions as of November 10, 2023, when the Transactions would be announced, which stipulates that, after the completion of settlement of the Tender Offer, the Tender Offeror will designate Oisix as the allottee of a third-party allocation of shares with a payment date set for January 5, 2024 (the "Third-party Allocation of Shares") and issue common shares so that the percentage of voting rights held by Oisix in the Tender Offeror (rounded off to two decimal places) will be 66.0%, and thereby the Tender Offeror (and the Company after the Tender Offer is completed) will become a subsidiary of Oisix. In addition, Mr. Kinichi Shida, Mr. Tsutomu Shida, Mr. Shojiro Shida, Ms. Tomiji Shida, Ms. Miyuki Shida, Mr. Yuma Shida, Ms. Arisa Nagaki, Ms. Emiri Shida, SDI, and Oisix are planning to enter into a shareholder agreement (the "Shareholder Agreement") as of the same date, to agree on matters related to the governance of the Tender Offeror's and the Company's management structure, etc., matters related to the treatment of the Tender Offeror's shares, and the basic principles of business operation of the Group after the completion of the Transactions. In the Transactions, it is not particularly unreasonable for the Tender Offerors, Oisix, and others to reach the above agreement and use a transaction method of taking the Company private while making the Company a subsidiary of Oisix.
 - The Tender Offer Price is reasonable from the perspective of the interests of the minority shareholders.
 - The Business Plan used as a base for the calculation in the DCF method in the Calculation Report has been formulated under independent internal review systems. The Tender Offerors, Oisix, and AGS Consulting, an advisor independent from the Company, advised that the results of their validation indicate that there are no particularly unreasonable points. Furthermore, the Special Committee, led by committee member Matsuyama, who has expertise in financial accounting, also received and checked detailed information on specific planned figures and their assumptions for each business. As a result, considering the performance of the Group up to the present and the current business environment in which the Group operates, we have recognized that the plan is a reasonable basis for

determining the Company's equity value. The target period of the Business Plan spans three years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026. According to the Company's project team, our business plan is prepared to cover a period where reasonable estimates are feasible and where performance is expected to be leveled, and it is expected that the performance in and after the fiscal year ending March 31, 2027 will be roughly comparable to that in the fiscal year ending March 31, 2026. There are no particularly unreasonable points in such explanation. Furthermore, since the Business Plan falls below the performance plan outlined in the Medium-term Plan, the Special Committee has conducted a particularly cautious examination from the perspective of the interests of the Company's shareholders who have the opportunity to sell their shares through the Transactions. (i) Prior to the Tender Offer from Oisix, the Medium-term Plan was formulated under the management guidance of Unison Capital, Inc. with the aim of transitioning the Company to the Tokyo Stock Exchange Prime Market, setting quite bold and challenging goals, instead of focusing on the probability of achieving specific cash flow plans that form the basis for calculating value of the Company Shares, and (ii) considering changes in the Company's performance, business development status, and business environment surrounding the Company from the time of formulation of the Medium-term Plan to the present, the Medium-term Plan has a much lower probability of achievement. (Specifically, in the Food-related Business, the impact of soaring raw material and labor costs has been significant, resulting in actual performance figures falling below the planned values in the Medium-term Plan, and in the vehicle operation services business and the social services business, although the Medium-term Plan was achieved in the fiscal year ended March 31, 2023, this was merely a reflection of transient factors such as the recovery of social activities from the COVID-19 pandemic, and a downturn in performance is expected in and after the fiscal year ending March 31, 2025.) Also, in view of differences in the base time of formulation (updates of the base time), differences are acknowledged as reasonable in planned figures between the Business Plan and the Medium-term Plan.

- AGS Consulting employed the market stock price method and the DCF method, which are commonly used calculation methods in transactions of a similar nature to the Transactions. There are no unreasonable aspects identified in the rationale behind AGS Consulting's adoption of each calculation method. Therefore, there is no unreasonable aspect recognized in AGS Consulting's use of the aforementioned methods to determine the Company's equity value.
- The Tender Offer Price exceeds the median value of the evaluation range in the DCF method as stated in the Calculation Report.
- The premium of the Tender Offer Price may not be evaluated as entirely higher level, in relation to the Company Shares' latest market prices and simple average of closing prices during the latest one month when compared to premium levels in past similar cases. However, on and after the Tender Offer from Oisix, fluctuations in market prices of the Company Shares have been particularly significant. For instance, even in the past six months, the highest closing price of the Company Shares was 821 yen on May 16, 2023, while the lowest was 512 yen on August 18, 2023, indicating substantial variability. In such circumstances, the fact that the market price of the Company Shares is currently in an upward trend has also contributed to the lower level of the premium when compared to taking the average over the more medium to long term, such as the recent three or six months. Furthermore, according to the advice of AGS Consulting, the fluctuations in market prices of the Company Shares and their recent volatility are unique even when compared to the movements of the Nikkei Average and the market prices of other listed companies of similar scale. Considering the

information disclosed by the Company, providing a rational explanation is deemed difficult. Considering such fluctuations in market prices of the Company Shares and their current volatility, the Special Committee deems it appropriate to also consider a longer-term average when evaluating the level of premium over market price, rather than relying solely on recent market prices and the simple average of closing prices during the latest one month. Therefore, considering that the Tender Offer Price, when compared to the average market closing price during the past three or six months, represents a premium of 33.33% and 27.39%, respectively, the Special Committee believes that the Tender Offer Price is sufficiently rational. In addition, the Medium-term Plan disclosed in May 2022, as mentioned above, has seen a significant decrease in the probability of achievement. Alongside the stagnation in profitability of the Food-related Business, the forthcoming downturn in performance is becoming evident in the social services business and the vehicle operation services business, which achieved the plan in the fiscal year ended March 31, 2023. If such information is disclosed to the market, it cannot be denied that market prices of the Company Shares are likely to suffer a negative impact. In the midst of the current upward movement of market prices of the Company Shares, which exhibit high volatility as mentioned above, without reflecting the aforementioned performance outlook, considering the Tender Offer Price still shows a certain premium even when compared to the recent stock prices, the Special Committee believes that providing the Company's shareholders with the opportunity to sell the Company Shares at the Tender Offer Price and implementing the Transactions earlier can be considered rational. Based on the above, it is recognized that the Tender Offer Price includes a reasonable premium over the Company's market stock price.

- The payment amount in the Third-party Allocation of Shares is deemed reasonable from the perspective of the interests of the minority shareholders.
 - There are no particularly unreasonable aspects in the explanation by the Tender Offeror that the payment amount per common share of the Tender Offeror from Oisix in the Third-party Allocation of Shares is not substantially set at more favorable terms than the Tender Offer Price. Considering the interests of the minority shareholders of the Company, the payment amount in the Third-party Allocation of Shares is not deemed unreasonable.
 - The other conditions are also not deemed detrimental to the interests of the minority shareholders.
 - There are no grounds to recognize that, at the expense of the minority shareholders, the Tender Offerors or Oisix would unfairly benefit from the terms and conditions of the Transactions other than the Tender Offer Price and the payment amount in the Third-party Allocation of Shares. There are no circumstances that undermine the adequacy of such terms and conditions.
- iii. As a result of considering relevant circumstances including the following matters, the Special Committee came to the judgement that the procedures of the Transactions are fair from the perspective of seeking the interests of minority shareholders of the Company.
- The Company established the Special Committee, which possesses independence from both the Tender Offeror and Oisix and is composed of individuals with the qualification of not having any significant interest different from that of the minor shareholders in terms of the success of the Transactions. The Special Committee is deemed to have effectively functioned in the Transactions, as it can be evaluated that the Special Committee substantially participated in the negotiation process regarding the buying price and other transaction terms between the Company and the Tender Offeror.
 - The Company is receiving legal advice from Mori Hamada & Matsumoto, an independent legal advisor to the Company.
 - The Company has obtained the Calculation Report from AGS Consulting, an

independent financial advisor to the Company and a third-party calculation agent. Additionally, although the Company and the Special Committee have not obtained a so-called fairness opinion from an independent third-party calculation agent regarding the Transactions, considering circumstances surrounding the Transactions, such as the aforementioned facts that the Tender Offer Price exceeds the median value of the range based on the calculation results using the DCF method and that other sufficient fairness protection measures have been taken, it is believed that the fairness of the procedures is not compromised by not obtaining a fairness opinion.

- The Company has established an internal structure where only officers and employees recognized for their independence from the Tender Offerors and Oisix are involved in the consideration, negotiation, and decision-making process on the Transactions within the Company. This structure has been approved by the Special Committee.
- From the perspective of avoiding potential conflicts of interest with the Company, Mr. Kinichi Shida, Mr. Tsutomu Shida, and Mr. Kohey Takashima have been excluded from the Company's Board of Directors' deliberations, resolutions, and consideration and negotiation processes related to the Transactions, as well as from the consideration, negotiation, and decision-making structure related to the Transactions within the Company.
- In the Transactions, an environment has been ensured where other potential acquirers can make counterproposals, regardless of whether they are made before or after the announcement. (Specifically, (i) by setting the Tender Offer Period to a longer period of 30 business days, which is longer than the minimum period of 20 business days prescribed by law, shareholders of the Company are provided with adequate opportunities to make informed decisions regarding their acceptance of the Tender Offer, and opportunities for proposers of competitive acquisitions to competitively acquire the Company Shares are not restricted, and (ii) since it became public information that the Company has been considering various options for collaboration in the Food-related Business with third parties, including Oisix, following the Tender Offer from Oisix, it is recognized that an environment where other potential acquirers could propose alternatives to the Transactions existed even before the announcement of the Transactions.) In addition, considering the proportion of voting rights held by the Tender Offerors and Oisix in the Company, the potential effectiveness of a market check as a fairness protection measure is considered limited in the Transactions. Therefore, it is believed that the fairness of the procedures in the Tender Offer is not compromised by the lack of an active market check in the Transactions.
- It is desirable to promptly and reliably implement various measures aimed at enhancing the Company's corporate value through the Transactions, and the terms and conditions of the Transactions, including the Tender Offer Price, are deemed adequate. While such terms and conditions provide an opportunity for the minority shareholders to receive compensation with the aforementioned premium, setting a majority-of-minority condition could render the completion of the Tender Offer unstable, potentially limiting the opportunity for the Company's minority shareholders to benefit from the Transactions unfairly. Moreover, comprehensively considering other sufficient fairness protection measures in place in the Transactions, it is believed that the absence of a majority-of-minority condition in the Tender Offer does not compromise the fairness of the procedures in the Tender Offer.
- In relation to the Transactions, the Special Committee also strives to make comprehensive disclosure after gathering information from the Tender Offerors and Oisix, and it is planned to ensure opportunities for the minority shareholders to make appropriate decisions based on sufficient information.
- In the Transactions, it is assumed that the Tender Offeror will acquire all of the Company Shares. Along with such assumption, methods that do not secure the right of shareholders of the Company to request purchase of shares will not be adopted. When a demand for share cash-out or share consolidation is made, the money to be paid to the Company's shareholders as consideration will be

calculated to be equal to the Tender Offer Price multiplied by the number of shares each such shareholder owns. It is planned to announce the above matters to ensure that there will be no coercive problems arising from the Transactions.

- No facts suggesting that the Company has been unduly influenced by the Tender Offerors and Oisix in the discussion, consideration, and negotiation process related to the Transactions have been identified.
- iv. Taking into consideration the points mentioned in (i) through (iii) above, the Special Committee recommends the Company's Board of Directors to make a decision to state its opinion to approve the Tender Offer and to encourage the Company's shareholders to accept the Tender Offer. Additionally, the Special Committee considers that the decision-making regarding the implementation of the Transactions by the Company (including its Board of Directors) is not detrimental to the interests of the Company's minority shareholders.

ii) Obtaining calculation reports on the equity value from a third-party calculation agent independent of the Company

The Company, to ensure the fairness of the decision-making processes by the Board of Directors of the Company concerning the Transactions, including the Tender Offer, commissioned AGS Consulting, a third-party calculation agent independent from the Tender Offerors, Oisix, and the Company, to calculate the equity value of the Company Shares. We obtained the Calculation Report on November 9, 2023.

AGS Consulting does not correspond to a related party of the Tender Offerors, Oisix, or the Company, and does not have any significant interest that should be described regarding the Transactions. Additionally, the Special Committee has confirmed that there are no problems with the independence and expertise of AGS Consulting. Compensation for AGS Consulting related to the Transactions includes completion bonuses subject to the completion of the Transactions. Considering the general industry practices in similar transactions as well as the pros and cons of a compensation structure where financial burden arises on the Company in the event of non-completion of the Transactions, the Company concludes that the inclusion of completion bonuses contingent upon the completion of the Tender Offer does not negate the independence of AGS Consulting. Therefore, AGS Consulting has been appointed as the Company's financial advisor and third-party calculation agent under the aforementioned compensation structure.

AGS Consulting considered various calculation methods to determine methods to be used for determining the equity value of the Company Shares and concluded that it would be appropriate to evaluate such equity value from multiple perspectives, given the premise that the Company is a going concern. Based on this consideration, AGS Consulting employed the market stock price method, as the Company Shares are listed on the Tokyo Stock Exchange Standard Market and their market prices exist, and the DCF method to reflect the Company's future business activities in the evaluation. Since both the Tender Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest as described in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest," the Company has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from AGS Consulting.

Market stock price method : From 600 yen to 725 yen
DCF method : From 657 yen to 917 yen

Under the market stock price method, we have calculated the range of the equity value per share of the Company to be from 600 yen to 725 yen, using November 9, 2023, the preceding business day to the announcement date of the Tender Offer, as the reference date, and based on the closing price of the Company Shares on the Tokyo Stock Exchange Standard Market on the reference date as 725 yen, the simple average of the closing prices for the past one month up to the same date as 676 yen (rounded to the nearest yen, and the same shall apply in simple average calculation), the simple average of the closing prices for the past three months up to the same date as 600 yen, and for the past six months up to the same date as 628 yen.

Under the DCF method, we calculated the corporate value and equity value of the Company by discounting the free cash flows expected to be generated by the Company from the second quarter of the fiscal year ending March 31, 2024 onwards, using a certain discount rate, on the

premise of various elements such as revenue, investment plans in the Business Plan prepared by the Company, and publicly available information. We have determined the range of equity value per share of the Company to be from 657 yen to 917 yen through this calculation. The discount rate is set as the Weighted Average Cost of Capital (WACC), ranging from 7.66% to 9.66%. For the calculation of going concern value, we adopted the perpetuity growth rate method and analyzed the perpetuity growth rate within the range of -0.5% to +0.5%.

The financial forecast based on the Business Plan of the Company, which AGS Consulting used as a basis for the DCF method calculation, is as follows: The Business Plan does not include any fiscal year with significant increases or decreases in profit. (Regarding the free cash flow, significant fluctuations are expected from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2025. Specifically, it is expected that there will be a significant increase in free cash flow from the previous period in the fiscal year ending March 31, 2025. This is because the forecasted change in operating capital for the fiscal year ending March 31, 2024 (nine months) is calculated based on the comparison of the actual operating capital balance as of June 30, 2023 and the planned operating capital balance as of March 31, 2024, which are different month-end balances. This results in a significant increase in operating capital and a decrease in free cash flow. On the other hand, the forecasted change in operating capital for the fiscal year ending March 31, 2025 is based on a comparison of the operating capital balances at the same month-end, namely March 31, 2024 and March 31, 2025. This avoids abnormal fluctuations.) Furthermore, such financial forecast does not take into account any synergies expected to be realized through the implementation of the Transactions, as it is currently difficult to estimate them concretely at this time.

	(Millions of yen)		
	FY ending March 31, 2024 (nine months)	FY ending March 31, 2025	FY ending March 31, 2026
Net sales	96,579	133,587	141,098
Operating profit	3,191	4,721	5,469
EBITDA	3,764	5,522	6,353
Free cash flow	849	4,319	4,908

In calculating the equity value of the Company, AGS Consulting used information provided by the Company and publicly available information on an as-is basis in principle, on the assumptions that all the materials and information is accurate and complete, and did not independently verify their accuracy and completeness. Furthermore, AGS Consulting did not independently evaluate or assess the Company's assets and liabilities (including off-balance-sheet assets and liabilities and other contingent obligations), and did not request any appraisal or assessment from a third-party agency. In addition, the information concerning the Company's financial forecasts is assumed that it has been reasonably prepared based on the best forecasts and judgement available to our management at the current time. However, AGS Consulting conducted multiple rounds of inquiries and responses with the Company regarding the Business Plan of the Company on which the calculation is based. It ensured the reasonableness of the Business Plan from the perspective of ensuring that there are no unreasonable aspects, by examining its preparation process and contents, as well as the Company's current situation.

While figures relating to the financial forecasts in the Business Plan fall below the numerical targets in the three-year Medium-term Plan with setting the first year on the fiscal year ended March 31, 2023 announced on May 16, 2022, this aspect has been deliberated multiple times by the Special Committee. As described in "i) Establishment of the independent Special Committee of the Company and obtaining reports" in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest," the Business Plan was used as base information for the equity value calculations, having been formulated by the Special Committee under the independent internal review systems, and the contents, including the three-year duration, are rational. Additionally, in view of differences from the Medium-term Plan, (i) the Medium-term Plan was formulated as quite bold and challenging goals, instead of focusing on the probability of achieving specific plans that is adequate as base information for calculating

value of the Company Shares; in addition, (ii) considering changes in circumstances from the time of formulation of the Medium-term Plan to the present, the Medium-term Plan has a much lower probability of achievement. Also, in view of differences in the base time of formulation (updates of the base time), differences are acknowledged as reasonable in planned figures between the Business Plan and the Medium-term Plan. For the above reasons, the Business Plan is evaluated as rational.

iii) Obtaining advice from a legal firm independent of the Company

The Company has been seeking caution in making decisions regarding the Transactions, including the Tender Offer, and has been taking necessary legal advice from Mori Hamada & Matsumoto, which was appointed as a legal advisor independent from the Tender Offerors, Oisix, and the Company, on manners, processes and other important matters of decision-making of the Company's Board of Directors including procedures for the Transactions since mid-August 2023 to ensure the fairness and appropriateness of decision-making by the Board of Directors of the Company.

Mori Hamada & Matsumoto does not correspond to a related party of the Tender Offerors, Oisix, or the Company, and does not have any significant interest that should be described regarding the Transactions.

Additionally, the Special Committee has confirmed that there are no problems with the independence and expertise of Mori Hamada & Matsumoto. Compensation for Mori Hamada & Matsumoto is paid on an hourly basis regardless of the completion of the Transactions, not including completion bonuses subject to announcement or completion of the Transactions.

iv) Establishment of independent review systems within the Company

As described in "1. Reasons for the Share Consolidation" above, in the middle of August 2023, the Company began to build systems for consideration, negotiation, and decision on the Transactions from the perspective of enhancing our corporate value and securing the common interests of the Company's shareholders, standing independent of the Tender Offerors and Oisix, as well as taking legal advice from Mori Hamada & Matsumoto on processes, manners and other important matters of decision-making on the Transactions.

Specifically, the Company has established the systems, receiving instructions from the Special Committee, so that the Company's officers and employees who concurrently hold positions in or previously held positions in the Tender Offerors or Oisix do not participate in the consideration, negotiation, and decision on the Transactions within the Company, including responding to due diligence by the Tender Offerors and Oisix on the Company, reviewing and drafting the Business Plan, and considering the Company's management policy after the Transactions. In particular, we are proceeding with the formulation of the Business Plan, which forms the basis for the calculation of equity value of the Company Shares, while receiving advice from AGS Consulting, our financial advisor, and ensuring the fairness of the formulation process, including the independence of the officers and employees involved in its preparation, through verification by the Special Committee.

Furthermore, Mr. Kinichi Shida, Mr. Tsutomu Shida, and Mr. Kohey Takashima are excluded from such systems for the reason described in "(v) Approval from all Directors who do not have a stake in the Company and opinion of no objection from all Audit & Supervisory Board Members" below. Such treatment continued until the resolution on the convening of the Extraordinary General Meeting of Shareholders on January 24, 2024, as decided by the Board of Directors of the Company, and there is no fact that any of the three of Mr. Kinichi Shida, Mr. Tsutomu Shida, and Mr. Kohey Takashima has given instructions to the systems regarding the consideration, negotiation, and decision on the Transactions.

In establishing the review systems for the Transactions within the Company, including such treatment (which encompass the scope of the Company's officers and employees who are involved in the consideration, negotiation, and decision on the Transactions and their duties), we have relied on advice from Mori Hamada & Matsumoto, and have obtained approval from the Special Committee for the absence of any problems in terms of independence and fairness.

v) Approval from all Directors who do not have an interest in the Company and opinion of no objection from all Audit & Supervisory Board Members

In the Board of Directors meeting held on November 10, 2023, the two Directors who do not have an interest, excluding Mr. Kinichi Shida, Mr. Tsutomu Shida, and Mr. Kohey Takashima,

among the Company's five Directors participated in the deliberation and resolution. Based on the consensus of all Directors who participated in the resolution, the Board of Directors resolved to state its opinion to approve the Tender Offer and to encourage the Company's shareholders to accept the Tender Offer on the grounds described in "1. Reasons for the Share Consolidation" above.

Among the Company's Directors, Mr. Kinichi Shida concurrently serves as a Director of the Tender Offeror, Mr. Tsutomu Shida concurrently serves as the Representative Director of the Tender Offeror, and Mr. Kohey Takashima concurrently serves as the Representative Director of Oisix, which has entered into a tender offer acceptance agreement with the Tender Offeror as of November 10, 2023 and is planning reinvestment in the Tender Offeror. From the perspective of avoiding potential conflicts of interest, they did not participate in the deliberation and resolution in such Board of Directors meeting, nor did they engage in discussions or negotiations with the Tender Offeror on behalf of the Company.

Furthermore, there is a possibility that the three of Mr. Kinichi Shida, Mr. Tsutomu Shida, and Mr. Kohey Takashima, who did not participate in the deliberation and resolution in the aforementioned Board of Directors meeting, do not have a special interest as defined by the Companies Act regarding the proposal mentioned above. In this case, a quorum of the Board of Directors meeting may not have been reached for such proposal. Therefore, in order to ensure a valid resolution meeting the quorum requirements under the Companies Act, the two Directors other than the above three and Mr. Kinichi Shida, who does not hold representative authority for the Tender Offeror or Oisix, deliberated and conducted a new vote on such proposal, resulting in a unanimous resolution.

All of the Company's Audit & Supervisory Board Members stated their opinion of no objection against the above-mentioned resolution during the aforementioned Board of Directors meeting.

As described in "1. Reasons for the Share Consolidation" above, the Tender Offer was completed, but the Tender Offeror could not acquire all of the Company Shares (the Company Shares that the Tender Offeror owned, and treasury shares that the Company owned were excluded) on the Tender Offer and could not hold 90% or more of the voting rights of all shareholders of the Company. Therefore, at the request of the Tender Offeror, the Company resolved, at the Board of Directors meeting held on January 24, 2024, to submit a proposal on the Share Consolidation to the Extraordinary General Meeting of Shareholders in order to implement the Share Consolidation and make the Tender Offeror the exclusive shareholder of the Company, subject to approval by the shareholders at the Extraordinary General Meeting of Shareholders. In order to avoid potential conflicts of interest, such resolution of the Board of Directors also underwent a two-step process similar to the Board of Directors meeting held on November 10, 2023. Additionally, both of the two Audit & Supervisory Board Members present, among the three Audit & Supervisory Board Members of the Company, stated their opinion of no objection against the above-mentioned resolution during such Board of Directors meeting. (Among the Audit & Supervisory Board Members of the Company, Ms. Mari Takahashi, one of them, was absent. However, prior to such Board of Directors meeting, she received an explanation of the above-mentioned resolution and stated her opinion of no objection.)

- vi) Securing objective conditions to ensure the fairness of the Tender Offer, including the appropriateness of the Tender Offer Price

The Tender Offeror has set the Tender Offer Period at 30 business days, despite the statutory minimum period being 20 business days.

By setting the Tender Offer Period for a longer duration than the statutory minimum, the Tender Offeror provides shareholders of the Company with adequate opportunities to make informed decisions regarding their acceptance of the Tender Offer and also provides proposers of competitive acquisitions of the Company Shares with opportunities to competitively acquire the Company Shares, thereby ensuring the fairness of the Tender Offer.

Furthermore, the Tender Offeror and the Company have not entered into any agreement containing transaction protection provisions that prohibit the Company from engaging with proposers of competitive acquisitions of the Company Shares. Similarly, there is no agreement in place that restricts such proposers of competitive acquisitions of the Company Shares from contacting the Company. In conjunction with the above setting of the Tender Offer Period, this ensures opportunities for competitive acquisitions, thereby demonstrating consideration for

ensuring the fairness of the Tender Offer.

4. Significant asset disposal, substantial debt assumption, or other events having a significant impact on the corporate financial position occurring to the Company after the last day of the most recent fiscal year

(1) The Tender Offer

As described in “1. Reasons for the Share Consolidation” above, the Tender Offeror conducted the Tender Offer from November 13, 2023 to December 25, 2023. As a result, the Tender Offeror came to own 44,617,157 shares (ownership percentage: 81.43%) of the Company Shares, as of January 5, 2024, the commencement date of settlement for the Tender Offer.

(2) Non-payment of year-end dividends

As announced in “Notice regarding revision of the year-end dividend forecast for the fiscal year ending March 31, 2024 (no dividend)” (only available in Japanese) dated November 10, 2023, the Company resolved, at the Board of Directors meeting held on the same day, to forgo year-end dividends for the fiscal year ending March 31, 2024. For more details, please refer to the contents of such announcement.

(3) Cancellation of treasury shares

The Company resolved, at the Board of Directors meeting dated January 24, 2024, to cancel 931,372 treasury shares (corresponding to all of the treasury shares owned as of January 11, 2024) effective March 19, 2024. Such cancellation of the treasury shares is subject to the approval of the proposal regarding the Share Consolidation at the Extraordinary General Meeting of Shareholders, as originally proposed. Upon the cancellation of 931,372 treasury shares, the total number of issued shares of the Company will be 54,790,749 shares.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) If Proposal 1 is approved and passed as originally proposed, and the Share Consolidation takes effect, the total number of shares authorized to be issued by the Company will decrease to 20 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, the Company proposes to amend the provisions of Article 6 (Total number of shares authorized to be issued by the Company) of the Articles of Incorporation regarding the total number of shares authorized to be issued by the Company, subject to the Share Consolidation taking effect.
- (2) If Proposal 1 is approved and passed as originally proposed, and the Share Consolidation takes effect, the Company's total number of issued shares will be five (5) shares, and it will become unnecessary to stipulate the number of shares constituting one unit of shares. Accordingly, Article 7 (Number of shares constituting one unit) and Article 8 (Rights to shares constituting less than one unit) of the Articles of Incorporation will be entirely deleted in order to abolish the provisions regarding the number of shares constituting one unit of shares, which is currently 100 shares per unit, subject to the Share Consolidation taking effect, and the number of subsequent Articles shall be moved up in accordance with such amendment.
- (3) If Proposal 1 is approved and passed as originally proposed, as a result of the Share Consolidation being conducted, the Company Shares will be delisted and the Tender Offeror will be the exclusive shareholder of the Company, and the provision relating to the system for electronic provision of materials for general meetings of shareholders will become unnecessary. Accordingly, subject to the Share Consolidation taking effect, Article 15 (Measures for electronic provision, etc.) will be entirely deleted, and the number of subsequent Articles shall be moved up in accordance with such amendment.

2. Description of the amendment

Description of the amendment is as follows. The amendment to the Articles of Incorporation relating to this Proposal will become effective on March 21, 2024, which is the effective date of the Share Consolidation, on the condition that Proposal 1 is approved and passed as originally proposed at the Extraordinary General Meeting of Shareholders and the Share Consolidation takes effect.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
(Total number of shares authorized to be issued by the Company) Article 6. The total number of shares which the Company is authorized to issue shall be <u>140,000,250</u> shares.	(Total number of shares authorized to be issued by the Company) Article 6. The total number of shares which the Company is authorized to issue shall be <u>20</u> shares.
<u>(Number of shares constituting one unit)</u> Article 7. The number of shares constituting one unit of shares of the Company shall be <u>100</u> shares.	<Deleted>

Current Articles of Incorporation	Proposed amendment
<p><u>(Rights to shares constituting less than one unit)</u> <u>Article 8. Shareholders of the Company who hold shares less than one unit may not exercise any rights other than the rights listed below with respect to their shares less than one unit:</u> (1) <u>The rights set forth in each of the items of Article 189, Paragraph 2 of the Companies Act;</u> (2) <u>The right to make a request pursuant to Article 166, Paragraph 1 of the Companies Act; and</u> (3) <u>The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by such shareholder</u></p>	<p><Deleted></p>
<p>Article <u>9</u> to Article <u>14</u> (Omitted)</p>	<p>Article <u>7</u> to Article <u>12</u> (No change)</p>
<p><u>(Measures for electronic provision, etc.)</u> <u>Article 15. In the convocation of general meetings of shareholders, the Company shall provide information that is the content of Reference Documents for the General Meeting of Shareholders, etc. electronically.</u> <u>2. Of the matters to be provided electronically, the Company may choose not to include all or part of matters stipulated in the Ordinance of Ministry of Justice in the physical documents to be sent to shareholders who have requested them by the record date for voting rights.</u></p>	<p><Deleted></p>
<p>Article <u>16</u> to Article <u>45</u> (Omitted)</p>	<p>Article <u>13</u> to Article <u>42</u> (No change)</p>

End